INSIGHT Pharmaceuticals, LLC

M&A Call

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Call Participants

EXECUTIVES

Dean Siegal
Director of Investor Relations & Communications

Matthew M. Mannelly
Chief Executive Officer, President and Director

Ronald M. Lombardi
Chief Financial Officer and Principal Accounting Officer

ANALYSTS

Frank A. Camma
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Joseph Altobello
Oppenheimer & Co. Inc., Research Division

Linda Bolton-Weiser
B. Riley Caris, Research Division

Presentation

Operator

Good day, ladies and gentlemen, and welcome to the Prestige Brands Holdings Inc. Corporate Conference Call. My name is Mark, and I'll be your operator for today. [Operator Instructions] As a reminder, this conference is being recorded for replay purposes. I would now like to turn the conference over to Dean Siegal, Director of Investor Relations. Please proceed, sir.

Dean Siegal
Director of Investor Relations & Communications

Good morning, and welcome to our conference call to review our 2 pending acquisitions.

As a reminder, there's a slide presentation, which accompanies this call. It can be accessed by visiting prestigebrands.com, clicking on the Investor link, then on Webcasts & Presentations.

I am required to remind you that during this call, management may make forward-looking statements regarding their beliefs and expectations as to the company's future business prospects and results. All forward-looking statements involve risks and uncertainties, which, in many cases, are beyond the control of the company and may cause actual results to differ materially from management's expectations. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this conference call. A complete Safe Harbor disclosure appears on Page 2 of the presentation accompanying this call.

Additional information concerning the factors that might cause actual results to differ from management's expectations is contained in the company's annual and quarterly reports, which it files with the U.S. Securities and Exchange Commission.

Now I would like to introduce Matt Mannelly, CEO; and Ron Lombardi, CFO.

Matthew M. Mannelly
Chief Executive Officer, President and Director

Thank you, Dean. Good morning, everyone, and I'd like to thank everyone. We appreciate you joining us on such short notice. As Dean said, we have a presentation. I'd ask you to go to Slide 3 in the presentation. This is a very exciting day for Prestige. We just finished our employee meeting that we had at 9:00, and we have a lot of people in the home office and in the field that are quite excited about this acquisition.

I'm going to do a little bit of the summary and then a brief overview of both Insight and Hydralyte. Ron will then take you through some of the financial highlights, and I'll close it out in terms of kind of what this means for us at the end in terms of the road ahead.

So if you turn to Page 4, I think some of the highlights, and I'm not going to read everything, but the acquisition of Insight today, the announcement that we're acquiring it for $750 million. However, the tax attributes that go with that are approximately $100 million, so the effective purchase price of this is $650 million, which results in about an 8x multiple, which is consistent with what we've said in the past and what we've done in terms of other acquisitions.

If you look at this acquisition, and as well as the acquisition we announced on April 15 in terms of Hydralyte, you can see that we've added quite a bit to the Prestige portfolio with these 2 recent acquisitions. I think the reason we're really excited about Insight, in particular for us, is we talk often about building brands and building platforms, all right? So this is a very compelling platform in terms of the Feminine Care Category within the OTC industry. So for that reason, we're very excited.

The second reason we're very excited, again, we always talk about brand building. This is going to be -- this is really -- once we make -- close the acquisition, it's going to be a historic day for Prestige. It's going to be our first $100 million brand of the company. And it's a $100 million brand that is clearly the market leader in its category. So for those reasons, we're particularly excited about the Insight acquisition.

The model of Insight, very similar to Blacksmith when we purchased that, very similar to Care, is very consistent with ours and will allow for a seamless integration, meaning they outsource all of the manufacturing, distribution, et cetera.

In terms of Hydralyte, which we haven't talked about publicly yet, but we're also excited about that in terms of what it does for us in the Australasia region. And it allows us to, again, purchase a leading brand, all right, in Oral Rehydration and it doubles our business there, all right? And in Australian dollars, we are now a $50 million business and puts us on our path, our stated path of being -- Australasia being a $100 million business for us over time.

I think the other perspective on that, that's interesting is 2 years ago, our Australia business was $5 million in Australian dollars. And today, it's approximately $50 million. So we're very excited about that.

From a financial standpoint, which Ron will talk about a little bit more later, when these transactions close, we expect them to be accretive to EPS and free cash flow, which is important, excluding the transaction, integration and purchase accounting items, which, again, Ron will talk about. Ron will also talk about how we'll fund this, primarily an add-on to our existing term loan. And we expect to close on both of these acquisitions within the first half of this fiscal year, which we just started, subject to regulatory approvals.

