

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 February 29, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
Commission file number 001-14669



HELEN OF TROY LIMITED

(Exact name of registrant as specified in its charter)

Bermuda

(State or other jurisdiction
of incorporation or organization)

74-2692550

(I.R.S. Employer
Identification No.)

Clarendon House
2 Church Street
Hamilton, Bermuda

(Address of principal executive offices)

1 Helen of Troy Plaza
El Paso, Texas 79912

(Registrant's United States Mailing Address)

(915) 225-8000

(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares, \$0.10 par value per share	HELE	The NASDAQ Stock Market LLC

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 Section 15(d) of the Act. Yes 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 every Interactive Data File required to be submitted 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 such files). Yes No

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

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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 shares held by non-affiliates of the registrant as of August 31, 2023, based upon the closing price of the common shares as reported by The NASDAQ Global Select Market on such date, was approximately \$ 2,883.4 million.

As of April 18, 2024, there were 23,810,028 common shares, \$0.10 par value per share, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement for the 2024 Annual General Meeting of Shareholders to be filed within one hundred and twenty days of the fiscal year ended February 29, 2024 (2024 Proxy Statement) are incorporated by reference into Part III of this report to the extent described herein.

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EXPLANATORY NOTE

In this Annual Report on Form 10-K (the "Annual Report"), which includes the accompanying consolidated financial statements and notes, unless otherwise indicated or the context suggests otherwise, references to "the Company", "our Company", "Helen of Troy", "we", "us", or "our" refer to Helen of Troy Limited and its subsidiaries. We refer to our common shares, par value \$0.10 per share, as "common stock." References to "EMEA" refer to the combined geographic markets of Europe, the Middle East and Africa. We use product and service names in this Annual Report for identification purposes only and they may be protected in the United States and other jurisdictions by trademarks, trade names, service marks, and other intellectual property rights of ours and other parties. The absence of a specific attribution in connection with any such mark does not constitute a waiver of any such right. All trademarks, trade names, service marks, and logos referenced herein belong to their respective owners. References to "fiscal" in connection with a numeric year number denotes our fiscal year ending on the last day of February, during the year number listed. References to "the FASB" refer to the Financial Accounting Standards Board. References to "GAAP" refer to accounting principles generally accepted in the United States of America (the "U.S."). References to "ASU" refer to the codification of GAAP in the Accounting Standards Updates issued by the FASB. References to "ASC" refer to the codification of GAAP in the Accounting Standards Codification issued by the FASB.

PART I

Item 1. Business

Our Company

We incorporated as Helen of Troy Corporation in Texas in 1968 and were reorganized as Helen of Troy Limited in Bermuda in 1994. We are a leading global consumer products company offering creative products and solutions for our customers through a diversified portfolio of brands. We have built leading market positions through new product innovation, product quality and competitive pricing. We go to market under a number of brands, some of which are licensed. Our Leadership Brands are brands which have leading positions in their respective categories and include the OXO, Hydro Flask, Osprey, Vicks, Braun, Honeywell, PUR, Hot Tools and Drybar brands.

Segment Information

We currently operate in two business segments:

- **Home & Outdoor:** Offers a broad range of outstanding world-class brands that help consumers enjoy everyday living inside their homes and outdoors. Our innovative products for home activities include food preparation and storage, cooking, cleaning, organization, and beverage service. Our outdoor performance range, on-the-go food storage, and beverageware includes lifestyle hydration products, coolers and food storage solutions, backpacks, and travel gear. Sales for this global segment are primarily to online and brick & mortar retailers and through our direct-to-consumer channel.
- **Beauty & Wellness:** Provides consumers with a broad range of outstanding world-class brands for beauty and wellness. In Beauty, we deliver innovation through products such as hair styling appliances, grooming tools, and liquid and aerosol personal care products that help consumers look and feel more beautiful. In Wellness, we are there when you need us most with highly regarded humidifiers, thermometers, water and air purifiers, heaters, and fans. Sales for this global segment are primarily to online and brick & mortar retailers, distributors, and through our direct-to-consumer channel.

For more segment and geographic information concerning our net sales revenue, long-lived assets and operating income, refer to Note 17 to the accompanying consolidated financial statements.

Our Strategic Initiatives

Fiscal 2019 marked the completion of Phase I of our transformation strategy, which delivered improved organic sales growth by focusing on our Leadership Brands, strategic acquisitions, becoming a more efficient operating company with strong global shared services, upgrading our organization and culture, improved inventory turns and return on invested capital, and returning capital to shareholders.

Fiscal 2020 began Phase II of our transformation, which was designed to drive the next five years of progress. The long-term objectives of Phase II included improved organic sales growth, continued margin expansion, and strategic and effective capital deployment. Phase II included plans to continue to invest in our Leadership Brands, with a focus on growing them through consumer-centric innovation, expanding them more aggressively outside the U.S., and adding new brands through acquisition. We sought to build further shared service capability and operating efficiency, as well as focus on attracting, retaining, unifying and training the best people. Additionally, we strove to enhance and consolidate our Environmental, Social and Governance ("ESG") efforts and accelerate programs related to Diversity, Equity, Inclusion, and Belonging ("DEI&B") to support our Phase II transformation.

Fiscal 2024 concluded Phase II of our transformation strategy, which produced net sales and organic net sales growth and gross profit margin expansion. We expanded our Leadership Brands and international footprint with the acquisitions of Drybar, Osprey and Curlsmith. We completed the divestiture of our Personal Care business (as defined below) and extended our Revlon trademark license for a period of up to 100 years. We strategically and effectively deployed capital to construct our new distribution facility in Gallaway, Tennessee, repurchased shares of our common stock, and repaid amounts outstanding under our long-term debt agreement. We began publishing an annual ESG Report, which summarizes our ESG strategy and performance, providing further transparency into our ESG efforts. During Phase II, we also initiated a global restructuring plan referred to as "Project Pegasus" intended to expand operating margins through initiatives designed to improve efficiency and effectiveness and reduce costs.

Project Pegasus includes initiatives to further optimize our brand portfolio, streamline and simplify the organization, accelerate cost of goods savings projects, enhance the efficiency of our supply chain network, optimize our indirect spending and improve our cash flow and working capital, as well as other activities. We anticipate these initiatives will create operating efficiencies, as well as provide a platform to fund future growth investments. During the fourth quarter of fiscal 2023, we made changes to the structure of our organization, which resulted in our previous Health & Wellness and Beauty operating segments being combined into a single reportable segment, the creation of a North America RMO responsible for sales and go-to-market strategies, and further centralization of operations and finance functions under shared services to better support our business segments and RMOs. This new structure reduced the size of our global workforce by approximately 10%. We believe that these changes better focus business segment resources on brand development, consumer-centric innovation and marketing, the RMOs on sales and go-to-market strategies, and shared services on their respective areas of expertise while also creating a more efficient and effective organizational structure. During the second quarter of fiscal 2024, we announced plans to geographically consolidate the U.S. Beauty business, currently located in El Paso, Texas, and Irvine, California, and co-locate it with our Wellness business in the Boston, Massachusetts area. This geographic consolidation and relocation is the next step in our initiative to streamline and simplify the organization and is expected to be completed during fiscal 2025. We expect these changes will enable a greater opportunity to capture synergies and enhance collaboration and innovation within the Beauty & Wellness segment. See Note 11 to the accompanying consolidated financial statements for additional information.

Fiscal 2025 begins our "Elevate for Growth" era, which provides our strategic roadmap through fiscal 2030. The long-term objectives of Elevate for Growth include continued organic sales growth, further margin expansion, and accretive capital deployment through strategic acquisitions, share repurchases and capital structure management. The Elevate for Growth era includes an enhanced portfolio management strategy to invest in our brands and grow internationally based upon defined criteria with an emphasis on brand building, new product introductions and expanded distribution. We are continuing to execute our initiatives under Project Pegasus, which we expect to generate incremental investments in our brand portfolio and new capabilities. We intend to further leverage our operational scale and assets, including our new state-of-the-art distribution center, improved go-to-market structure with our North America RMO, and our expanded shared services capabilities. We also plan to complete the geographic consolidation of our Beauty & Wellness businesses, create a centralized marketing organization that embraces next-level data analytics and consumer insight capabilities, and further integrate our supply chain and finance functions within our shared services. Additionally, we are committed to fostering a winning culture and continuing our ESG efforts to support our Elevate for Growth era.

On April 22, 2022, we completed the acquisition of Recipe Products Ltd., a producer of innovative prestige hair care products for all types of curly and wavy hair under the Curlsmith brand ("Curlsmith"). The Curlsmith brand and products were added to the Beauty & Wellness segment. The total purchase consideration was \$147.9 million in cash, net of a final net working capital adjustment and cash acquired. The acquisition of Curlsmith added another prestige market brand of products to our Beauty & Wellness portfolio and further advanced our Phase II objective of continuing to expand margin.

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On December 29, 2021, we completed the acquisition of Osprey Packs, Inc. ("Osprey"), a longtime U.S. leader in technical and everyday packs, for \$409.3 million in cash, net of a final net working capital adjustment and cash acquired. Osprey is highly respected in the outdoor industry with a product lineup that includes a wide range of backpacks and daypacks for hiking, mountaineering, skiing, climbing, mountain biking, trail running, commuting, and school, as well as rugged adventure travel packs, wheeled luggage, and travel accessories. The Osprey brand and products were added to the Home & Outdoor segment. The acquisition of Osprey complemented our outdoor platform, accelerated our international strategy and added a 9th Leadership Brand to the Company.

Consistent with our Phase II transformation strategy of focusing resources on our Leadership Brands, during the fourth quarter of fiscal 2020, we committed to a plan to divest certain assets within our Beauty & Wellness segment's mass channel personal care business, which included liquid, powder and aerosol products under brands such as Pert, Brut, Sure and Infusium ("Personal Care"). On June 7, 2021, we completed the sale of our North America Personal Care business to HRB Brands LLC, for \$44.7 million in cash and recognized a gain on the sale in selling, general and administrative expense ("SG&A") totaling \$0.5 million. On March 25, 2022, we completed the sale of the Latin America and Caribbean Personal Care business to HRB Brands LLC, for \$1.8 million in cash and recognized a gain on the sale in SG&A totaling \$1.3 million.

Our Products

The following table summarizes the types of products we sell by business segment:

Segment	Product Category	Primary Products
Home & Outdoor	Home Solutions	Food storage containers, kitchen utensils for cooking and preparing salads, fruits, vegetables and meats, graters, slicers and choppers, baking essentials, kitchen organization, bath, cleaning, infant and toddler products and coffee preparation tools and electronics
	Insulated Beverageware, Coolers and Food Storage Solutions	Insulated beverageware including bottles, travel tumblers, drinkware, and mugs, food and lunch containers, insulated totes, soft coolers, outdoor kitchenware and accessories
	Technical, Outdoor, Travel, and Lifestyle Packs and Accessories	Technical and outdoor sports packs, bike packs and bags, hydration and travel packs, duffel bags and luggage, lifestyle and everyday packs, kid carrier packs, and accessories
Beauty & Wellness	Hair Tools and Accessories	Mass, professional and prestige hair appliances, brushes, grooming tools and accessories
	Hair Liquids	Prestige shampoos, liquid hair styling products, treatments and conditioners
	Wellness Devices and Consumables	Thermometers, blood pressure monitors, pulse oximeters, nasal aspirators, humidifiers, faucet mount and pitcher water filtration systems, air purifiers, heaters, fans, and humidification, thermometry, water filtration, and air purification consumables

Our Trademarks

We market products under a number of trademarks that we own and sell certain of our products under trademarks licensed from third parties. We believe our principal trademarks, both owned and licensed, have high levels of brand name recognition among retailers and consumers throughout the world. Through our favorable partnerships with our licensors, we believe we have developed stable, enduring relationships that provide access to unique brands that complement our owned and internally developed trademarks.

The Beauty & Wellness segment relies on the continued use of trademarks licensed under various agreements for a significant portion of its net sales revenue. New product introductions under licensed trademarks require approval from the respective licensors. The licensors must also approve the product packaging. Some of our license agreements require us to pay minimum royalties.

The following table lists our key trademarks by segment:

Segment	Owned	Licensed
Home & Outdoor	OXO, Good Grips, Soft Works, OXO tot, OXO Brew, OXO Strive, OXO Outdoor, Hydro Flask, Osprey	
Beauty & Wellness	Drybar, Hot Tools, Curlsmith, PUR	Revlon, Bed Head, Honeywell, Braun, Vicks

Patents and Other Intellectual Property

We maintain utility and design patents in the U.S. and several foreign countries. We also protect certain details about our processes, products and strategies as trade secrets, keeping confidential the information that we believe provides us with a competitive advantage.

Sales and Marketing

We currently market our products in over 100 countries throughout the world. Sales within the U.S. comprised approximately 74% of total net sales revenue in both fiscal 2024 and 2023 and 78% of total net sales revenue in fiscal 2022. Our segments primarily sell their products through mass merchandisers, sporting goods retailers, department stores, drugstore chains, home improvement stores, grocery stores, specialty stores, prestige beauty chains, beauty supply retailers, e-commerce retailers, wholesalers, warehouse clubs, and various types of distributors, as well as directly to consumers. We take a consumer-centric approach to assortment planning by fostering close collaborations with our retail customers. In many instances, we produce specific versions of our product lines with exclusive designs and packaging for our retail customers, which are appropriately priced for their respective customer bases. We market products principally through the use of outside sales representatives and our own internal sales staff, supported by our internal marketing, category management, engineering, creative services, and customer and consumer service staff. These groups work closely together to develop pricing and distribution strategies, to design packaging and to help develop product line extensions and new products.

Research and Development

Our research and development activities focus on new, differentiated and innovative products designed to drive sustained organic growth. We continually invest to strengthen our product design and research and development capabilities, including extensive studies to gain consumer insights. Research and development expenses consist primarily of salaries and employee benefits, contracted development and testing efforts, and third-party design agencies associated with the development of products.

Manufacturing and Distribution

We contract with unaffiliated manufacturers, primarily in China, Mexico and Vietnam, to manufacture a significant portion of our finished goods for the Home & Outdoor segment and our Beauty & Wellness segment's hair appliances and accessories, as well as certain wellness product categories. The hair liquids category of the Beauty & Wellness segment sources most of its products from U.S. manufacturers. Finished goods manufactured by vendors in Asia comprised approximately 79%, 87%, and 88% of finished goods purchased in fiscal 2024, 2023, and 2022, respectively.

We occupy owned and leased office and distribution space in various locations to support our operations. These facilities include our U.S. headquarters in El Paso, Texas, and distribution centers in Southaven and Olive Branch, Mississippi and Gallaway, Tennessee, which are used to support a significant portion of our domestic distribution. See Note 4 to the accompanying consolidated financial statements for additional information.

Customers

Sales to our largest customer, Amazon.com Inc., accounted for approximately 21%, 17% and 19% of our consolidated net sales revenue in fiscal 2024, 2023 and 2022, respectively. Sales to our second largest customer, Target Corporation, accounted for approximately 10% in both fiscal 2024 and 2023 and 11% in fiscal 2022 of our consolidated net sales revenue. Sales to our third largest customer, Walmart, Inc., including its worldwide affiliates, accounted for approximately 9%, 10% and 11% of our consolidated net sales revenue in fiscal 2024, 2023 and 2022, respectively. No other customers accounted for 10% or more of consolidated net sales revenue during these fiscal years. Sales to our top five customers accounted for approximately 47%, 43% and 49% of our consolidated net sales revenue in fiscal 2024, 2023 and 2022, respectively.

Order Backlog

When placing orders, our individual consumer, retail and wholesale customers usually request that we ship the related products within a short time frame. As such, there usually is no significant backlog of orders in any of our distribution channels.