So with that, I'd ask you turn to Page 5. And again, just briefly, if you step back and look at how acquisitions really continue to transform the company, you can see both platforms and geographies, what we've done in the last couple of years, and how much it's added in terms of -- to the company's revenue and profitability. And these 6 acquisitions that have now been completed or once they will be completed in the last 5 years will more than have tripled our OTC business.

Slide 6 talks a little bit about Insight. As I said, again, we're very excited about it. You can see it brings approximately $175 million in revenue, of which, $95 million of that is the United States. And you can see the portfolio is made up primarily of Feminine Care, and then there's some other brands that fit in very nicely with our other brands in the portfolio, which we're very excited about. And as I said, the operating model is consistent in that they outsource their manufacturing and sales and distribution functions, and we'll be able to integrate those in quite nicely.

Slide 7 talks about the brands themselves. And the first one, Monistat, is really, as I said, our first $100 million brand. It's clearly #1 in the category and it has a 40-year brand heritage and is #1 recommended by doctors and really sets the gold standard for efficacy in the yeast infection category.

Some of the other brands include EPT, which also has a 40-year heritage, and it's the #1 pharmacist recommended. So we believe the other brands in the portfolio are highly complementary to Monistat and allow us, when I talk about the Feminine Care Category platform, to build organic growth in that category, as well as, we believe there are opportunities from an M&A standpoint down the road as well.

So if you turn to Page 8, as I said, adds an attractive new scale platform for us in OTC, #1 brand with a 53% market share. I've talked a little bit about how attractive it is from a financial standpoint. It's accretive both in terms of gross margin percent, as well as EBITDA percent. As I said, it's very well aligned with our operating model and, very similar to Blacksmith, will be very easy for us to integrate in.

Limited overhead, it allows us -- and we've said this in the past with our acquisitions, it brings synergies at the G&A level, which allows us to reinvest at the marketing level and to build the brands, which we're excited about. And I think it's important that we've talked about quite a bit in the last year or so in terms of free cash flow and that it's highly cash generative and will be meaningfully accretive to earnings in year 1 and over time.

So again, we believe there is a clear path for us in terms of creating value with this acquisition, both in terms of the existing brands, increasing the support for those brands significantly, which we will, all right, as well as developing new products, which they have a pipeline of products in place right now that we will build upon in order to build the brand equity as well. And then, finally as I said, the clear path will include us reviewing additional acquisition opportunities in the Feminine Care space.

Slide 9. To talk very briefly about Hydralyte, it was launched in 2001. It's the market leader in Oral Rehydration and has an 82% market share. What's interesting to note about that was it has an 82% share. It came in and stole the share from the previous leader and quickly built into an 82% share, so it's a terrific product. And the product is for dehydration in newborns, infants, children, adults, as well as the elderly. And it's offered in a number of different forms for those people, and it's one of the reasons why it's been so successful. And net sales, from an Australian dollar standpoint, are nearly $25 million.

Slide 10. In terms of Hydralyte, again, some of the benefits of Hydralyte is it helps us with the beachhead that we've already established in Australia. It gives us an iconic brand really there with the #1 position in the Oral Rehydration category, and we believe there are opportunities from a new product standpoint there as well, which we can build on. From a financial standpoint, the gross margins, again, allow us to reinvest in the business. I think the other thing we're excited about is not just the synergies from a

G&A. But in terms of go-to-market, we'll be going from a broker sales force to our own sales force there, which we established with Care Pharma, which we think will lead to additional growth as well. And as I said previously, it doubles our scale in Australia and is also accretive.

On Page 11, you can see, again, without going through it in terms of how we were back in 2011 and how we are today, we're a very different international company. And the bottom line is we've nearly tripled our business internationally now, and we've gone from approximately $35 million to $110 million in the last 3 years. So we're very excited about that.

Slide 12 is a slide that we've used in the past as well, and this is where I talk about platforms. And you can see on the far left and the far right, adding the Feminine Care platform and adding that platform in Australasia is, we think, meaningful for us and we think there is significant upside for the individual platforms, as well as what it means for our overall portfolio of brands.

So with that, I'm going to turn it over to Ron, who is going to take you through some of the key financials.

Ronald M. Lombardi
Chief Financial Officer and Principal Accounting Officer

Thanks, Matt. Good morning, everyone. So we'll start on Slide 13. In addition to the transactions being very attractive from a brand-building perspective as Matt just described, they also meaningfully add to Prestige's financial profile as you see with the numbers on Slide 13. Completion of the transaction will result in a significant increase in sales of over 30%, bringing revenue to approximately $800 million. We see adjusted EBITDA climbing by approximately 50% to $300 million and 3-point increases in our gross margin and EBITDA percents. The increase in gross margin percent to 60% continues to give us room to increase our investment in A&P, new product development and brand-building initiatives. Overall, the increase in scale is another step towards our stated goal of becoming a $1 billion OTC company.

Turning to Slide 14. We see the impact on cash flow. Prestige started with -- or starts with already significant cash flow, which will be further expanded as a result of the acquisitions. Cash flow would increase from the fiscal '14 expected level of approximately $125 million to approximately $175 million, an increase of over 40%, which is well above the expected revenue growth of approximately 30%.

This cash flow continues to be driven by 3 consistent factors. It starts with industry-leading EBITDA margins that now approach 37% for the business. We continue to expect to have low capital spending requirements driven by our operating model. And we expect, again, to continue to have significant cash tax savings.

If we turn to Slide 15, we have some detail on those deferred cash tax savings. Prestige's cash tax savings is largely driven by the amortization of intangibles that we have on our tax returns that is not in our GAAP financials. This deduction will save us approximately $45 million in cash taxes each year, resulting in a cash tax rate of approximately 15% in the initial years compared to our GAAP rate of approximately 37%.

These savings are detailed on Slide 15 and have remaining lives of approximately 5 to 15 years and include $25 million of cash savings related to NOLs that will be utilized in the first 5 years after the acquisitions.

Turning to Slide 16. We have details on our financing debt and leverage levels. The transaction will largely be funded with borrowings from our revolver and an add-on to our existing term loan. This structure is available to us due to the bond offering that we put in place back in December to take advantage of favorable rates and lock in our long-term capital structure. We anticipate that pro forma net debt will be approximately $1.7 billion at the time of the Insight closing. With our increase of 50% in pro forma EBITDA to $300 million and expected cash flow increasing by over 40% to approximately $175 million, we are very comfortable with the expected leverage level of 5.8x.

The Insight business model is nearly an exact match to Prestige. Along with this, the scale that we have built in our infrastructure since the GSK acquisition will allow for a rapid and low level of risk for the integration.

Overall, our financial profile and consistent free cash flow will easily support this debt level, as well as allow us to continually -- continue to rapidly delever.

With that, on Page 17, we have some both historical and some projected information around delevering. Prestige has a long history of levering up to fund M&A transactions and then quickly, rapidly delevering.

Our financial profile and cash flow allows us to operate comfortably at leverage levels that most other companies can't. We expect pro forma leverage to be approximately 5.8x at the time of the Insight closing and forecast to be back to pre-transaction levels in 2 years. It's also important to note that our expected interest coverage is one full point higher than it was at the time of the GSK acquisition, with interest coverage increasing from 2.5x to approximately 3.5x.

Finally, before I hand the presentation back over to Matt, Slide 18 has an overview of our integration model. We have a proven integration model that works. In addition, we've been investing in expanding our infrastructure since the GSK and Care acquisitions in order to support acquisitions like these.

These investments include new warehousing locations in the U.S. and Canada, a new IT system, as well as a new headquarters office; and added headcount in new product development, brand management and in another areas. The integration of these acquisitions is expected to be largely complete within 6 months of closing and will incorporate integrating the acquired businesses into our existing sales and distribution networks, as well as our supply chain, regulatory and backroom infrastructure.

So with that, let me turn the discussion back over to Matt.

Matthew M. Mannelly
Chief Executive Officer, President and Director

Thanks, Ron. Just a couple of comments on a few pages, and we'll open it up for a few questions.

Slide 19. Again, if you think about Prestige today and you think about everything that's going on in the OTC world, this is a major acquisition for us, very transformational just as GSK was, and really positions us quite well moving forward in a very attractive OTC market. Because it adds to our portfolio of trusted brands and as I said, we now have really another -- the leading iconic brand in our portfolio on the first $100 million brand in our portfolio and puts us into a whole new platform in terms of Feminine Care.

I think the other to highlight is we have a proven track record now over the last 5 years of building brands, of delivering on free cash flow and consistent and repeatable M&A that's both aggressive and very disciplined. And I think this is all made possible -- we just said it at our employee meeting at 9:00, it's made possible by the 160 people that work at Prestige today that do such a great job of integrating these brands into the portfolio and utilizing creativity in how to build those brands as well.