Seasonality

The following table illustrates the seasonality of our net sales revenue by fiscal quarter as a percentage of annual net sales revenue for the periods presented:

	Fiscal Quarters Ended Last Day of Month		
	2024	2023	2022
May	23.7 %	24.5 %	24.3 %
August	24.5 %	25.2 %	21.4 %
November	27.4 %	26.9 %	28.1 %
February	24.4 %	23.4 %	26.2 %

Our sales are seasonal due to different calendar events, holidays and seasonal weather and illness patterns. Historically, the third fiscal quarter produces the highest net sales revenue during the fiscal year.

Competitive Conditions

We generally sell our products in markets that are very competitive and mature. Our products compete against similar products of many large and small companies, including well-known global competitors. In many of the markets and industry segments in which we sell our products, we compete against other branded products as well as retailers' private-label brands. We believe that we have certain key competitive advantages, such as well recognized brands, engineering expertise and innovation, sourcing and supply chain know-how, and productive co-development relationships with our manufacturers. We support our products with advertising, promotions, strategic partnerships with ambassadors and influencers, and other marketing activities, as well as an extensive sales force in order to build awareness and to encourage new consumers to try our brands and products. We are well positioned in the industry segments and markets in which we operate, often holding a leadership or significant market share position. We believe these advantages allow us to bring our retailers a differentiated value proposition.

The following table summarizes our primary competitors by business segment:

Segment	Competitor
Home & Outdoor	Lifetime Brands, Inc. (KitchenAid), Breville Group, Corning Incorporated (Pyrex), Progressive International (SnapLock), Meyer Corporation (Farberware), Newell Brands Inc., Simple Human LLC, Yeti Holdings, Inc., Bradshaw International (GoodCook), PMI Worldwide (Stanley), Patagonia, Gregory Mountain Products, Mystery Ranch, CamelBak, The North Face, Deuter, Cotopaxi, Thule Group
Beauty & Wellness	Conair, Spectrum Brands Holdings Inc. (Remington), Coty Inc., Dyson Ltd, L'Oréal S.A., DevaCurl, SharkNinja, Inc., Exgeren Corporation, Omron Healthcare, Inc., Crane Engineering, Newell Brands, Inc., Lasko Products, LLC, Vesync Co., Ltd (Levoit), The Clorox Company (Brita), Zero Technologies, LLC, Vornado Air Circulation Systems, Unilever (Blueair), Guardian Technologies LLC.

Environmental and Health and Safety Matters

Our operations are subject to national, state, local, and provincial jurisdictions' environmental, health and safety laws and regulations and industry-specific product certifications. Many of the products we sell are subject to product safety laws and regulations in various jurisdictions. These laws and regulations specify the maximum allowable levels of certain materials that may be contained in our products, provide statutory prohibitions against misbranded and adulterated products, establish ingredients and manufacturing procedures for certain products, specify product safety testing requirements, and set product identification, labeling and claim requirements. For example, some of our Beauty & Wellness segment's customers require that our hair appliances comply with various safety certifications, including UL certifications. Similarly, thermometers distributed by our Beauty & Wellness segment must comply with various regulations governing the production and distribution of medical devices. Additionally, some of our product lines are subject to product identification, labeling and claim requirements, which are monitored and enforced by regulatory agencies, such as the U.S. Environmental Protection Agency (the "EPA"), U.S. Customs and Border Protection, the U.S. Food and Drug Administration, and the U.S. Consumer Product Safety Commission.

During fiscal 2022, we were in discussions with the EPA regarding the compliance of packaging claims on certain of our products in the air and water filtration categories and a limited subset of humidifier products within the Beauty & Wellness segment that are sold in the U.S. The EPA did not raise any product quality, safety or performance issues. As a result of these packaging compliance discussions, we voluntarily implemented a temporary stop shipment action on the impacted products as we worked with

the EPA towards an expedient resolution. Our fiscal 2022 consolidated, and Beauty & Wellness segment's, net sales revenue, gross profit and operating income were materially and adversely impacted by the stop shipment actions and the time needed to execute repackaging and relabeling plans. We resumed normalized levels of shipping of the affected inventory during fiscal 2022 and we completed the repackaging and relabeling of our existing inventory of impacted products during fiscal 2023. Additionally, as a result of continuing dialogue with the EPA, we executed further repackaging and relabeling plans on certain additional humidifier products and certain additional air filtration products, which were also completed during fiscal 2023. Although we have not been notified of any fines or penalties imposed against us by the EPA related to this matter, there can be no assurances that such fines or penalties will not be imposed in the future.

We recorded charges to cost of goods sold to write-off obsolete packaging for the affected products in our inventory on-hand and in-transit. We have also incurred additional compliance costs comprised of obsolete packaging, storage and other charges from vendors, which were recognized in cost of goods sold and incremental warehouse storage costs and legal fees, which were recognized in SG&A. We refer to these charges as "EPA compliance costs" throughout this Annual Report.

The following table provides a summary of EPA compliance costs incurred during the periods presented:

<i>(in thousands)</i>	Fiscal Years Ended Last Day of February		
	2024	2023	2022
Cost of goods sold	\$ —	\$ 16,928 ¹	\$ 17,728 ²
SG&A	—	6,645	14,626
Total EPA compliance costs	\$ —	\$ 23,573	\$ 32,354

(1) Includes a \$4.4 million charge to write-off the obsolete packaging for the affected additional humidifier products and affected additional air filtration products in our inventory on-hand and in-transit as of the end of the first quarter of fiscal 2023.

(2) Includes a \$13.1 million charge to cost of goods sold to write-off the obsolete packaging for the affected air filtration, water filtration and humidifier products in our inventory on-hand and in-transit as of the end of the first quarter of fiscal 2022.

In addition, we incurred and capitalized into inventory costs to repackaging a portion of our existing inventory of the affected products beginning in the second quarter of fiscal 2022 through completion of the repackaging in the third quarter of fiscal 2023.

An emerging trend with governmental and non-governmental organizations, consumers, shareholders, retail customers, communities, and other stakeholders is increased focus and expectations on ESG matters. These trends have led to, among other things, increased public and private social accountability reporting requirements relating to labor practices, climate change, human trafficking and other ESG matters and greater demands on our packaging and products. In our product space, some requirements have already been mandated and we believe others may become required in the future. Examples of current requirements include conflict minerals content reporting, customer reporting of foreign fair labor practices in connection with our supply chain vendors, and evaluating the risks of human trafficking and slavery.

We believe that we are in material compliance with these laws, regulations and other reporting requirements. Due to the nature of our operations and the frequently changing nature of compliance and social reporting standards and technology, we cannot predict with any certainty what future material capital or operating expenditures, if any, will be required in order to comply with applicable laws, regulations and other reporting mandates. Further, any failure to achieve our ESG goals or a perception of our failure to act responsibly or to effectively respond to new, or changes in, legal or regulatory requirements relating to ESG concerns could adversely affect our business, financial condition, results of operations and reputation.

ESG Initiatives

We seek to maintain a best-in-class level of corporate governance on behalf of our stakeholders, including our associates, customers, consumers, communities, and shareholders. We also recognize the importance of environmental and social factors related to how we operate our business. We continued to enhance and consolidate our ESG efforts and accelerate programs related to DEI&B to support our Phase II transformation that concluded at the end of fiscal 2024, and we will continue these efforts as we enter our Elevate for Growth era.

The Corporate Governance Committee of our Board of Directors has oversight of ESG-related matters, including climate change risks and opportunities. Our ESG Task Force, which includes associate representatives from our business segments and global shared services, leads the development and implementation of our strategic ESG plan with the goal of aligning our ESG performance with relevant standards, such as the Sustainability Accounting Standards Board ("SASB") and the Task Force on Climate Finance Disclosures ("TCFD"). In June 2023, we published our third ESG Report, which aligns with relevant standards such as the SASB, the TCFD and the Global Reporting Initiative. Our ESG Report summarizes our ESG strategy and performance, including in the areas of climate change, DEI&B

and human capital, and environmental and natural capital management. Information in our ESG Report is not part of this Annual Report or any other report we file with, or furnish to, the Securities and Exchange Commission ("SEC"), except as expressly set forth by specific reference in such a filing.

We are implementing a system that is designed to minimize negative impacts of our practices on the environment and we continue to work on initiatives to reduce emissions in our supply chain and product use. As part of these efforts, and in order to strengthen our support of climate action, we became a signatory of 'We Mean Business', a coalition of organizations and businesses with a goal of catalyzing business action to accelerate the transition to a zero-carbon economy. With our participation in this coalition, we intend to (1) report climate change data and measures to the Carbon Disclosure Project aligned with the guidelines of the TCFD, (2) implement a responsible climate policy, and (3) develop targets which were approved in October 2021 by the Science Based Targets initiative.

We will also continue to advance our DEI&B efforts as part of our ESG initiatives to support our focus on attracting and retaining top talent, and to help promote a work environment where everyone has the opportunity to grow to their fullest potential. We believe progress on these ESG initiatives will have a positive impact on our shareholders, consumers, customers, our talented worldwide associates and the communities in which we are proud to live and work.

Human Capital

Overview

We are committed to fostering a positive and engaging culture of inclusion, care, belonging, and support where all people throughout our global workforce can thrive. Resources provided to enhance associates' "total well-being" include learning and development opportunities, charitable leave policy, financial and retirement planning advice and employee stock purchase programs, health and wellness programs, and product discounts. Perks and benefits vary by region and office. We also monitor our culture and associate engagement through a number of methods, including periodic culture surveys.

We have a performance evaluation and feedback process for all of our associates. We encourage career planning at all levels of the Company. We have a formal system for identifying and developing talent and growth for associates within our organization and support the creation of development and succession plans across key positions in the Company. Our senior leadership team develops and recommends to the Board of Directors succession plans for all of our senior management. Our compensation processes support fair and equitable pay for all of our associates and is based on a 'pay for performance' philosophy.

We believe our culture, fair pay, benefits, rewards and recognition, healthy-living initiatives, collaborative projects, and open communication between management and staff enables us to attract and retain talented associates.

Our Associates

As of February 29, 2024, we employed 1,927 full-time associates worldwide. We also use temporary, part-time and seasonal associates as needed.

None of our U.S. associates are covered by a collective bargaining agreement. Certain of our associates in Europe and Vietnam are covered by collective arrangements or works counsel in accordance with local practice. We have never experienced a work stoppage, and we believe that we have satisfactory working relations with our associates.

DEI&B

We believe that a diverse workforce is essential to innovation, growth, and the well-being of our associates. We celebrate the diversity of our people and value the unique perspectives they bring. We are committed to cultivating an inclusive culture where all of our associates can thrive and feel accepted for who they are.

We are advancing short- and long-term initiatives which include: leadership coaching and training to build awareness and sponsorship, recruitment actions to ensure we have diversity of new hires, associate learning programs to develop skills that foster inclusion, associate resource groups to further support inclusion, ongoing dialogue sessions with our associates and charitable donations to non-profit organizations whose missions and values align with our culture.

Communities

We have a 50-plus-year tradition of supporting the communities where we live and work through charitable donations from both the Company and its associates. In addition, we provide our associates two paid community service days to donate their time to organizations that matter most to them. We believe our community engagement and good corporate citizenship will lead to stronger communities and shared success for our Company.

Available Information

We maintain our main Internet site at: <http://www.helenoftroy.com>. The information contained on this website is not included as a part of, or incorporated by reference into, this Annual Report. We make available on or through our main website's Investor Relations page under the heading "Financials - SEC Filings" certain reports and amendments to those reports that we file with, or furnish to, the SEC in accordance with the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These include our annual reports on Form 10-K, our quarterly reports on Form 10-Q, our current reports on Form 8-K, our proxy statements on Schedule 14A, amendments to these reports, and the reports required under Section 16 of the Exchange Act of transactions in our common stock by directors and officers. We make this information available on our website free of charge as soon as reasonably practicable after we electronically file the information with, or furnish it to, the SEC. The SEC maintains a website at <https://www.sec.gov> that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. Also, on the Investor Relations page, under the heading "Governance," are our Code of Ethics, Code of Conduct, Corporate Governance Guidelines and the Charters of the Committees of the Board of Directors.

Item 1A. Risk Factors

Carefully consider the risks described below and all of the other information included in our Annual Report when deciding whether to invest in our securities or otherwise evaluating our business. If any of the risks or other events or circumstances described elsewhere in this Annual Report materialize, our business, operating results or financial condition may suffer. In this case, the trading price of our common stock and the value of your investment might significantly decline. The risks listed below are not the only risks that we face. Additional risks unknown to us or that we currently believe are insignificant may also affect our business.

You should also refer to the explanation of the qualifications and limitations on forward-looking statements under "Information Regarding Forward-Looking Statements," at the end of Item 7., "Management's Discussion and Analysis of Financial Condition and Results of Operations." All forward-looking statements made by us are qualified by the risk factors described below.

The following is a summary of some of the principal risk factors which are more fully described below.

Business, Operational and Strategic Risks

- The geographic concentration of certain of our U.S. distribution facilities increases our risk to disruptions that could affect our ability to deliver products in a timely manner.
- The occurrence of cyber incidents, or failure by us or our third-party service providers to maintain cybersecurity and the integrity of confidential internal or customer data could have a material adverse effect on our operations and profitability.
- A cybersecurity breach, obsolescence or interruptions in the operation of our central global Enterprise Resource Planning systems and other peripheral information systems could have a material adverse effect on our operations and profitability.
- To compete successfully, we must develop and introduce a continuing stream of innovative new products to meet changing consumer preferences.
- Our operating results are dependent on sales to several large customers; furthermore, our large customers may take actions that adversely affect our gross profit and operating results.
- We are dependent on third-party manufacturers, most of which are located in Asia, and any inability to obtain products from such manufacturers could have a material adverse effect on our business, operating results and financial condition.
- Our ability to deliver products to our customers in a timely manner and to satisfy our customers' fulfillment standards are subject to several factors, some of which are beyond our control.
- Our operating results may be adversely affected by trade barriers, exchange controls, expropriations, and other risks associated with domestic and foreign operations including uncertainty and business interruptions resulting from political changes and events in the U.S. and abroad, and volatility in the global credit and financial markets and economy.
- We are subject to risks related to our dependence on the strength of retail economies and may be vulnerable in the event of a prolonged economic downturn, including a downturn from the effects of macroeconomic conditions, any public health crises or similar conditions.
- Our business is subject to weather conditions, the duration and severity of the cold and flu season and other related factors.
- We rely on our CEO and a limited number of other key senior officers to operate our business.
- We are subject to risks associated with the use of licensed trademarks from or to third parties.
- We may be unsuccessful in executing and realizing expected synergies from strategic business initiatives such as acquisitions, divestitures and global restructuring plans, including Project Pegasus.

Legal, Regulatory and Tax Risks

- Changes in laws and regulations, including environmental, employment and health and safety and tax laws, and the costs and complexities of compliance with such laws could have a material adverse impact on our business.
- We face risks associated with the increased focus and expectations on climate change and other environmental, social and governance matters.
- Significant changes in or our compliance with regulations, interpretations or product certification requirements could adversely impact our operations.
- We face risks associated with global legal developments regarding privacy and data security that could result in changes to our business practices, penalties, increased cost of operations, or otherwise harm our business.
- All of our products are manufactured by unaffiliated manufacturers, most of which are located in China, Mexico and Vietnam; we face risks of significant tariffs or other restrictions being placed on imports from China, Mexico or Vietnam or any retaliatory trade measures taken by China, Mexico or Vietnam adversely impacting our business.
- Under current U.S. federal income tax law, tax treatment of our non-U.S. income is dependent on whether we are classified as a "controlled foreign corporation" for U.S. federal income tax purposes.
- Legislation enacted in Bermuda and Barbados in response to the European Union's ("EU") review of harmful tax competition could adversely affect our operations.
- Our judgments regarding the accounting for tax positions and the resolution of tax disputes may impact our net earnings and cash flow.
- We face risks associated with product recalls, product liability and other claims against us.