So you can see at the bottom, and I'll talk a little bit more about it later where we've come from in terms of 2010; and if you pro forma these numbers, what it would mean for today.

Slide 20 shows the platforms that I've talked about in the past. I think it's interesting, if you look at the bottom, you can see how those platforms break out, that we basically have 5 platforms that are all approximately $100 million-plus platforms for us. That's important from a consumer standpoint. It's also very important from a customer or a retail standpoint because it gives us really more clout with our retailers and allows us to participate in more of their programs and work more closely with them on building those franchises.

Slide 21 just steps back and shows our track record over the last 5 years. The far-right column is consensus of what's out there today, all right? So this is -- I'm not saying these are the actual numbers. This is the consensus of what's out there. But if you look at it from a net sales standpoint, we've grown at a CAGR of about 20%, our EBITDA has grown at a CAGR of about 23%, and our EPS has grown at a CAGR of about 22%, which we're very proud of all those numbers.

If you turn to Slide 22, I think, as I said, this expands our scale in the consumer health care market. I think, I'd go back to what Ron said, there's 2 things. These acquisitions solidify our leading position and are also -- is also -- the acquisition of Insight is a meaningful step in our stated goal of being a $1 billion OTC company. And I go back to 3 or 4 years ago when we said that we were $290 million. And today, now, with this -- when these close, we'll be $800 million. We also said a year ago, that with the acquisition of Care, we wanted a $100 million Australasia business. Well, again, within 10 months, we've done another major acquisition, and we've made a major step towards that goal as well.

So we're quite pleased with what both of these mean in terms of our long-term goals. And we're also highly confident that these acquisitions are right in the sweet spot of our core competency of acquiring and integrating these businesses and then growing them through improved marketing support, as well as new products, which are critical to our success.

So if you go to Slide 23, and I only have 2 slides left. Again, step back, if you look at 2010, we were about $290 million. If you pro forma this, we're at $800 million. Our gross margin was at about 52%. We'll be approaching 60% with this portfolio. Our A&P to sales was really, I think, under 11%. I think it was closer to 10%, and we'll be spending at 15% plus with this portfolio. Our EBITDA margins 4, 5 years ago were about 30%. This brings us up over a 37% EBITDA margin. And our free cash flow has gone from approximately $60 million to $175 million.

And as I said, that free cash flow is critical to our success and provides us the flexibility to do a lot of the things that we do. And I think, as we talk about the road to $1 billion and beyond, I think it is -- it's anchored in a few different things. First and most importantly, and as I've said this morning at our employee meeting, it's anchored by a world-class organization that's driven by an enduring culture of the people that come to work here every day and the values that they have. And that's the most important thing for us and the biggest reason why we believe we're successful. It's also anchored in the fact that we're, first and foremost, a brand-building company. And I've said this in the past, we will utilize M&A to help us build brands. We're not a roll-up [ph] company.

And finally, people often talk about the pipeline and M&A and how robust it is. I think, again, the recent events of both Hydralyte and Insight reinforce our stated strategies of a proven and repeatable M&A strategy and the fact that we continue to be aggressive and disciplined with that strategic M&A approach.

And the last Slide, on 24, you see breaks it out and talks about the 3 ways that we create value. And it starts with brand building and driving core OTC growth and over time, exceeding the industry growth in those categories.

The second area is the significant and consistent free cash flow that we deliver from the business. And then, finally, I talk about proven and repeatable M&A. And if you pro forma this business, we would expect year 1 EPS in the range of $1.90 to $2 per share. Again, that's a long way from $0.67 a share where we were a few years ago.

So again, just to summarize, this is a very exciting day for Prestige. I think, not only what it means for us today, but how it sets us up for moving forward. And I also think it's a continuation of what we've been saying for the last few years.
So with that, I really want to thank all the people that made it happen, and we'll open it up to some questions.

Question and Answer

Operator

[Operator Instructions] Your first question comes from the line of Joe Altobello from Oppenheimer.

Joseph Altobello
Oppenheimer & Co. Inc., Research Division

I guess, first question, Matt, I just wanted to make sure I heard you correctly. The $1.90 to $2 in earnings per share that you just mentioned a few seconds ago, that is a -- is effectively a pro forma fiscal '15 estimate or guidance for you, is that correct? Assuming you owned both of these from day 1.

Matthew M. Mannelly
Chief Executive Officer, President and Director

Correct. Correct, Joe.

Joseph Altobello
Oppenheimer & Co. Inc., Research Division

Okay. Okay, great. Just to put that out of the way. So in terms of both Insight and Hydralyte, could you give us a sense for how fast they've been growing, where the growth opportunities are in the near term and what this might mean, basically, for your organic growth rate over time?

Matthew M. Mannelly
Chief Executive Officer, President and Director

Yes. Joe, I think that's a good question. I think I'll start with Hydralyte. Hydralyte is in, I said, is in Oral Rehydration and it competes in a number of areas, everything from vomiting, diarrhea, rehydration from alcohol, all sorts of things and areas that it draws from. And it's been growing very significantly, double digit, over the last 3 years. And we think there continues to be upside there. So we see that as a true growth brand. Now again, it's 20 -- in U.S. dollars, it's approximately $20 million, right, just over. But it's been growing in all those different areas. And so we believe we can continue to get growth there, and we can continue to introduce new products there in that category. So we're very excited about the real growth nature of that business. I think the Monistat business and the Insight pharmaceutical business, I'd state it slightly differently. We're excited about the potential of that business. The growth trends aren't where we would like them today, but we believe -- the reason we bought it is, number one, we love the category in terms of Feminine Care. Number two, we love to buy iconic brands like Monistat. And number three, we've shown with Blacksmith and Dramamine and GSK over time, that we don't just talk it, we reinvest in the businesses and we grow them. And I think, for us, for Monistat specifically, Joe, we're going to spend the first 12 months or so investing in that business and getting some of the basics down to get it on a growth trajectory. And we think once we do that and invest in the new products that are already in the pipeline, we can get steady growth there. But I think we have a little bit of work to do to do that with the Monistat business.

Joseph Altobello
Oppenheimer & Co. Inc., Research Division

Okay, that's helpful. And just to follow-up on that, could you give us a sense of who the biggest competitors are with Monistat?

Matthew M. Mannelly
Chief Executive Officer, President and Director

Well, Monistat is #1, and there aren't that many competitors in that category. So it's really Monistat and private-label in that category.

Operator

Your next question comes from the line of Linda Bolton-Weiser from B. Riley.

Linda Bolton-Weiser
B. Riley Caris, Research Division

It sounds like really a deal that fits your strategy. So can you just -- on housekeeping items in terms of the financials, just as a friendly hint to when you would suggest we figure it into our model, do you think we should figure it in for half of the FY '15 year? Or I mean, do you expect to close on both deals at roughly the same time? Or can you just give a little hint on that?

Ronald M. Lombardi
Chief Financial Officer and Principal Accounting Officer

So Linda, they'll be at different times. And what we've said is, at this point, we'd expect them both to close in the first half of our fiscal year. That's what we said to this point.

Linda Bolton-Weiser
B. Riley Caris, Research Division

Okay. And then, if I understood you on the tax rate, from the moment the deals close, the big deal, that the tax rate will be 15% in our models? Is that kind of what you're saying?

Ronald M. Lombardi
Chief Financial Officer and Principal Accounting Officer

No, that's the cash portion. So in the financial models, the GAAP rate will continue to be approximately 37%, but the cash portion of it will be approximately 15% in the initial years.

Linda Bolton-Weiser
B. Riley Caris, Research Division

Okay, got you. And then, yes, I mean, I know from following Perrigo that Perrigo's very active in the private label area, competing with Monistat. So I mean, that's kind of different for you because your other brands are more nichey. So you don't have any private label competition very often. So it does seem to me that you will have to increase the advertising and promo quite a bit. Can you tell us what the A&P ratio is now for their business? And when you mention the 15% or higher, I guess I'm confused on that. Because I'm projecting 15.6% for you guys for FY '14. So 15% doesn't sound like a big step-up in your advertising.

Matthew M. Mannelly
Chief Executive Officer, President and Director

I'm not sure. I guess, Linda, the numbers in terms of FY '14, I'm not sure, are the numbers or whatever. Based on where we are through 3 quarters, what's our A&P percent through 3 quarters, Ron?

Ronald M. Lombardi
Chief Financial Officer and Principal Accounting Officer

It was just below 15%.

Matthew M. Mannelly
Chief Executive Officer, President and Director

Just below 15%, I think, yes. So we're right around 15%. So what we're saying is that we expect as we've done with other acquisitions, we're going to spend at an even higher level than we're spending at today. And to your point, we don't really give out the exact numbers, but I can just tell you we're going to increase just as we did with Blacksmith, just as we did with Dramamine, just as we did with GSK. We're going to increase the A&P budget by double digits for overall that portfolio.