Financial Risks

- Increased costs of raw materials, energy and transportation may adversely affect our operating results and cash flow.
- If our goodwill, indefinite-lived and definite-lived intangible assets, or other long-lived assets become impaired, we will be required to record impairment charges, which may be significant.
- We face risks associated with foreign currency exchange rate fluctuations.
- Our liquidity or cost of capital may be materially adversely affected by constraints or changes in the capital and credit markets, interest rates and limitations under our financing arrangements.
- Our projections of product demand, sales and net income are highly subjective in nature and our future sales and net income could vary by a material amount from our projections.

You should carefully consider this summary with the more detailed descriptions of risks described below and all of the other information included in our Annual Report when deciding whether to invest in our securities or otherwise evaluating our business.

Business, Operational and Strategic Risks

Certain of our U.S. distribution facilities are geographically concentrated. This factor increases our risk that disruptions could occur and significantly affect our ability to deliver products to our customers in a timely manner. Such disruptions could have a material adverse effect on our business.

During fiscal 2024, most of our U.S. distribution, receiving and storage functions were consolidated into three distribution facilities in northern Mississippi and our new distribution facility in Gallaway, Tennessee that became operational during the first quarter of fiscal 2024. Our new distribution facility is in proximity

to our three distribution facilities in northern Mississippi. Approximately 59% of our consolidated gross sales volume shipped from facilities in this region in fiscal 2024. Due to this geographical concentration, any disruption in our distribution process in any of these facilities, even for a few days, could adversely affect our business, operating results and financial condition. As examples, government mandated or suggested isolation protocols relating to a pandemic or other public health crisis, or severe weather events, could limit or disrupt the distribution process at these facilities, or even cause the closure of a facility, which could have a material adverse effect on our business, operating results and financial condition. These factors described above could cause delays in the delivery of our products that could have a material and adverse effect on our business, operating results and financial condition.

The occurrence of cyber incidents, or failure by us or our third-party service providers to maintain cybersecurity and the integrity of confidential internal or customer data could have a material adverse effect on our operations and profitability. Such incidents may also result in faulty business decisions, operational inefficiencies, damage to our reputation or our associate and business relationships, and/or subject us to costs, fines, or lawsuits.

Information systems require constant updates to their security policies, networks, software, and hardware systems to reduce the risk of unauthorized access, malicious destruction of data or information theft. In addition, attacks upon information technology systems are increasing in their frequency, level of sophistication, persistence and intensity, and are being conducted by sophisticated and organized groups and individuals with a wide range of motives and expertise. We rely on commercially available systems, software, tools, third-party service providers and monitoring to provide security for processing, transmission and storage of confidential information and data. While we have security measures in place, our systems, networks, and third-party service providers have been and will continue to be subject to ongoing threats. We and our third-party service providers have experienced and expect to continue to experience actual or attempted cyber-attacks of our information systems or networks. We do not believe we have experienced any material system security breach that to date has had a material impact on our operations or financial condition. However, if any such event, whether actual or perceived, were to occur, it could have a material adverse effect on our business, operating results and financial condition. Our security measures may also be breached in the future as a result of associate error, failure to implement appropriate processes and procedures, advances in computer and software capabilities and encryption technology, new tools and discoveries, malfeasance, third-party action, including cyber-attacks, hacking, phishing attacks, malware (e.g., ransomware) or other misconduct by computer hackers or otherwise. Additionally, we may have heightened cybersecurity, information security and operational risks as a result of work-from-home arrangements. Our workforce operates with a combination of remote work and flexible work schedules opening us up for cybersecurity threats and potential breaches as a result of increased associate usage of networks other than company-managed networks. Furthermore, due to geopolitical tensions around the world, the risk of cyber-attacks may be elevated. This could result in one or more third-parties obtaining unauthorized access to our customer or supplier data or our internal data, including personally identifiable information, intellectual property and other confidential business information. Third-parties may also attempt through phishing attacks or other forms of social engineering schemes or deceptive practices to fraudulently induce associates into disclosing sensitive information such as usernames, passwords or other information in order to gain access to customer or supplier data or our internal data, including intellectual property, financial, and other confidential business information.

Furthermore, although we limit the use of generative artificial intelligence (including machine learning) (AI) technologies by our associates, our third-party manufacturers, vendors and service providers may use generative AI technologies or systems. The development, adoption and use of AI technologies are still in their early stages and are complex. The algorithms and models utilized in generative AI technologies and systems may have limitations, including biases, errors, or inability to handle certain data types or scenarios. There are also risks of system failures, disruptions or vulnerabilities that could compromise the integrity, security or privacy of the AI generated content, including the use of cyberattacks against such emerging technologies. The ineffective or inadequate AI development or

deployment practices by any of our third-party manufacturers, vendors or service providers could result in unintended consequences and may intensify our cybersecurity risks.

We believe our mitigation measures reduce but cannot eliminate the risk of a cyber incident; however, there can be no assurance that our existing and planned precautions of backup systems, regular data backups, security protocols and other procedures will be adequate to prevent significant damage, system failure or data loss and the same is true for our partners, vendors and other third parties on which we rely. Because techniques used to obtain unauthorized access or sabotage systems change frequently and generally are not identified until they are launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative or mitigating measures. Though it is difficult to determine what harm may directly result from any specific interruption or breach, any failure to maintain performance, reliability, security and availability of our network infrastructure or otherwise maintain the confidentiality, security, and integrity of data that we store or otherwise maintain on behalf of third-parties may harm our reputation and our associate, customer and consumer relationships.

If such unauthorized disclosure or access does occur, we may be required to notify our customers, consumers, associates or those persons whose information was improperly used, disclosed or accessed. We may also be subject to claims of breach of contract for such use or disclosure, investigation and penalties by regulatory authorities and potential claims by persons whose information was improperly used or disclosed. We could also become the subject of regulatory action or litigation from our consumers, customers, associates, suppliers, service providers, and shareholders, which could damage our reputation, require significant expenditures of capital and other resources, and cause us to lose business and revenue. Additionally, an unauthorized disclosure or use of information could cause interruptions in our operations and might require us to spend significant management time and other resources investigating the event and coordinating with local and federal law enforcement. Regardless of the merits and ultimate outcome of these matters, we may be required to devote time and expense to their resolution.

In addition, the increase in the number and the scope of data security incidents has increased regulatory and industry focus on security requirements and heightened data security industry practices. The rapid evolution and increased adoption of complex AI technologies has amplified this focus and continues to influence and impact data security industry requirements and practices. New regulation, evolving industry standards, and the interpretation of both, may cause us to incur additional expense in complying with any new data security requirements. As a result, the failure to maintain the integrity of and protect customer or supplier data or our confidential internal data could result in unintended consequences such as reputational damage, legal liabilities or loss of business, which could have a material adverse effect on our business, operating results and financial condition.

We rely on central global Enterprise Resource Planning (“ERP”) systems and other peripheral information systems. A cybersecurity breach, obsolescence or interruptions in the operation of our computerized systems or other information technologies could have a material adverse effect on our operations and profitability.

Our operations are largely dependent on our ERP system. We continuously make adjustments to improve the effectiveness of the ERP and other peripheral information systems, including the installation of significant new subsystems. Our ERP system is subject to continually evolving cybersecurity and technological risks, including risks associated with cloud data storage. Any failures or disruptions in the ERP and other information systems, including a cybersecurity breach, or any complications resulting from ongoing adjustments to our systems could cause interruption or loss of data in our information or logistical systems that could materially impact our ability to procure products from our factories and suppliers, transport them to our distribution facilities, and store and deliver them to our customers on time and in the correct amounts. In addition, natural disasters or other extraordinary events may disrupt our

information systems and other infrastructure, and our data recovery processes may not be sufficient to protect against loss.

To compete successfully, we must develop and introduce a continuing stream of innovative new products to meet changing consumer preferences.

Our long-term success in the competitive retail environment depends on our ability to develop and commercialize a continuing stream of innovative new products that meet changing consumer preferences and take advantage of opportunities sooner than our competition. We face the risk that our competitors will introduce innovative new products that compete with our products. There are numerous uncertainties inherent in successfully developing and commercializing new products on a continuing basis and new product launches may not deliver expected growth in sales or operating income. If we are unable to develop and introduce a continuing stream of competitive new products, it may have an adverse effect on our business, operating results and financial condition.

Large customers may take actions that adversely affect our gross profit and operating results

With the continuing trend towards retail trade consolidation, we are increasingly dependent upon key customers whose bargaining strength is substantial and growing. We may be negatively affected by changes in the policies of our customers, such as on-hand inventory reductions, limitations on access to shelf space, use of private label brands, price and term demands, actions to respond to public health crises, and other conditions, which could negatively impact our business, operating results and financial condition.

Certain of our customers source and sell products under their own private label brands that compete with our products. Additionally, as large traditional retail and online customers grow even larger and become more sophisticated, they may continue to demand lower pricing, special packaging, shorter lead times for the delivery of products, smaller more frequent shipments, or impose other requirements on product suppliers. These business demands may relate to inventory practices, logistics or other aspects of the customer-supplier relationship. If we do not effectively respond to these demands, these customers could decrease their purchases from us. A reduction in the demand for our products by these customers and the costs of complying with their business demands could have a material adverse effect on our business, operating results and financial condition.

Our operating results are dependent on sales to several large customers and the loss of, or substantial decline in, sales to a top customer could have a material adverse effect on our revenues and profitability.

A few customers account for a substantial percentage of our net sales revenue. Our financial condition and operating results could suffer if we lost all or a portion of the sales to any one of these customers. In particular, sales to our two largest customers accounted for approximately 31% of our consolidated net sales revenue in fiscal 2024. While only two customers individually accounted for 10% or more of our consolidated net sales revenue in fiscal 2024, sales to our top five customers in aggregate accounted for approximately 47% of fiscal 2024 consolidated net sales revenue. We expect that a small group of customers will continue to account for a significant portion of our net sales revenue. Although we have long-standing relationships with our major customers, we generally do not have written agreements that require these customers to buy from us or to purchase a minimum amount of our products. A substantial decrease in sales to any of our major customers could have a material adverse effect on our financial condition and operating results. For example, we had reduced sales to Bed, Bath & Beyond during fiscal 2024 in comparison to the prior year as a result of its bankruptcy. Some of our customers' creditworthiness may be vulnerable to the impact of a prolonged economic downturn or a public health crisis. We regularly monitor and evaluate the credit status of our customers and attempt to adjust sales terms as appropriate. Despite these efforts, a deterioration in the credit worthiness or bankruptcy filing of

a key customer could have a material adverse effect on our business, operating results and financial condition.

We are dependent on third-party manufacturers, most of which are located in Asia, and any inability to obtain products from such manufacturers could have a material adverse effect on our business, operating results and financial condition.

All of our products are manufactured by unaffiliated companies, most of which are in Asia, principally in China. For fiscal 2024, finished goods manufactured in Asia comprised approximately 79% of total finished goods purchased. This concentration exposes us to risks associated with doing business globally, including among others: global public health crises (such as pandemics and epidemics); changing international political relations and conflicts; labor availability and cost; changes in laws, including tax laws, regulations and treaties; changes in labor laws, regulations and policies; changes in customs duties, additional tariffs and other trade barriers; changes in shipping costs; currency exchange fluctuations; local political unrest; an extended and complex transportation cycle; the impact of changing economic conditions; and the availability and cost of raw materials and merchandise. In recent years, increasing labor costs, import tariffs, regional labor dislocations driven by new government policies, local inflation, changes in ocean cargo carrier capacity and costs, the impact of energy prices on transportation, and fluctuations in the Chinese Renminbi against the U.S. Dollar have resulted in variability in our cost of goods sold. In the past, certain Chinese suppliers have closed operations due to economic conditions that pressured their profitability. Although we have multiple sourcing partners for certain products, occasionally we may be unable to source certain items on a timely basis due to changes occurring with our suppliers. We believe that we can source certain similar products outside of China and are moving towards a more diversified supplier base through continuously exploring the expansion of sourcing alternatives in other countries, making progress towards such capabilities during fiscal 2024. However, the relocation of any production capacity will continue to require more time and could require substantial costs. The political, legal and cultural environment in Asia is rapidly evolving, and any change that impairs our ability to obtain products from manufacturers in that region, or to obtain products at marketable rates, could have a material adverse effect on our business, operating results and financial condition.

Any disruption to our supply chain, even for a relatively short period of time, could cause a loss of revenue, which could adversely affect our operating results. Additionally, any surges in demand and shifts in shopping patterns, as well as other factors, can strain the global supply chain network resulting in higher inbound freight costs and surges in prices for raw materials, components and semiconductor chips, which could adversely impact our operating costs. During fiscal 2024, inbound freight costs have continued to decline from the higher costs we experienced from the COVID-19 pandemic and related global supply chain disruptions and have begun to approach levels seen prior to the impact of such factors. However, if global supply chain disruptions re-emerge, we may experience further cost increases which could have a material adverse effect on our business, operating results and financial condition.

With most of our manufacturers located in Asia, our production lead times are relatively long. Therefore, we must commit to production in advance of customer orders. If we fail to forecast customer or consumer demand accurately, we may encounter difficulties in filling customer orders on a timely basis or in liquidating excess inventories. We may also find that customers are canceling orders or returning products. Any of these results could have a material adverse effect on our business, operating results and financial condition.

Our ability to deliver products to our customers in a timely manner and to satisfy our customers' fulfillment standards are subject to several factors, some of which are beyond our control.

Retailers place great emphasis on timely delivery of our products for specific selling seasons, especially during our third fiscal quarter, and on the fulfillment of consumer demand throughout the year. We cannot

control all of the various factors that might affect product delivery to retailers. Vendor production delays, difficulties encountered in shipping from overseas, customs clearance delays, and operational issues with any of the third-party logistics providers we use in certain countries are on-going risks of our business. We also rely upon third-party carriers for our product shipments from our distribution facilities to customers. In certain circumstances, we rely on the shipping arrangements our suppliers have made in the case of products shipped directly to retailers from the suppliers. Accordingly, we are subject to risks, including labor disputes, inclement weather, public health crises (such as pandemics and epidemics), natural disasters, possible acts of terrorism, port and canal backlogs and blockages, availability of shipping containers, carrier-imposed capacity restrictions, carrier delays, shortages of qualified drivers, and increased security restrictions associated with the carriers' ability to provide delivery services to meet our shipping needs. Our third-party manufacturing partners are not equipped to hold meaningful amounts of inventory and if shipping container capacity is limited or unavailable, they could pause manufacturing, which could ultimately impact our ability to meet consumer demand on a timely basis. Further, our delivery process must often accommodate special vendor requirements to use specific carriers and delivery schedules. Failure to deliver products to our retailers in a timely and effective manner could damage our reputation and brands and result in the loss of customers or reduced orders, which could have a material adverse effect on our business, operating results and financial condition.

Our operating results may be adversely affected by trade barriers, exchange controls, expropriations, and other risks associated with domestic and foreign operations, including uncertainty and business interruptions resulting from political changes and events in the U.S. and abroad and volatility in the global credit and financial markets and economy.