Linda Bolton-Weiser
B. Riley Caris, Research Division

So your projections include that step-up in advertising and promo?

Matthew M. Mannelly
Chief Executive Officer, President and Director

Correct, yes.

Linda Bolton-Weiser
B. Riley Caris, Research Division

Okay. And then, do your projections include, like synergies, the cost synergy-type thing? Or are you just taking what that company is earning now and pro forma-ing it? Are you -- or are you including some synergies, like cost reduction?

Matthew M. Mannelly
Chief Executive Officer, President and Director

They -- we are including the synergies, Linda. Because as I said earlier, we use those synergies to fund some of that A&P increase. So we -- when we do the acquisitions, we don't talk a lot about cost savings or synergy, but we certainly focus on them and we utilize those cost savings and synergies to help drive reinvestment. So those are included in our numbers.

Linda Bolton-Weiser
B. Riley Caris, Research Division

Okay. And then, I mean, you've made it clear that this enhances the EBITDA margin of the company. I'm just curious on the gross margin line, is the Insight business kind of in line or a little bit higher on the gross margin line versus your existing company?

Matthew M. Mannelly
Chief Executive Officer, President and Director

It will be accretive on the gross margin line as well, Linda.

Linda Bolton-Weiser
B. Riley Caris, Research Division

Okay. And I guess, yes, you were pretty clear in the press release about outlining the pro forma numbers in terms of taxes, EBITDA, depreciation and amortization, et cetera. I guess, I came up with a little bit higher than $1.90 to $2. So I would assume you're being a little conservative in the $1.90 to $2 projection or...

Ronald M. Lombardi
Chief Financial Officer and Principal Accounting Officer

No, we're giving a $1.90 to $2 projection.

Linda Bolton-Weiser
B. Riley Caris, Research Division

Okay. All right, maybe my math is off. And in terms of the other brands that are in there, oh, besides, Monistat, do you see any special potential with those or anything -- any uncovered gem that could be there in the other brands?

Matthew M. Mannelly
Chief Executive Officer, President and Director

Yes, I can tell you one other one that comes to my mind off the top of the head is we like Nix in terms of -- from a lice standpoint and everything. We think that brand has potential.

Linda Bolton-Weiser
B. Riley Caris, Research Division

Sorry, I'm not familiar with that. What is that product for?

Matthew M. Mannelly
Chief Executive Officer, President and Director

Head lice.

Linda Bolton-Weiser
B. Riley Caris, Research Division

Oh, okay, got you. And then, in terms of the sales breakdown, I think you said -- it looks like 45% is international. Is that what you said? So that's pretty interesting. So does this get you...

Ronald M. Lombardi
Chief Financial Officer and Principal Accounting Officer

It's 15%.[ph]

Matthew M. Mannelly
Chief Executive Officer, President and Director

No. Of the Insight business?

Linda Bolton-Weiser
B. Riley Caris, Research Division

Yes.

Matthew M. Mannelly
Chief Executive Officer, President and Director

No, the Insight business is all U.S. and Canada, and 95% of it is U.S.

Linda Bolton-Weiser
B. Riley Caris, Research Division

Oh, okay. I guess -- oh, I misunderstood. I thought you said $95 million. Sorry, sorry about that.

Operator

[Operator Instructions] Your next question comes from the line of Frank Camma from Sidoti.

Frank A. Camma
Sidoti & Company, LLC

Just one quick question. What type of -- or size of incremental G&A do you take on specifically from Insight? I mean, I got to imagine there's some from an acquisition that size.

Matthew M. Mannelly
Chief Executive Officer, President and Director

I think it's pretty similar to what we did for GSK, Frank. It would be -- I don't have the number off the top of my head, but I think it's pretty similar.

Frank A. Camma
Sidoti & Company, LLC

Okay. I think, I mean, GSK, you only had a couple of million though, right? Is that -- am I remembering that correctly?

Matthew M. Mannelly
Chief Executive Officer, President and Director

Yes, I'm not sure it was a couple. I think it was a few million. Okay. I think that's it for questions. Again, we -- 2 things, really appreciate everyone getting together on short notice. Thank you. Second of all, we're very excited about this in terms of what it means for Prestige and the road forward and our road to $1 billion, and this is a concrete and major step in that road. So we thank you for your time today, and we look forward to talking to you in a few weeks at the earnings call. Thank you.

OperatorThank you very much. This concludes today's conference. Thank you for your participation. You may now disconnect. Have a great day.