The economies of foreign countries important to our operations, including countries in Asia, EMEA and Latin America, could suffer slower economic growth or economic, social and/or political instability or hyperinflation in the future. Our international operations in countries in Asia, EMEA and Latin America, including manufacturing and sourcing operations (and the international operations of our customers), are subject to inherent risks which could adversely affect us. Additionally, there may be uncertainty and business interruptions resulting from political changes and events in the U.S. and abroad, ongoing terrorist activity, and other global events. The global credit and financial markets have recently experienced volatility and disruptions, including diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, and uncertainty about economic stability. The financial markets and the global economy may also be adversely affected by the current or anticipated impact of military conflict or other geopolitical events. Sanctions imposed by the U.S. and other countries in response to such conflicts may also adversely impact the financial markets and the global economy, and any economic countermeasures by affected countries and others could exacerbate market and economic instability. There can be no assurance that further deterioration in credit and financial markets and confidence in economic conditions will not occur.

The domestic and foreign risks of these changes include, among other things:

- protectionist policies restricting or impairing the manufacturing, sales or import and export of our products;
- new restrictions on access to markets;
- lack of required infrastructure;
- inflation (including hyperinflation) or recession;
- changes in, and the burdens and costs of compliance with, a variety of U.S. and foreign laws and regulations, including environmental laws, occupational health and safety laws, tax laws, and accounting standards;
- social, political or economic instability;
- acts of war and terrorism;
- natural disasters and public health crises, such as pandemics and epidemics;

- reduced protection of intellectual property rights in some countries;
- increases in duties and taxation;
- restrictions on transfer of funds or exchange of currencies;
- currency devaluations;
- expropriation of assets; and
- other adverse changes in policies, including monetary, tax or lending policies, encouraging foreign investment or foreign trade by our host countries.

Should any of these events occur, our ability to sell or export our products or repatriate profits could be impaired, we could experience a loss of sales and profitability from our domestic or international operations, and/or we could experience a substantial impairment or loss of assets, any of which could materially and adversely affect our business, operating results and financial condition.

We are subject to risks related to our dependence on the strength of retail economies and may be vulnerable in the event of a prolonged economic downturn, including a downturn from the effects of macroeconomic conditions, any public health crises or similar conditions.

Our business depends on the strength of the retail economies in various parts of the world, primarily in North America and to a lesser extent EMEA, Asia and Latin America. These retail economies are affected for the most part by factors such as consumer demand and the condition of the retail industry, which, in turn, are affected by general economic conditions and specific events such as natural disasters, public health crises (such as pandemics and epidemics), terrorist attacks and political unrest. Consumer spending in any geographic region is generally affected by a number of factors, including among others, local economic conditions, government actions, inflation, interest rates and credit availability, energy costs, commodity prices, unemployment rates, higher consumer debt levels, reductions in net worth, home foreclosures and reductions in home values, gasoline prices, and consumer confidence, all of which are beyond our control. Consumer purchases of discretionary items tend to decline during recessionary periods, when disposable income is lower, and may impact sales of our products. Measures imposed, or that may be imposed, by national, state and local authorities in response to any public health crises may have impacts of uncertain severity and duration on domestic and foreign economies. The effectiveness of economic stabilization efforts, including government payments and loans to affected citizens and industries, is uncertain. Any sustained economic downturn in the U.S. or any of the other countries in which we conduct significant business, may cause significant readjustments in both the volume and mix of our product sales, which could materially and adversely affect our business, operating results and financial condition. We cannot reasonably estimate the duration and severity of existing macroeconomic conditions, which have had and may continue to have a material impact on our business. Additionally, global issues may affect our business and the global economy, including the geopolitical impact of military conflict and any related economic or other sanctions. As a result, current financial information may not necessarily be indicative of future operating results, and our plans to address the impact of macroeconomic trends and global issues may change.

Our business is subject to weather conditions, the duration and severity of the cold and flu season and other related factors, which can cause our operating results to vary from quarter to quarter and year to year.

Sales in our Beauty & Wellness segment are influenced by weather conditions. Sales volumes for thermometers and humidifiers and heating appliances are higher during, and subject to the severity of, the cold weather months, while sales of fans are higher during, and subject to weather conditions in, spring and summer months. Weather conditions can also more broadly impact sales across the organization. Additionally, natural disasters (such as wildfires, hurricanes and ice storms), public health crises (such as pandemics and epidemics), or unusually severe winter weather may result in temporary unanticipated fluctuations in retail traffic and consumer demand, may impact our ability to staff our

distribution facilities or could otherwise impede timely transport and delivery of products to and from our distribution facilities. Sales in our Beauty & Wellness segment are also impacted by cough, cold and flu seasonal trends, including the duration and severity of the cold and flu season. These factors could have a material effect on our business, operating results and financial condition.

We rely on our CEO and a limited number of other key senior officers to operate our business. The loss of any of these individuals could have a material adverse effect on our business.

The loss of our CEO or any of our key senior officers could have a material adverse effect on our business, operating results and financial condition, particularly if we are unable to hire and integrate suitable replacements on a timely basis. Further, as we continue to grow our business, we will continue to adjust our senior management team. If we are unable to attract or retain the right individuals for the team, it could hinder our ability to efficiently execute our business, and could disrupt our operations or otherwise have a material adverse effect on our business.

We rely on licensed trademarks from third parties and license certain trademarks to third parties in exchange for royalty income, the loss of which could have a material adverse effect on our revenues and profitability.

A significant portion of our sales revenue comes from selling products under licensed trademarks, particularly in the Beauty & Wellness segment. As a result, we are dependent upon the continued use of these trademarks. Additionally, we license certain owned trademarks to third parties in exchange for royalty income. It is possible that certain actions taken by us, our licensors, licensees, or other third parties might diminish greatly the value of any of our licensed trademarks. Some of our licensors and licensees also have the ability to terminate their license agreements with us at their option subject to each parties' right to continue the license for a limited period of time following notice of termination. If we, or our licensees, were unable to sell products under these licensed trademarks, or one or more of our license agreements were terminated or the value of the trademarks were diminished, the effect on our business, operating results and financial condition could be both negative and material.

We may be unsuccessful in executing and realizing expected synergies from strategic business initiatives such as acquisitions, divestitures, and global restructuring plans (including Project Pegasus), which may adversely affect the price of our common stock.

We continue to look for strategic business opportunities to drive long-term growth and operating efficiencies, which may include acquisitions, divestitures and/or global restructuring plans. We frequently evaluate our brand portfolio and product portfolio and may consider acquisitions that complement our business or divestitures, or exits of businesses, that we no longer believe to be an appropriate strategic fit. We have initiated, and may initiate in the future, global restructuring plans, such as Project Pegasus, to achieve strategic objectives and improve financial results. Any acquisition, divestiture or global restructuring plan, if not favorably received by consumers, shareholders, analysts, and others in the investment community, could have a material adverse effect on the price of our common stock.

In addition, any acquisition, divestiture or global restructuring plan, including Project Pegasus, involves numerous risks, including:

- our ability to successfully complete the initiative in a timely manner, or at all;
- the initiative may not advance our business strategy as expected;
- challenges realizing anticipated cost savings, efficiencies, synergies, financial targets and other benefits;
- difficulties in accurately predicting costs and future savings;
- costs incurred in completing the initiative may be greater than anticipated;
- the initiative may lead to increases in costs in other aspects of our business such as increased conversion, outsourcing or distribution costs;

- diversion of management's attention from other business concerns;
- challenges in integrating or separating personnel and financial or other systems;
- potential loss of key employees and/or reduced employee morale and productivity; and
- difficulties in transitioning and preserving customer, contractor, supplier, and other important third-party relationships.

Acquisitions pose additional risks, including:

- difficulties in the assimilation of the operations, technologies, and products;
- challenges in integrating distribution channels;
- changes in cash flows or other market-based assumptions or conditions that cause the value of acquired assets to fall below book value;
- risks associated with subsequent losses or operating asset write-offs, contingent liabilities and impairment of related acquired intangible assets including goodwill; and
- risks of entering markets in which we have no or limited experience.

Divestitures pose additional risks, including:

- our ability to find appropriate buyers;
- difficulties executing transactions on favorable terms;
- separating divested business operations with minimal impact to our remaining operations;
- risks associated with operating asset write-offs and impairment charges; and
- challenges effectively managing any transition service arrangements.

Legal, Regulatory and Tax Risks

Changes in laws and regulations, including environmental, employment and health and safety and tax laws, and the costs and complexities of compliance with such laws could have a material adverse impact on our business.

The impact of future legislation in the U.S. or abroad, including such things as employment and health insurance laws, environmental and climate change related legislation, tax legislation, regulations or treaties is always uncertain. Global, federal and local legislative agendas from time to time contain numerous proposals dealing with environmental policy, energy policy, taxes, financial regulation, transportation policy and infrastructure policy, among others that, if enacted into law, could increase our costs of doing business. Changes in government administrations in the U.S. or abroad, increase the uncertainty of future changes in legislation, enhanced regulations, and greater oversight, or more stringent interpretations, of existing policies by regulatory agencies. Changes in such laws, regulations or oversight could cause us to incur material capital or operating expenditures in the future to comply with applicable laws and regulations, increase our effective income tax rate, delay or interrupt distribution of our products, or make them more costly to produce, all of which could have a material adverse impact on our business.

For example, the Organisation for Economic Co-operation and Development has introduced a framework to implement a global minimum corporate income tax of 15%, referred to as "Pillar Two." Certain countries in which we operate have enacted legislation to adopt Pillar Two and other countries are considering changes to their tax laws to implement this framework. The EU agreed to implement Pillar Two starting in 2024. In response to Pillar Two, the government of Bermuda enacted a 15% corporate income tax in December 2023 that will become effective for us in fiscal 2026. Although we currently do not expect this tax enacted by Bermuda to have a material impact to our consolidated financial statements, we will continue to monitor and evaluate impact as further regulatory guidance becomes available. Whether, and to what extent, Pillar Two is adopted or enacted by the other jurisdictions in which we operate is uncertain and could increase the cost and complexity of compliance and may adversely affect our global effective tax rate, financial condition and results of operations.

As additional tax or financial regulatory guidance is issued by the applicable authorities and accounting treatment is clarified, we perform additional analysis on the application of the law and we refine our estimates. Our final analysis may be different from provisional amounts, which could materially affect our tax obligations, effective tax rate and operating results in the period completed.

Increased focus and expectations on climate change and other ESG matters could have a material adverse effect on our business, financial condition and results of operations and damage our reputation.

Increased focus and expectations on ESG are emerging trends with governmental and non-governmental organizations, consumers, shareholders, retail customers, communities, and other stakeholders. These trends have led to, among other things, increased public and private social accountability reporting requirements relating to labor practices, climate change, human trafficking and other ESG matters and greater demands on our packaging and products. The increased focus on ESG matters may also lead to new or more regulations and customer, shareholder and consumer demands that could require us to incur additional costs or make changes to our operations to comply with new regulations or address these demands. For example, we anticipate the reporting requirements under the EU Corporate Sustainability Reporting Directive to be effective for us in fiscal 2029. We expect that these trends will continue. If we are unable to adequately respond to, or we are not perceived as adequately responding to, existing or new requirements or demands, customers and consumers may choose to purchase products from another company or a competitor. Increased requirements and costs to comply with these requirements, such as climate change regulations and international accords may also cause disruptions in or higher costs associated with manufacturing or distributing our products. Any failure to achieve our ESG goals or a perception of our failure to act responsibly or to effectively respond to new, or changes in, legal or regulatory requirements relating to ESG matters could adversely affect our business, financial condition, results of operations and reputation.

Significant changes in or our compliance with regulations, interpretations or product certification requirements could adversely impact our operations.

As a global company, we are subject to U.S. and foreign regulations, including environmental, health and safety laws, and industry-specific product certifications. Many of the products we sell are subject to product safety laws and regulations in various jurisdictions. These laws and regulations specify the maximum allowable levels of certain materials that may be contained in our products, provide statutory prohibitions against misbranded and adulterated products, establish ingredients and manufacturing procedures for certain products, specify product safety testing requirements, and set product identification, labeling and claim requirements. For example, thermometers distributed by our Beauty & Wellness segment must comply with various regulations governing the production and distribution of medical devices.

Significant new regulations, material changes to existing regulations, or greater oversight, enforcement or changes in interpretation of existing regulations, could further delay or interrupt distribution of our products in the U.S. and other countries, result in fines or penalties or cause our costs of compliance to increase. We cannot guarantee that our products will receive regulatory approval in all countries. Similarly, some of our Beauty & Wellness segment's customers require that our hair appliances comply with various safety certifications, including UL certifications. Significant new certification requirements or changes to existing certification requirements could further delay or interrupt distribution of our products, or make them more costly to produce.

We are not able to predict the nature of potential changes to, or enforcement of laws, regulations, product certification requirements, repeals or interpretations. Nor are we able to predict the impact that any of these changes would have on our business in the future. Further, if we were found to be noncompliant with applicable laws and regulations in these or other areas, we could be subject to governmental or regulatory actions, including fines, import detentions, injunctions, product withdrawals or recalls or asset

seizures, any of which could have a material adverse effect on our business, results of operations and financial condition.

Additionally, some of our product lines are subject to product identification, labeling and claim requirements, which are monitored and enforced by regulatory agencies, such as the EPA, U.S. Customs and Border Protection, the U.S. Food and Drug Administration, and the U.S. Consumer Product Safety Commission. As discussed elsewhere in this Annual Report, during fiscal 2022, we were in discussions with the EPA regarding the compliance of packaging claims on certain of our products in the air and water filtration categories and a limited subset of humidifier products within the Beauty & Wellness segment that are sold in the U.S. As a result of these packaging compliance discussions, we voluntarily implemented a temporary stop shipment action on the impacted products as we worked with the EPA towards an expedient resolution. We resumed normalized levels of shipping of the affected inventory during fiscal 2022 and we completed the repackaging and relabeling of our existing inventory of impacted products during fiscal 2023. Additionally, as a result of continuing dialogue with the EPA, we executed further repackaging and relabeling plans on certain additional humidifier products and certain additional air filtration products, which were also completed during fiscal 2023. Although, we have not been notified of any fines or penalties imposed against us by the EPA related to this matter, there can be no assurances that such fines or penalties will not be imposed in the future. Additional impacts or more pronounced adverse impacts may arise that we are not currently aware of today. As a result, our business, results of operations and financial condition could be adversely and materially impacted in ways that we are not able to predict today. For additional information refer to Item 7., "Management's Discussion and Analysis of Financial Condition and Results of Operations," including "EPA Compliance Costs" in this Annual Report.

Global legal developments regarding privacy and data security could result in changes to our business practices, penalties, increased cost of operations, or otherwise harm our business.

As a global company, we are subject to global privacy and data security laws, regulations, and codes of conduct that apply to our various business units. These laws and regulations may be inconsistent across jurisdictions and are subject to evolving and differing interpretations. Government regulators, privacy advocates and class action attorneys are increasingly scrutinizing how companies collect, process, use, store, share and transmit personal data. This increased scrutiny may result in new interpretations of existing laws, thereby further impacting our business.

New and emerging global and local laws on privacy, data and related technologies, as well as industry self-regulatory codes, are creating new compliance obligations and expanding the scope of potential liability, either jointly or severally with our customers and suppliers. While we have invested in readiness to comply with applicable requirements, these new and emerging laws, regulations and codes may affect our ability to reach current and prospective consumers, to respond to consumer requests under such laws (such as individual rights of access, correction, and deletion of their personal information), and to implement our business models effectively. The costs of compliance or failure to comply with such laws, regulations, codes of conduct and expectations could have a material adverse impact on our financial condition and results of operations.

If significant tariffs or other restrictions are placed on imports from China, Mexico or Vietnam or any retaliatory trade measures are taken by China, Mexico or Vietnam, our business and results of operations could be materially and adversely affected.

All of our products are manufactured by unaffiliated manufacturers, most of which are located in China, Mexico, Vietnam and the U.S. This concentration exposes us to risks associated with doing business globally, including changes in tariffs. Any alteration of trade agreements and terms between China, Mexico, Vietnam and the U.S., including limiting trade with China, Mexico and Vietnam, imposing additional tariffs on imports from China, Mexico or Vietnam and potentially imposing other restrictions on

imports from China, Mexico or Vietnam to the U.S. may result in further or higher tariffs, or retaliatory trade measures by China, Mexico or Vietnam, all of which could have a material adverse effect on our business and operating results.

Under current U.S. federal income tax law, tax treatment of our non-U.S. income is dependent on whether we are classified as a “controlled foreign corporation” for U.S. federal income tax purposes. Changes in the composition of our stock ownership could have an impact on our classification. If our classification were to change, it could have a material adverse effect on the largest U.S. shareholders and, in turn, on our business.

A non-U.S. corporation, such as ours, will constitute a “controlled foreign corporation” or “CFC” for U.S. federal income tax purposes if its largest U.S. shareholders together own more than 50 percent of the stock outstanding. A U.S. shareholder is defined as any U.S. person who owns directly, indirectly, or constructively: (1) 10 percent or more of the total combined voting power of all classes of stock, or (2) 10 percent or more of the total value of shares of all classes of stock. If the IRS or a court determined that we were a CFC at any time during the tax year, then each of our U.S. shareholders as defined above would be required to include in gross income for U.S. federal income tax purposes its pro rata share of our “subpart F income” (and the subpart F income of any of our subsidiaries determined to be a CFC) for the period during which we (and our non-U.S. subsidiaries) were deemed a CFC. In addition, any gain on the sale of our shares realized by such a shareholder may be treated as ordinary income to the extent of the shareholder’s proportionate share of our and our CFC subsidiaries’ undistributed earnings and profits accumulated during the shareholder’s holding period of the shares while we were deemed to be a CFC.

Legislation enacted in Bermuda and Barbados in response to the EU’s review of harmful tax competition could adversely affect our operations.

Our jurisdiction of organization is Bermuda and one of our subsidiaries is organized in Barbados, two of the countries identified in the EU Economic and Financial Affairs Council (“ECOFIN”) report issued in December 2017 listing non-cooperative tax jurisdictions. In response to the ECOFIN report, “economic substance” legislation was enacted in Bermuda and Barbados and ECOFIN subsequently declared that both countries “cooperate with the EU” and are considered to have “implemented all commitments.”

The economic substance legislation in each of Bermuda and Barbados requires certain entities engaged in “relevant activities” in that country to maintain a substantial economic presence in the country, and to satisfy economic substance requirements. The list of “relevant activities” in the respective statutes includes carrying on as a business any one or more of several enumerated activities, such as headquarters, shipping, distribution and service center, intellectual property and holding entities. Any entity that is required to satisfy economic substance requirements must file a declaration with the Bermuda Registrar of Companies and the Ministry of International Business and Industry in Barbados, as applicable.

Although the local authorities have released some implementing guidelines, the impact of the foregoing legislation and developments is unclear, including how the requirements will be measured and whether additional or revised requirements may be enacted by Bermuda or Barbados. Failure to comply with the economic substance requirements could result in automatic disclosure of relevant information to competent authorities in the relevant EU member state or other jurisdiction in which the Company has its holding entity, its ultimate parent entity or an owner or beneficial owner. Other sanctions include financial penalties, restriction or regulation of business activities and/or being struck off as a registered entity in Bermuda or Barbados. We cannot predict the effect of Bermuda’s or Barbados’s current or future economic substance requirements on our business, which may impact the manner and jurisdictions in which we operate, and which could adversely affect our business, financial condition or results of operations.

Our judgments regarding the accounting for tax positions and the resolution of tax disputes may impact our net earnings and cash flow.

Significant judgment is required to determine our effective tax rate and evaluate our tax positions. We provide for uncertain tax positions when such tax positions do not meet the recognition thresholds or measurement criteria prescribed by applicable accounting standards. Fluctuations in federal, state, local and foreign taxes or a change to uncertain tax positions, including related interest and penalties, may impact our effective tax rate and financial results. Additionally, we are subject to audits in the various taxing jurisdictions in which we conduct business. In cases where audits are conducted and issues are raised, a number of years may elapse before such issues are finally resolved. Unfavorable resolution of any tax matter could increase the effective tax rate, which could have an adverse effect on our operating results and cash flow. For additional information regarding our taxes, see Note 18 to the accompanying consolidated financial statements.

Our business involves the potential for product recalls, product liability and other claims against us, which could materially and adversely affect our business, operating results and financial condition.

We are, from time to time, involved in various claims, litigation matters and regulatory proceedings that arise in the ordinary course of our business and that could have a material adverse effect on us. These matters may include personal injury and other tort claims, deceptive trade practice disputes, intellectual property disputes (including the Patent Litigation and ITC Action (each as defined below) regarding our PUR gravity-fed water filters), product recalls, contract disputes, warranty disputes, employment and tax matters and other proceedings and litigation, including class actions. It is not possible to predict the outcome of pending or future litigation. As with any litigation, it is possible that some of the actions could be decided unfavorably, resulting in significant liability and, regardless of the ultimate outcome, can be costly to defend. Our results and our business could also be negatively impacted if one of our brands suffers substantial damage to its reputation due to a significant product recall or other product-related litigation and if we are unable to effectively manage real or perceived concerns about the safety, quality, or efficacy of our products.

We also face exposure to product liability and other claims in the event that one of our products is alleged to have resulted in property damage, bodily injury or other adverse effects. Although we maintain liability insurance in amounts that we believe are reasonable, that insurance is, in most cases, subject to large self-insured retentions for which we are responsible. We cannot provide assurance that we will be able to maintain such insurance on acceptable terms, if at all in the future, or that product liability or other claims will not exceed the amount of insurance coverage, or that all such matters would be covered by our insurance. As a result, these types of claims could have a material adverse effect on our business, operating results and financial condition.

Financial Risks

Increased costs of raw materials, energy and transportation may adversely affect our operating results and cash flow.

Significant increases in the costs and availability of raw materials, energy and transportation may negatively affect our operating results. Our suppliers purchase significant amounts of metals and plastics to manufacture our products. In addition, they also purchase significant amounts of electricity to supply the energy required in their production processes. Global political instabilities and tensions and many other factors may increase fuel prices resulting in higher transportation prices and product costs. We are heavily dependent on inbound sea, rail and truck freight. In the past, disruptions in the global supply chain and freight networks increased our cost of goods sold and certain operating expenses and any future disruptions could have a material adverse impact on our costs.

The cost of raw materials, energy and transportation, in the aggregate, represents a significant portion of our cost of goods sold and certain operating expenses, which we may not be able to pass on to our customers. Our operating results could be adversely affected by future increases in these costs. Additionally, the loss or disruption of essential manufacturing and supply elements such as raw materials or other finished product components, restricted transportation or increased freight costs, reduced workforce, or other manufacturing and distribution disruption could adversely impact our ability to meet our customers' needs.

If our goodwill, indefinite-lived and definite-lived intangible assets, or other long-lived assets become impaired, we will be required to record impairment charges, which may be significant.

A significant portion of our non-current assets consists of goodwill and intangible assets recorded as a result of past acquisitions. We do not amortize goodwill and indefinite-lived intangible assets, but rather review them for impairment on an annual basis or more frequently whenever events or changes in circumstances indicate that their carrying value may not be recoverable. We review intangible assets with definite lives and long-lived assets held and used for impairment if a triggering event occurs during the reporting period. We evaluate any long-lived assets held for sale quarterly to determine if fair value less cost to sell has changed during the reporting period. We record impairment charges to the extent the carrying values of these assets are not recoverable in accordance with the applicable accounting standards.

Considerable management judgment is necessary in reaching a conclusion regarding the reasonableness of fair value estimates, evaluating the most likely impact of a range of possible external conditions, considering the resulting operating changes and their impact on estimated future cash flows, determining the appropriate discount factors to use, and selecting and weighting appropriate comparable market level inputs. The recoverability of these non-current assets is dependent upon achievement of our projections and the continued execution of key initiatives related to revenue growth and profitability. The rates used in our projections are management's estimate of the most likely results over time, given a wide range of potential outcomes. The assumptions and estimates used in our impairment testing involve significant elements of subjective judgment and analysis by our management. While we believe that the assumptions we use are reasonable at the time made, changes in business conditions or other unanticipated events and circumstances may occur that cause actual results to differ materially from projected results and this could potentially require future adjustments to our asset valuations.

Events and changes in circumstances that may indicate there is impairment and which may indicate interim impairment testing is necessary include, but are not limited to: strategic decisions to exit a business or dispose of an asset made in response to changes in economic, political and competitive conditions; the impact of the economic environment on our customer base and on broad market conditions that drive valuation considerations by market participants; our internal expectations with regard to future revenue growth and the assumptions we make when performing our impairment reviews; a significant decrease in the market price of our assets; a significant adverse change in the extent or manner in which our assets are used; a significant adverse change in legal factors or the business climate that could affect our assets; an accumulation of costs significantly in excess of the amount originally expected for the acquisition of an asset; and significant changes in the cash flows associated with an asset. As a result of such circumstances, we may be required to revise certain accounting estimates and judgments related to the valuation of goodwill, indefinite-lived and definite-lived intangible assets and other long-lived assets, which could result in material impairment charges. Any such impairment charges could have a material adverse effect on our results of operations.

Our operating results may be adversely affected by foreign currency exchange rate fluctuations.

The U.S. Dollar is the functional currency for the Company and all of its subsidiaries. Changes in the relation of other foreign currencies to the U.S. Dollar will affect our sales and profitability and can result in

exchange losses because we have operations and assets located outside the U.S. We transact a portion of our international business in currencies other than the U.S. Dollar ("foreign currencies"). Such transactions include sales and operating expenses. As a result, portions of our cash, trade accounts receivable and trade accounts payable are denominated in foreign currencies. Accordingly, foreign operations will continue to expose us to foreign currency exchange rate fluctuations, which may result in the recognition of foreign exchange losses upon remeasurement to U.S. Dollars. Additionally, we purchase a substantial amount of our products from Chinese manufacturers in U.S. Dollars, who source a significant portion of their labor and raw materials in Chinese Renminbi. The Chinese Renminbi has fluctuated against the U.S. Dollar in recent years. During fiscal 2024, the average exchange rate of the Chinese Renminbi weakened against the U.S. dollar by approximately 5% compared to the average rate during fiscal 2023. Chinese Renminbi currency fluctuations have the potential to add volatility to our product costs over time.

Where operating conditions permit, we seek to reduce foreign currency risk by purchasing most of our inventory with U.S. Dollars and by converting cash balances denominated in foreign currencies to U.S. Dollars. We use derivative financial instruments including forward contracts and cross-currency debt swaps to mitigate certain foreign currency exchange rate risk inherent in our transactions denominated in foreign currencies. It is not practical for us to mitigate all our exposures, nor are we able to accurately project the possible effect of foreign currency remeasurement on our operating results or future net income due to our constantly changing exposure to various foreign currencies, difficulty in predicting fluctuations in foreign currency exchange rates relative to the U.S. Dollar and the significant number of currencies involved.

The impact of future foreign currency exchange rate fluctuations on our results of operations cannot be accurately predicted. Accordingly, there can be no assurance that foreign currency exchange rates:

- will be stable in the future;
- can be mitigated with currency hedging or other risk management strategies; or
- will not have a material adverse effect on our business, operating results and financial condition.

Our liquidity or cost of capital may be materially adversely affected by constraints or changes in the capital and credit markets, interest rates and limitations under our financing arrangements.

We need sufficient sources of liquidity to fund our working capital requirements, service our outstanding indebtedness and finance business opportunities. Without sufficient liquidity, we could be forced to curtail our operations, or we may not be able to pursue business opportunities. The principal sources of our liquidity are funds generated from operating activities, available cash, and credit facilities. If our sources of liquidity do not satisfy our requirements, we may need to seek additional financing. The future availability of financing will depend on a variety of factors, such as economic and market conditions, the reaction by banks and financial institutions to a public health crisis (such as pandemics and epidemics), the regulatory environment for banks and other financial institutions, the availability of credit and our reputation with potential lenders. Further, disruptions in national and international credit markets, including adverse developments impacting the financial services industry such as the recent bank closures and investor concerns regarding the U.S. or international financial systems, could result in limitations on credit availability, tighter lending standards, higher interest rates on consumer and business loans, and higher fees associated with obtaining and maintaining credit availability. Disruptions may also materially limit consumer credit availability and restrict credit availability to us and our customer base. In addition, in the event of disruptions in the financial markets, current or future lenders may become unwilling or unable to continue to advance funds under any agreements in place, increase their commitments under existing credit arrangements or enter into new financing arrangements. The Federal Open Market Committee increased the benchmark interest rate by 75 basis points during fiscal 2024 and by 450 basis points during fiscal year 2023. If interest rates continue to increase and adverse economic changes occur, our access to credit on favorable interest rate terms may be impacted. In an economic downturn, we may also be unable to raise capital through debt or equity financings on terms acceptable

to us or at all. Additionally, in challenging and uncertain economic environments, we cannot predict when macroeconomic uncertainty may arise, whether or when such circumstances may improve or worsen or what impact such circumstances could have on our business and our liquidity requirements. These factors could materially adversely affect our liquidity, costs of borrowing and our ability to pursue business opportunities or grow our business, and threaten our ability to meet our obligations as they become due. In addition, covenants in our debt agreement could restrict or delay our ability to obtain additional financing, potentially limiting our ability to adjust to rapidly changing market conditions or respond to business opportunities, or in the event of a failure to comply with such covenants, could result in an event of default, which if not cured or waived, could have a material adverse effect on us. We may also assume or incur additional debt, including secured debt, in the future in connection with, or to fund, future acquisitions or for other operating needs.

In addition, our variable rate debt and related interest swaps use the Secured Overnight Financing Rate ("SOFR"), a rate equal to the secured overnight financing rate as administered by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate), as a benchmark for establishing interest rates. SOFR is a backward-looking measure, calculated based on short-term repurchase agreements, backed by U.S. Treasury securities. As such, if interest rates were to continue to increase, our debt service obligations on variable rate debt subject to SOFR would increase, which could negatively impact our net income, cash flows and financial condition.

SOFR began in April 2018, and it therefore has a limited history. The future performance of SOFR may be difficult to predict accurately because of limited historical performance data. Prior observed patterns, if any, in the behavior of market variables and their relation to SOFR, such as correlations, may change in the future. In addition, the administrator of SOFR may make methodological or other changes that could change the value of SOFR. Uncertainty as to SOFR or changes to SOFR will affect the interest rates of our financial instruments linked to SOFR.

Furthermore, the composition and characteristics of SOFR are not the same as those of LIBOR, which was previously used as a benchmark for our variable rate debt and which was a forward-looking measure, based on bank estimates of borrowing costs. As a result of these and other differences, there can be no assurance that SOFR will perform in the same way as LIBOR would have at any time, and there is no guarantee that it is a comparable substitute for LIBOR.

Our projections of product demand, sales and net income are highly subjective in nature and our future sales and net income could vary by a material amount from our projections.

From time to time, we may provide financial projections to our shareholders, lenders, investment community, and other stakeholders of our future sales and net income. Since we do not require long-term purchase commitments from our major customers and the customer order and ship process is very short, it is difficult for us to accurately predict the demand for many of our products, or the amount and timing of our future sales, related net income and cash flows.

Our projections are based on management's best estimate of sales using historical sales data and other relevant information available at the time. These projections are highly subjective since sales to our customers can fluctuate substantially based on the demand of their retail consumers and related ordering patterns, as well as other risks described in this Annual Report. Additionally, changes in consumer demand, retailer inventory management strategies, transportation lead times, supplier capacity, and raw material availability could make our inventory management and sales forecasting more difficult. Due to these factors, our future sales and net income could vary materially from our projections.

We are dependent on discretionary spending, which is affected by, among other things, economic and political conditions, consumer confidence, interest, inflation and tax rates, a public health crisis (such as pandemics and epidemics), and financial and housing markets, which are all outside of our control.

Consequently, these and other potential impacts we are not currently aware of could also cause future sales and net income to vary materially from our projections.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Risk Management and Strategy

The Company relies on electronic information systems, networks and technologies to conduct and support its operations and other functions and activities within the Company. We rely on commercially available systems, software, tools, third-party service providers and monitoring to provide security for processing, transmission and storage of confidential information and data. We have an enterprise-grade information security management program designed to identify, protect, detect and respond to and manage reasonably foreseeable material cybersecurity threats. To protect our information systems from cybersecurity threats, we use various security tools that help prevent, identify, escalate, investigate, remediate, respond and recover from identified vulnerabilities and cybersecurity incidents.

As part of the Company's cybersecurity risk management program, we follow the NIST Cybersecurity Framework ("CSF") to assess, identify and manage risks that arise from cybersecurity threats. The CSF is closely tied to the Company's enterprise risk management processes to identify and document cybersecurity threats and prioritize responses. Included in the CSF process is the identification and assessment of cybersecurity risks to systems, assets, data and resources. The Company also has a vulnerability management process in place. This vulnerability management process helps us to detect and identify threats and vulnerabilities and once identified, to remediate, respond and recover. In addition, our cybersecurity team subscribes to expert and industry standard security feeds and reports, which we use to identify new risks and new vulnerabilities in different systems and infrastructures. Our cybersecurity risk management program also includes cybersecurity awareness training for our associates and an incident response team ("IRT").

The Company engages third-party service providers to be able to perform 24/7 proactive monitoring, correlation and triage of logs and activity throughout our systems, networks and infrastructures. These processes are performed by cybersecurity service providers as well as automated detection. These processes include detection and response, as well as vulnerability management and remediation. The Company also has a vendor risk management process to assess risks related to technology third-party service providers where we initially assess their cybersecurity posture upon engaging their services. We annually review these vendors to update our risk assessment and to monitor for any changes that could present additional risks.

We also maintain a cyber incident response plan ("IRP") with the objective of (1) providing a structured and systematic incident response process for cybersecurity threats that affect any of our electronic information systems and networks, (2) timely and effectively identifying, resolving and communicating cybersecurity incidents and (3) managing internal and external communications and reporting. Under the IRP, a dedicated information security coordinator is responsible for implementing the IRP, as well as:

- identifying the IRT and any appropriate sub-teams to address specific cybersecurity incidents, or categories of cybersecurity incidents;
- coordinating IRT activities, including developing, maintaining, and following appropriate procedures to respond to, communicate, and document identified cybersecurity incidents;
- conducting post-incident reviews to gather feedback on cybersecurity incident response procedures and address any identified gaps in security measures;

- providing training and conducting periodic exercises to promote associate and stakeholder preparedness and awareness of the IRP; and
- reviewing the IRP at least annually, or whenever there is a material change in our business practices that may reasonably affect our cyber incident response procedures.

If a cybersecurity incident occurs, under the IRP, the information security coordinator or a designee is required to notify, as necessary and applicable, the IRT and senior executives and organizational leadership, including our Chief Legal Officer, our business partners or service providers and other authorities. Our Chief Legal Officer, working with senior executives, is required under the IRP, as appropriate, to notify the Audit Committee of any cybersecurity incident. As discussed below, the Audit Committee of our Board of Directors oversees risk management relating to cybersecurity.

We and our third-party service providers have experienced and expect to continue to experience actual or attempted cyber-attacks of our information systems and networks. We do not believe we have experienced any material system security breach that to date has had a material impact on our operations or financial condition. However, if any such event, whether actual or perceived, were to occur, it could have a material adverse effect on our business, operating results and financial condition. For more information regarding the risks we face from cybersecurity threats, see Item 1A., "Risk Factors."

Cybersecurity Governance

Cybersecurity is an important part of our enterprise risk management processes and an area of focus for our Board of Directors and management. The Company has a dedicated role in the Director of Cybersecurity and IT Compliance, who reports to our Chief Information Officer ("CIO"). Our current interim CIO has significant experience in information technology across a variety of industries, including consumer goods, automotive, manufacturing and outsourcing. Our current interim CIO and Director of Cybersecurity and IT Compliance also have experience in cybersecurity, information security, policy, architecture, engineering and incident response. The CIO works with other functions within the Company to implement controls, procedures and practices to help minimize the Company's risks, as well as to introduce security by design. Our CIO provides regular updates on cybersecurity matters to our senior management.

The Audit Committee assists the Board of Directors in its oversight of risks related to cybersecurity and directly oversees risk management relating to cybersecurity. The Audit Committee is also responsible for assessing the steps management has taken to monitor and control these risks and exposures and evaluating guidelines and policies with respect to our risk assessment and risk management. Our Chief Legal Officer working with the CIO and other senior management is responsible for determining and coordinating reports and updates to the Audit Committee or the Board of Directors, or as requested by the Audit Committee or the Board of Directors. The Audit Committee reviews our cybersecurity program with management and reports to the Board of Directors with respect to, and its review of, the program. Cybersecurity reviews by the Audit Committee generally occur at least annually, or more frequently as determined to be necessary or advisable. The Board of Directors receives an update on the Company's risk management processes and the risk trends related to cybersecurity at least annually.

Item 2. Properties

As of February 29, 2024, we own, lease or otherwise utilize through third-party management service agreements various properties worldwide for sales, procurement, research and development, administrative and distribution facilities. We lease our U.S. headquarters, which is located in El Paso, Texas, and we own three main distribution facilities, two of which are located in Southaven and Olive Branch, Mississippi. We completed the construction in March 2023 of our third main distribution facility in Gallaway, Tennessee, which became operational during the first quarter of fiscal 2024. We also lease one distribution facility in Olive Branch, Mississippi. Our distribution facilities in Gallaway, Tennessee and

Southaven, Mississippi currently service our Home & Outdoor segment. Our distribution facilities in Olive Branch, Mississippi currently service our Beauty & Wellness segment. We believe our facilities are adequate to conduct our business. See Note 4 to the accompanying consolidated financial statements for additional information.

Item 3. Legal Proceedings

We are involved in various legal claims and proceedings in the normal course of operations. We believe the outcome of these matters will not have a material adverse effect on our consolidated financial position, results of operations or liquidity, except as described below.

Water Filtration Patent Litigation

On December 23, 2021, Brita LP filed a complaint against Kaz USA, Inc. and Helen of Troy Limited in the United States District Court for the Western District of Texas (the "Patent Litigation"), alleging patent infringement by the Company relating to its PUR gravity-fed water filtration systems. In the Patent Litigation, Brita LP seeks monetary damages and injunctive relief relating to the alleged infringement. Brita LP simultaneously filed a complaint with the United States International Trade Commission ("ITC") against Kaz USA, Inc., Helen of Troy Limited and five other unrelated companies that sell water filtration systems (the "ITC Action"). The complaint in the ITC Action also alleged patent infringement by the Company with respect to a limited set of PUR gravity-fed water filtration systems. In the ITC Action, Brita LP requested the ITC to initiate an unfair import investigation relating to such filtration systems. This action sought injunctive relief to prevent entry of certain accused PUR products (and certain other products) into the U.S. and cessation of marketing and sales of existing inventory that is already in the U.S. On January 25, 2022, the ITC instituted the investigation requested by the ITC Action. Discovery closed in the ITC Action in May 2022, and approximately half of the originally identified PUR gravity-fed water filters were removed from the case and are no longer included in the ITC Action. In August 2022, the parties participated in the evidentiary hearing, with additional supplemental hearings in October 2022. On February 28, 2023, the ITC issued an Initial Determination in the ITC Action, tentatively ruling against the Company and the other unrelated respondents. The ITC has a guaranteed review process, and thus all respondents, including the Company, filed a petition with the ITC for a full review of the Initial Determination. On September 19, 2023, the ITC issued its Final Determination in the Company's favor. The ITC determined there was no violation by the Company and terminated the investigation. Brita LP is appealing the ITC's decision to the Federal Circuit ("CAFC Appeal") and filed its Notice of Appeal on October 24, 2023. The Company intervened in the CAFC Appeal, but as of the filing date of this Form 10-K, no hearings have been scheduled. The Patent Litigation remains stayed for the time being. We cannot predict the outcome of these legal proceedings, the amount or range of any potential loss, when the proceedings will be resolved, or customer acceptance of any replacement water filter. Litigation is inherently unpredictable, and the resolution or disposition of these proceedings could, if adversely determined, have a material and adverse impact on our financial position and results of operations.

EPA Regulatory Matter

During fiscal 2022, we were in discussions with the EPA regarding the compliance of packaging claims on certain of our products in the air and water filtration categories and a limited subset of humidifier products within the Beauty & Wellness segment that are sold in the U.S. The EPA did not raise any product quality, safety or performance issues. As a result of these packaging compliance discussions, we voluntarily implemented a temporary stop shipment action on the impacted products as we worked with the EPA towards an expedient resolution. Our fiscal 2022 consolidated, and Beauty & Wellness segment's, net sales revenue, gross profit and operating income were materially and adversely impacted by the stop shipment actions and the time needed to execute repackaging plans. We resumed normalized levels of shipping of the affected inventory during fiscal 2022 and we completed the repackaging and relabeling of our existing inventory of impacted products during fiscal 2023. Additionally,

as a result of continuing dialogue with the EPA, we executed further repackaging and relabeling plans on certain additional humidifier products and certain additional air filtration products, which were also completed during fiscal 2023. Although we have not been notified of any fines or penalties imposed against us by the EPA related to this matter, there can be no assurances that such fines or penalties will not be imposed in the future.

See Note 12 to the accompanying consolidated financial statements for further discussion.

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 for Common Stock

Our common stock is listed on the NASDAQ Global Select Market under symbol: HELE.

Approximate Number of Equity Security Holders of Record

Our common stock is our only class of equity security outstanding at February 29, 2024. As of April 18, 2024, there were 102 holders of record of our common stock. A substantially greater number of holders of our common stock are "street name" or beneficial holders whose shares are held of record by banks, brokers and other financial institutions.

Cash Dividends

Our current policy is to retain earnings to provide funds for the operation and expansion of our business, common stock repurchases and for potential acquisitions. We have not paid any cash dividends on our common stock since inception. Any change in dividend policy will depend upon future conditions, including earnings and financial condition, general business conditions, any applicable contractual limitations, and other factors deemed relevant by our Board of Directors.

Issuer Purchases of Equity Securities

In August 2021, our Board of Directors authorized the repurchase of up to \$500 million of our outstanding common stock. The authorization became effective August 25, 2021, for a period of three years, and replaced our former repurchase authorization, of which approximately \$79.5 million remained. These repurchases may include open market purchases, privately negotiated transactions, block trades, accelerated stock repurchase transactions, or any combination of such methods. The number of shares purchased and the timing of the purchases will depend on a number of factors, including share price, trading volume and general market conditions, working capital requirements, general business conditions, financial conditions, any applicable contractual limitations, and other factors, including alternative investment opportunities. See Note 10 to the accompanying consolidated financial statements for additional information.

Our current equity-based compensation plans include provisions that allow for the "net exercise" of share-settled awards by all plan participants. In a net exercise, any required payroll taxes, federal withholding taxes and exercise price of the shares due from the option or other share-based award holders are settled by having the holder tender back to us a number of shares at fair value equal to the amounts due. Net exercises are treated as purchases and retirements of shares.

Share repurchase activity during the three-month period ended February 29, 2024, was as follows:

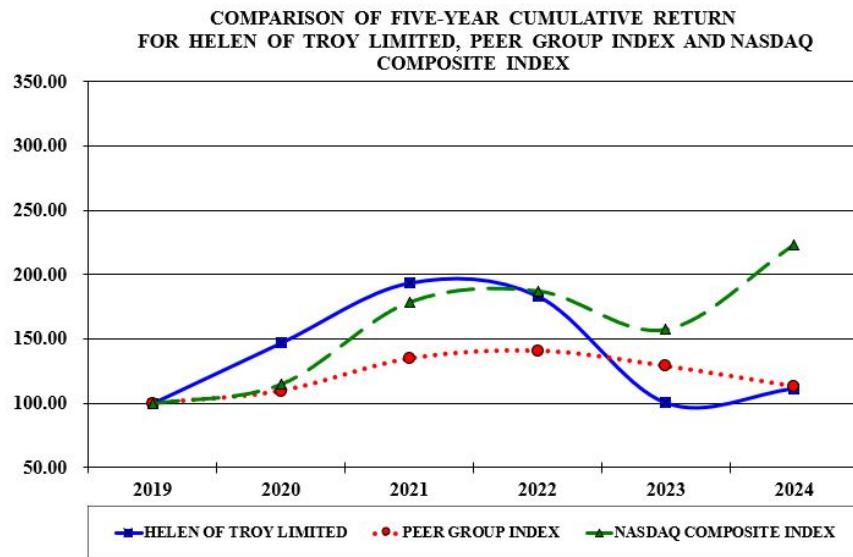
Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Maximum Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs (in thousands) (2)
December 1 through December 31, 2023	21	\$ 107.33	21	\$ 348,780
January 1 through January 31, 2024	5	121.43	5	348,779
February 1 through February 29, 2024	3,208	117.83	3,208	348,401
Total	<u>3,234</u>	<u>\$ 117.77</u>	<u>3,234</u>	

(1) The number of shares includes shares of common stock acquired from associates who tendered shares to: (i) satisfy the tax withholding on equity awards as part of our long-term incentive plans or (ii) satisfy the exercise price on stock option exercises. For the periods presented, there were no common stock open market repurchases.

(2) Reflects the remaining dollar value of shares that could be purchased under our current stock repurchase authorization through the expiration or termination of the plan. For additional information, see Note 10 to the accompanying consolidated financial statements.

Performance Graph

The graph below compares the cumulative total return of our Company to the NASDAQ Composite Index and a Peer Group Index, assuming \$100 was invested on February 28, 2019. The Peer Group Index is the Dow Jones U.S. Personal Products Index. The comparisons in this table are required by the SEC and are not intended to forecast or be indicative of the possible future performance of our common stock.



The Performance Graph shall not be deemed to be "soliciting material" or to be "filed" with the SEC or subject to the liabilities of Section 18 under the Exchange Act. In addition, it shall not be deemed incorporated by reference by any statement that incorporates this Annual Report by reference into any filing under the Securities Act of 1933 or the Exchange Act, except to the extent that we specifically incorporate this information by reference.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") should be read in conjunction with the other sections of this Annual Report, including Item 1., "Business" and Item 8., "Financial Statements and Supplementary Data." The various sections of this MD&A contain a number of forward-looking statements, all of which are based on our current expectations. Actual results may differ materially due to a number of factors, including those discussed in Item 1A., "Risk Factors," and in the section entitled "Information Regarding Forward-Looking Statements" following this MD&A, and in Item 7A., "Quantitative and Qualitative Disclosures About Market Risk." Throughout this MD&A, we refer to our Leadership Brands, which are brands that have leading positions in their respective categories and include OXO, Hydro Flask, Osprey, Vicks, Braun, Honeywell, PUR, Hot Tools and Drybar.

Management uses the following key financial measures, some of which are non-GAAP, as further described below: net sales revenue, organic business sales revenue, adjusted operating margin, and adjusted diluted EPS. Management uses these measures to evaluate historical performance on a comparable basis, predict future performance and benchmark our performance against our competitors. We believe these measures provide management and investors with important information that is useful in understanding our business results and trends.

This MD&A, including the tables under the headings "Operating Income, Operating Margin, Adjusted Operating Income (non-GAAP), and Adjusted Operating Margin (non-GAAP) by Segment" and "Net Income, Diluted EPS, Adjusted Income (non-GAAP), and Adjusted Diluted EPS (non-GAAP)," reports operating income, operating margin, net income and diluted earnings per share ("EPS") without the impact of acquisition-related expenses, a charge for uncollectible receivables due to the bankruptcy of Bed, Bath & Beyond ("Bed, Bath & Beyond bankruptcy"), EPA compliance costs, gain from insurance recoveries, gain on sale of distribution and office facilities, restructuring charges, amortization of intangible assets, and non-cash share-based compensation for the periods presented, as applicable. These measures may be considered non-GAAP financial measures as defined by SEC Regulation G, Rule 100. The tables reconcile these measures to their corresponding GAAP-based financial measures presented in our consolidated statements of income. We believe that adjusted operating income, adjusted operating margin, adjusted income, and adjusted diluted EPS provide useful information to management and investors regarding financial and business trends relating to our financial condition and results of operations. We believe that these non-GAAP financial measures, in combination with our financial results calculated in accordance with GAAP, provide investors with additional perspective regarding the impact of such charges and benefits on applicable income, margin and earnings per share measures. We also believe that these non-GAAP measures facilitate a more direct comparison of our performance to our competitors. We further believe that including the excluded charges and benefits would not accurately reflect the underlying performance of our operations for the period in which the charges and benefits were incurred and reflected in our GAAP financial results. The material limitation associated with the use of the non-GAAP financial measures is that the non-GAAP measures do not reflect the full economic impact of our activities. Our adjusted operating income, adjusted operating margin, adjusted income, and adjusted diluted EPS are not prepared in accordance with GAAP, are not an alternative to GAAP financial measures and may be calculated differently than non-GAAP financial measures disclosed by other companies. Accordingly, undue reliance should not be placed on non-GAAP financial measures. These non-GAAP financial measures are discussed further and reconciled to their applicable GAAP-based financial measures contained in this MD&A beginning on page 50.

Overview

We are a leading global consumer products company offering creative products and solutions for our customers through a diversified portfolio of brands. We have built leading market positions through new product innovation, product quality and competitive pricing. We currently operate two segments consisting of Home & Outdoor and Beauty & Wellness.

Fiscal 2020 began Phase II of our transformation, which was designed to drive the next five years of progress. The long-term objectives of Phase II included improved organic sales growth, continued margin expansion, and strategic and effective capital deployment. Phase II included plans to continue to invest in our Leadership Brands, with a focus on growing them through consumer-centric innovation, expanding them more aggressively outside the U.S., and adding new brands through acquisition. We sought to build further shared service capability and operating efficiency, as well as focus on attracting, retaining, unifying and training the best people. Additionally, we strove to enhance and consolidate our ESG efforts and accelerate programs related to DEI&B to support our Phase II transformation.

Fiscal 2024 concluded Phase II of our transformation strategy, which produced net sales and organic net sales growth and gross profit margin expansion. We expanded our Leadership Brands and international footprint with the acquisitions of Drybar, Osprey and Curlsmith. We completed the divestiture of our Personal Care business and extended our Revlon trademark license for a period of up to 100 years. We strategically and effectively deployed capital to construct our new distribution facility in Gallaway, Tennessee, repurchased shares of our common stock, and repaid amounts outstanding under our long-term debt agreement. We began publishing an annual ESG Report, which summarizes our ESG strategy and performance, providing further transparency into our ESG efforts. During Phase II, we also initiated Project Pegasus, which included the creation of a North America RMO responsible for sales and go-to-market strategies for all categories and channels in the U.S. and Canada, and further centralization of certain functions under shared services, particularly in operations and finance to better support our business segments and RMOs.

Project Pegasus is a global restructuring plan intended to expand operating margins through initiatives designed to improve efficiency and effectiveness and reduce costs. Project Pegasus includes initiatives to further optimize our brand portfolio, streamline and simplify the organization, accelerate cost of goods savings projects, enhance the efficiency of our supply chain network, optimize our indirect spending and improve our cash flow and working capital, as well as other activities. We anticipate these initiatives will create operating efficiencies, as well as provide a platform to fund future growth investments. During fiscal 2024 and 2023, we incurred \$18.7 million and \$27.4 million, respectively, of pre-tax restructuring costs in connection with Project Pegasus, which were recorded as "Restructuring charges" in the consolidated statements of income. See further discussion below within "Significant Trends Impacting the Business," under "Project Pegasus" and Note 11 to the accompanying consolidated financial statements.

Fiscal 2025 begins our Elevate for Growth era, which provides our strategic roadmap through fiscal 2030. The long-term objectives of Elevate for Growth include continued organic sales growth, further margin expansion, and accretive capital deployment through strategic acquisitions, share repurchases and capital structure management. The Elevate for Growth era includes an enhanced portfolio management strategy to invest in our brands and grow internationally based upon defined criteria with an emphasis on brand building, new product introductions and expanded distribution. We are continuing to execute our initiatives under Project Pegasus, which we expect to generate incremental investments in our brand portfolio and new capabilities. We intend to further leverage our operational scale and assets, including our new state-of-the-art distribution center, improved go-to-market structure with our North America RMO, and our expanded shared services capabilities. We also plan to complete the geographic consolidation of our Beauty & Wellness businesses, create a centralized marketing organization that embraces next-level data analytics and consumer insight capabilities, and further integrate our supply chain and finance

functions within our shared services. Additionally, we are committed to fostering a winning culture and continuing our ESG and DEI&B efforts to support our Elevate for Growth era.

On April 22, 2022, we completed the acquisition of Curlsmith, a producer of innovative prestige hair care products for all types of curly and wavy hair. The Curlsmith brand and products were added to the Beauty & Wellness segment. The total purchase consideration was \$147.9 million in cash, net of a final net working capital adjustment and cash acquired.

On December 29, 2021, we completed the acquisition of Osprey, a longtime U.S. leader in technical and everyday packs, for \$409.3 million in cash, net of a final net working capital adjustment and cash acquired. Osprey is highly respected in the outdoor industry with a product lineup that includes a wide range of backpacks and daypacks for hiking, mountaineering, skiing, climbing, mountain biking, trail running, commuting, and school, as well as rugged adventure travel packs, wheeled luggage, and travel accessories. The Osprey brand and products were added to the Home & Outdoor segment.

On March 30, 2022, a third-party facility that we utilized for inventory storage incurred severe damage from a weather-related incident. The inventory that was stored at this facility primarily related to our Beauty & Wellness segment. While the inventory was insured, some seasonal inventory and inventory designated for specific customer promotions was not accessible and subsequently determined to be damaged, and as a result, unfavorably impacted our net sales revenue during the first quarter of fiscal 2023. As a result of the damages to the inventory stored at the facility, we recorded a charge to write-off the damaged inventory totaling \$34.4 million during fiscal 2023. These charges were fully offset by probable insurance recoveries of \$34.4 million also recorded during fiscal 2023, which represented anticipated insurance proceeds, not to exceed the amount of the associated losses, for which receipt was deemed probable. The charges for the damaged inventory and the expected insurance recoveries were included in cost of goods sold in our consolidated statement of income for the fiscal year ended February 28, 2023. During fiscal 2023, we received proceeds of \$46.0 million from our insurance carriers related to this incident which were included in cash flows from operating activities in our consolidated statement of cash flows for the fiscal year ended February 28, 2023. As a result, during fiscal 2023, the Company recorded a gain of \$9.7 million, net of costs incurred to dispose of the inventory, as a reduction of SG&A expense in our consolidated statement of income.

On September 28, 2023, we completed the sale of our distribution and office facilities in El Paso, Texas, for a sales price of \$50.6 million, less transaction costs of \$1.1 million. Concurrently, we entered into an agreement to leaseback the office facilities for a period of up to 18 months substantially rent free, which we estimated to have a fair value of approximately \$1.9 million. The transaction qualified for sales recognition under the sale leaseback accounting requirements. Accordingly, we increased the sales price by the \$1.9 million of prepaid rent and recognized a gain on the sale of \$34.2 million within SG&A during fiscal 2024, of which \$18.0 million and \$16.2 million was recognized by our Beauty & Wellness and Home & Outdoor segments, respectively. The related property and equipment, totaling \$17.2 million net of accumulated depreciation of \$36.8 million, was derecognized from the consolidated balance sheet, and at lease commencement, we recorded an operating lease asset, which includes the imputed rent payments described above, and an operating lease liability. We used the proceeds from the sale to repay amounts outstanding under our long-term debt agreement.

During fiscal 2022 and fiscal 2023, we divested our Personal Care business. On June 7, 2021, we completed the sale of our North America Personal Care business to HRB Brands LLC, for \$44.7 million in cash and recognized a gain on the sale in SG&A totaling \$0.5 million. On March 25, 2022, we completed the sale of the Latin America and Caribbean Personal Care business to HRB Brands LLC, for \$1.8 million in cash and recognized a gain on the sale in SG&A totaling \$1.3 million.

Significant Trends Impacting the Business

Project Pegasus

During fiscal 2023, we initiated Project Pegasus, a global restructuring plan intended to expand operating margins through initiatives designed to improve efficiency and effectiveness and reduce costs. Project Pegasus includes initiatives to further optimize our brand portfolio, streamline and simplify the organization, accelerate cost of goods savings projects, enhance the efficiency of our supply chain network, optimize our indirect spending and improve our cash flow and working capital, as well as other activities. We anticipate these initiatives will create operating efficiencies, as well as provide a platform to fund future growth investments.

During the fourth quarter of fiscal 2023, we made changes to the structure of our organization, which resulted in our previous Health & Wellness and Beauty operating segments being combined into a single reportable segment. As part of our initiative focused on streamlining and simplifying the organization, we made further changes to the structure of our organization, which included the creation of a North America RMO responsible for sales and go-to-market strategies for all categories and channels in the U.S. and Canada, and further centralization of certain functions under shared services, particularly in operations and finance to better support our business segments and RMOs. This new structure reduced the size of our global workforce by approximately 10%. We believe that these changes better focus business segment resources on brand development, consumer-centric innovation and marketing, the RMOs on sales and go-to-market strategies, and shared services on their respective areas of expertise while also creating a more efficient and effective organizational structure.

During the second quarter of fiscal 2024, we announced plans to geographically consolidate the U.S. Beauty business, currently located in El Paso, Texas, and Irvine, California, and co-locate it with our Wellness business in the Boston, Massachusetts area. This geographic consolidation and relocation is the next step in our initiative to streamline and simplify the organization and is expected to be completed during fiscal 2025. We expect these changes will enable a greater opportunity to capture synergies and enhance collaboration and innovation within the Beauty & Wellness segment.

We have updated our expectations regarding Project Pegasus charges and savings. We have lowered our total estimate of one-time pre-tax restructuring charges to approximately \$50 million to \$55 million over the duration of the plan. We continue to expect these charges to be completed during fiscal 2025. We previously estimated total pre-tax restructuring charges of approximately \$60 million to \$65 million. In addition, we now have the following expectations regarding Project Pegasus charges:

- Pre-tax restructuring charges to be comprised of approximately \$15 million to \$19 million of severance and employee related costs, \$28 million of professional fees, \$3 million to \$4 million of contract termination costs, and \$4 million of other exit and disposal costs.
- All of our operating segments and shared services will be impacted by the plan and pre-tax restructuring charges include approximately \$16 million to \$17 million in Home & Outdoor and \$34 million to \$38 million in Beauty & Wellness.
- Pre-tax restructuring charges represent primarily cash expenditures, which we continue to expect to be substantially paid by the end of fiscal 2025.

We have the following expectations regarding Project Pegasus savings:

- We continue to expect targeted annualized pre-tax operating profit improvements of approximately \$75 million to \$85 million, which began in fiscal 2024 and which we now expect to be substantially achieved by the end of fiscal 2027.
- We have updated our expectations regarding the estimated cadence of the recognition of the savings to be approximately 25% in fiscal 2024, which was achieved, approximately 35% in fiscal 2025, approximately 25% in fiscal 2026, and approximately 15% in fiscal 2027. We previously estimated recognition of the savings to be approximately 25% in fiscal 2024, approximately 50% in fiscal 2025 and approximately 25% in 2026.

- We continue to expect total profit improvements to be realized approximately 60% through reduced cost of goods sold and 40% through lower SG&A.

In addition, we implemented plans to reduce inventory levels, increase inventory turns, and improve cash flow and working capital during the second quarter of fiscal 2023. Improvements related to these initiatives began in the second half of fiscal 2023 and continued during fiscal 2024, enabling us to repay amounts outstanding under our long-term debt agreement and reduce our interest expense. During fiscal 2024, our gross margin and operating margins were favorably impacted by our SKU rationalization efforts in Beauty & Wellness and lower commodity costs in Home & Outdoor driven by our cost of goods savings projects. In addition, during fiscal 2024 we had lower personnel costs as a result of our Project Pegasus role reductions; however, they were offset by higher annual incentive compensation expense, annual merit increases, and share-based compensation expense. Expectations regarding our Project Pegasus initiatives and our ability to realize targeted savings, including expectations concerning costs and savings, are based on management's estimates available at the time and are subject to a number of assumptions that could materially impact our estimates.

During fiscal 2024 and 2023, we incurred \$18.7 million and \$27.4 million of pre-tax restructuring costs, respectively, in connection with Project Pegasus, which were recorded as "Restructuring charges" in the consolidated statements of income. We made total cash restructuring payments of \$18.7 million and \$20.8 million during fiscal 2024 and 2023, respectively, and had a remaining liability of \$4.8 million as of February 29, 2024. See Note 11 to the accompanying consolidated financial statements for additional information.

Water Filtration Patent Litigation

On December 23, 2021, Brita LP filed the Patent Litigation, alleging patent infringement by the Company relating to its PUR gravity-fed water filtration systems. Brita LP simultaneously filed the ITC Action against Kaz USA, Inc., Helen of Troy Limited and five other unrelated companies that sell water filtration systems. The complaint in the ITC Action also alleged patent infringement by the Company with respect to a limited set of PUR gravity-fed water filtration systems. This action sought injunctive relief to prevent entry of certain accused PUR products (and certain other products) into the U.S. and cessation of marketing and sales of existing inventory that is already in the U.S. On February 28, 2023, the ITC issued an Initial Determination in the ITC Action, tentatively ruling against the Company and the other unrelated respondents. The ITC has a guaranteed review process, and thus all respondents, including the Company, filed a petition with the ITC for a full review of the Initial Determination. On September 19, 2023, the ITC issued its Final Determination in the Company's favor. The ITC determined there was no violation by the Company and terminated the investigation. Brita LP is appealing the ITC's decision to the Federal Circuit and filed its Notice of Appeal on October 24, 2023. The Company intervened in the CAFC Appeal, but as of the date of the filing of this Form 10-K, no hearings have been scheduled. The Patent Litigation remains stayed for the time being. We cannot predict the outcome of these legal proceedings, the amount or range of any potential loss, when the proceedings will be resolved, or customer acceptance of any replacement water filter. Litigation is inherently unpredictable, and the resolution or disposition of these proceedings could, if adversely determined, have a material and adverse impact on our financial position and results of operations. For additional information regarding the Patent Litigation and the ITC Action, see Item 3., "Legal Proceedings" and Note 12 to the accompanying consolidated financial statements.

Impact of Macroeconomic Trends

The Federal Open Market Committee increased the benchmark interest rate by 75 basis points during fiscal 2024 and 450 basis points during fiscal 2023. As a result, during fiscal 2024 and 2023, we incurred higher average interest rates compared to previous periods. The Federal Open Market Committee has indicated that it may lower interest rates in fiscal 2025. While the actual timing and extent of future changes in interest rates remains unknown, lower average interest rates would reduce interest expense on our outstanding variable rate debt. The financial markets, the global economy and global supply chain

may also be adversely affected by the current or anticipated impact of military conflicts or other geopolitical events. High inflation and interest rates have also negatively impacted consumer disposable income, credit availability and spending, among others, which have adversely impacted our business, financial condition, cash flows and results of operations and may continue to have an adverse impact. See further discussion below under "Consumer Spending and Changes in Shopping Preferences." We expect continued uncertainty in our business and the global economy due to pressure from inflation, volatility in employment trends and consumer confidence, any of which may adversely impact our results.

Consumer Spending and Changes in Shopping Preferences

Our business depends upon discretionary consumer demand for most of our products and primarily operates within mature and highly developed consumer markets. The principal driver of our operating performance is the strength of the U.S. retail economy. Approximately 74% of our consolidated net sales revenue in both fiscal 2024 and 2023 was from U.S. shipments compared to 78% of consolidated net sales revenue in fiscal 2022.

Among other things, high levels of inflation and interest rates may negatively impact consumer disposable income, credit availability and spending. Consumer purchases of discretionary items, including the products that we offer, generally decline during recessionary periods or periods of economic uncertainty, when disposable income is reduced or when there is a reduction in consumer confidence. Dynamic changes in consumer spending and shopping patterns are also having an impact on retailer inventory levels. Our ability to sell to retailers is predicated on their ability to sell to the end consumer. During fiscal year 2023, we experienced an adverse impact on orders from retail customers as they aimed to rebalance their inventory levels due to lower consumer demand and shifts in consumer spending patterns. We experienced some improvement in replenishment orders from certain retail customers in certain product categories during fiscal 2024. If orders from our retail customers continue to be adversely impacted, our sales, results of operations and cash flows may continue to be adversely impacted. We expect continued uncertainty in our business and the global economy due to inflation and changes in consumer spending patterns. Accordingly, our liquidity and financial results could be impacted in ways that we are not able to predict today. For additional information on our related material risks, see Item 1A., "Risk Factors."

Our concentration of sales reflects the continued evolution of consumer shopping preferences. For fiscal 2024, 2023 and 2022, our net sales to pure-play online retailers and retail customers fulfilling end-consumer online orders, as well as our own online sales directly to consumers comprised approximately 28%, 23% and 24%, respectively, of our total consolidated net sales revenue and grew approximately 14.3% in fiscal 2024, while decreasing approximately 8.9% and 1.3% in fiscal 2023 and 2022, respectively, over the prior fiscal year periods.

With the continued importance of online sales in the retail landscape, many brick and mortar retailers are aggressively looking for ways to improve their customer delivery capabilities to be able to meet customer expectations. As a result, it has become increasingly important for us to leverage our distribution capabilities in order to meet the changing demands of our customers, including increasing our online capabilities to support our direct-to-consumer sales channels and online channel sales by our retail customers. In March 2023, we completed the construction of an additional distribution facility in Gallaway, Tennessee that became operational during the first quarter of fiscal 2024 and includes state-of-the-art automation suited to fulfill direct-to-consumer and online channel orders. Additionally, we continue to invest in a centralized cloud-based e-commerce platform that we anticipate will enable us to leverage a common system and rapidly deploy new capabilities across all of our brands, as well as more easily integrate new brands. We anticipate this platform will enhance the customer experience by strengthening the digital presentation and product browsing capabilities and improving the checkout process, order delivery and post-order customer care.

Global Supply Chain and Related Cost Inflation Trends

During fiscal 2022, the impact of COVID-19, including the related surges in demand and shifts in shopping patterns, as well as other factors, strained the global supply chain network resulting in higher inbound freight costs and surges in prices for raw materials, components and semiconductor chips, which adversely impacted our operating costs. During fiscal 2023, as consumer demand slowed in reaction to a highly inflationary economic environment, global supply chain capacity improved and freight costs began to recede from their previous peaks. During fiscal 2024, inbound freight costs have continued to decline and have begun to approach levels seen prior to the impact of COVID-19. Reemergence of these global supply chain disruptions and related inflationary cost trends could have negative impacts to our business, results of operations and financial condition.

EPA Compliance Costs

Some of our product lines are subject to product identification, labeling and claim requirements, which are monitored and enforced by regulatory agencies, such as the EPA, U.S. Customs and Border Protection, the U.S. Food and Drug Administration, and the U.S. Consumer Product Safety Commission.

During fiscal 2022, we were in discussions with the EPA regarding the compliance of packaging claims on certain of our products in the air and water filtration categories and a limited subset of humidifier products within the Beauty & Wellness segment that are sold in the U.S. The EPA did not raise any product quality, safety or performance issues. As a result of these packaging compliance discussions, we voluntarily implemented a temporary stop shipment action on the impacted products as we worked with the EPA towards an expedient resolution. Our fiscal 2022 consolidated, and Beauty & Wellness segment's, net sales revenue, gross profit and operating income were materially and adversely impacted by the stop shipment actions and the time needed to execute repackaging and relabeling plans. We resumed normalized levels of shipping of the affected inventory during fiscal 2022 and we completed the repackaging and relabeling of our existing inventory of impacted products during fiscal 2023. Additionally, as a result of continuing dialogue with the EPA, we executed further repackaging and relabeling plans on certain additional humidifier products and certain additional air filtration products, which were also completed during fiscal 2023.

We recorded charges to cost of goods sold to write-off obsolete packaging for the affected products in our inventory on-hand and in-transit. We have also incurred additional compliance costs comprised of obsolete packaging, storage and other charges from vendors, which were recognized in cost of goods sold and incremental warehouse storage costs and legal fees, which were recognized in SG&A. We refer to these charges as "EPA compliance costs" throughout this Annual Report.

The following table provides a summary of EPA compliance costs incurred during the periods presented:

<i>(in thousands)</i>	Fiscal Years Ended Last Day of February		
	2024	2023	2022
Cost of goods sold	\$ —	\$ 16,928 ¹	\$ 17,728 ²
SG&A	—	6,645	14,626
Total EPA compliance costs	\$ —	\$ 23,573	\$ 32,354

(1) Includes a \$4.4 million charge to write-off the obsolete packaging for the affected additional humidifier products and affected additional air filtration products in our inventory on-hand and in-transit as of the end of the first quarter of fiscal 2023.

(2) Includes a \$13.1 million charge to cost of goods sold to write-off the obsolete packaging for the affected air filtration, water filtration and humidifier products in our inventory on-hand and in-transit as of the end of the first quarter of fiscal 2022.

In addition, we incurred and capitalized into inventory costs to repackage a portion of our existing inventory of the affected products beginning in the second quarter of fiscal 2022 through completion of the repackaging in the third quarter of fiscal 2023.

Although we have not been notified of any fines or penalties imposed against us by the EPA related to this matter, there can be no assurances that such fines or penalties will not be imposed in the future. See Note 12 to the accompanying consolidated financial statements for additional information and Item 1A., "Risk Factors" in this Annual Report for additional information on our related material risks.

Potential Impact of Tariffs

Since 2019, the Office of the U.S. Trade Representative ("USTR") has imposed, and in certain cases subsequently reduced or suspended, additional tariffs on products imported from China. We purchase a high concentration of our products from unaffiliated manufacturers located in China. This concentration exposes us to risks associated with doing business globally, including changes in tariffs. Any alteration of trade agreements and terms between China and the U.S., including limiting trade with China, imposing additional tariffs on imports from China and potentially imposing other restrictions on imports from China to the U.S. may result in further or higher tariffs or retaliatory trade measures by China. Furthermore, in certain cases, we have been successful in obtaining tariff exclusions from the USTR on certain products that we import. These exclusions generally expire after a designated period of time. In the case that a tariff exclusion is not granted or extended, higher tariffs would be assessed on the related products.

Foreign Currency Exchange Rate Fluctuations

Due to the nature of our operations, we have exposure to the impact of fluctuations in exchange rates from transactions that are denominated in a currency other than our functional currency (the U.S. Dollar). Such transactions include sales and operating expenses. The most significant currencies affecting our operating results are the Euro, British Pound and Canadian Dollar.

Changes in foreign currency exchange rates had a favorable impact on consolidated U.S. Dollar reported net sales revenue of approximately \$6.8 million, or 0.3% for fiscal 2024, an unfavorable impact of approximately \$17.0 million, or 0.8% for fiscal 2023 and a favorable impact of approximately \$6.8 million, or 0.3% for fiscal 2022.

Variability of the Cough/Cold/Flu Season

Sales in several of our Beauty & Wellness segment categories are highly correlated to the severity of winter weather and cough/cold/flu incidence. In the U.S., the cough/cold/flu season historically runs from November through March, with peak activity normally in January to March. The 2023-2024 cough/cold/flu season was below historical averages seen prior to the impact of COVID-19. The 2022-2023 cough/cold/flu season was above historical averages, primarily early in the season, as respiratory infections surged in both children and adults and COVID-19 continued to be prevalent. The 2021-2022 cough/cold/flu season was below historical averages.

Results of Operations

This section provides an analysis of our results of operations for fiscal year 2024 as compared to fiscal year 2023 including discussion of material changes. [Refer to Item 7., "Management's Discussion and Analysis of Financial Condition and Results of Operations," in our 2023 Annual Report on Form 10-K, filed with the SEC on April 27, 2023, for an analysis and discussion of the fiscal year 2023 results of operations as compared to fiscal year 2022, which such discussion is hereby incorporated by reference.](#)

The following table provides selected operating data, in U.S. Dollars, as a percentage of net sales revenue, and as a year-over-year percentage change.

<i>(in thousands)</i>	Fiscal Years Ended Last Day of February,			% of Sales Revenue, net			% Change	
	2024 (1)(2)	2023 (1)(2)	2022 (2)	2024	2023	2022	24/23	23/22
Sales revenue by segment, net								
Home & Outdoor	\$ 916,381	\$ 915,685	\$ 865,844	45.7 %	44.2 %	38.9 %	0.1 %	5.8 %
Beauty & Wellness	1,088,669	1,156,982	1,357,511	54.3 %	55.8 %	61.1 %	(5.9)%	(14.8)%
Total sales revenue, net	2,005,050	2,072,667	2,223,355	100.0 %	100.0 %	100.0 %	(3.3)%	(6.8)%
Cost of goods sold	1,056,390	1,173,316	1,270,168	52.7 %	56.6 %	57.1 %	(10.0)%	(7.6)%
Gross profit	948,660	899,351	953,187	47.3 %	43.4 %	42.9 %	5.5 %	(5.6)%
SG&A	669,359	660,198	680,257	33.4 %	31.9 %	30.6 %	1.4 %	(2.9)%
Restructuring charges	18,712	27,362	380	0.9 %	1.3 %	— %	(31.6)%	*
Operating income	260,589	211,791	272,550	13.0 %	10.2 %	12.3 %	23.0 %	(22.3)%
Non-operating income, net	1,518	249	260	0.1 %	— %	— %	*	(4.2)%
Interest expense	53,065	40,751	12,844	2.6 %	2.0 %	0.6 %	30.2 %	*
Income before income tax	209,042	171,289	259,966	10.4 %	8.3 %	11.7 %	22.0 %	(34.1)%
Income tax expense	40,448	28,016	36,202	2.0 %	1.4 %	1.6 %	44.4 %	(22.6)%
Net income	\$ 168,594	\$ 143,273	\$ 223,764	8.4 %	6.9 %	10.1 %	17.7 %	(36.0)%

(1) Fiscal 2024 includes a full year of operating results from Curlsmith, acquired on April 22, 2022, compared to approximately forty-five weeks of operating results in fiscal 2023. For additional information see Note 6 to the accompanying consolidated financial statements.

(2) Fiscal 2024 and 2023 include a full year of operating results from Osprey, acquired on December 29, 2021, compared to approximately nine weeks of operating results in fiscal 2022. For additional information see Note 6 to the accompanying consolidated financial statements.

* Calculation is not meaningful.

Fiscal 2024 Financial Results

- Consolidated net sales revenue decreased 3.3%, or \$67.6 million, to \$2,005.1 million compared to \$2,072.7 million for the same period last year.
- Consolidated operating income increased 23.0%, or \$48.8 million, to \$260.6 million, compared to \$211.8 million for the same period last year. Consolidated operating margin increased 2.8 percentage points to 13.0%, compared to 10.2% for the same period last year. Consolidated operating income for fiscal 2024 includes a pre-tax gain on sale of distribution and office facilities of \$34.2 million, pre-tax restructuring charges of \$18.7 million related to Project Pegasus, and a pre-tax Bed, Bath & Beyond bankruptcy charge of \$4.2 million. Consolidated operating income for fiscal 2023 included pre-tax restructuring charges of \$27.4 million related to Project Pegasus, pre-tax EPA compliance costs of \$23.6 million, a pre-tax gain from insurance recoveries of \$9.7 million, and pre-tax acquisition-related expenses of \$2.8 million.
- Consolidated adjusted operating income increased 0.2%, or \$0.6 million, to \$301.5 million, compared to \$300.9 million for the same period last year. Consolidated adjusted operating margin increased 0.5 percentage points to 15.0% of consolidated net sales revenue, compared to 14.5% for the same period last year.
- Net income increased 17.7%, or \$25.3 million, to \$168.6 million, compared to \$143.3 million for the same period last year. Diluted EPS increased 18.2% to \$7.03, compared to \$5.95 for the same period last year.
- Adjusted income decreased 6.2% to \$213.5 million, compared to \$227.7 million for the same period last year. Adjusted diluted EPS decreased 5.7% to \$8.91, compared to \$9.45 for the same period last year.

Fiscal 2023 Financial Results

- Consolidated net sales revenue decreased 6.8%, or \$150.7 million, to \$2,072.7 million in fiscal 2023, compared to \$2,223.4 million in fiscal 2022.
- Consolidated operating income decreased 22.3%, or \$60.8 million, to \$211.8 million in fiscal 2023, compared to \$272.6 million in fiscal 2022. Consolidated operating margin decreased 2.1 percentage points to 10.2% in fiscal 2023, compared to 12.3% in fiscal 2022. Consolidated operating income for fiscal 2023 included pre-tax restructuring charges of \$27.4 million related to Project Pegasus, pre-tax EPA compliance costs of \$23.6 million, a pre-tax gain from insurance recoveries of \$9.7 million, and pre-tax acquisition-related expenses of \$2.8 million. Consolidated operating income for fiscal 2022 included pre-tax restructuring charges of \$0.4 million, pre-tax EPA compliance costs of \$32.4 million, and pre-tax acquisition-related expenses of \$2.4 million.
- Consolidated adjusted operating income decreased 15.3%, or \$54.2 million, to \$300.9 million in fiscal 2023, compared to \$355.1 million in fiscal 2022. Consolidated adjusted operating margin decreased 1.5 percentage point to 14.5% of consolidated net sales revenue in fiscal 2023, compared to 16.0% in fiscal 2022.
- Net income decreased 36.0%, or \$80.5 million, to \$143.3 million in fiscal 2023, compared to \$223.8 million in fiscal 2022. Diluted EPS decreased 35.1% to \$5.95 in fiscal 2023, compared to \$9.17 in fiscal 2022.

- Adjusted income decreased 24.6% to \$227.7 million in fiscal 2023, compared to \$301.8 million in fiscal 2022. Adjusted diluted EPS decreased 23.5% to \$9.45 in fiscal 2023, compared to \$12.36 in fiscal 2022.

Consolidated and Segment Net Sales Revenue

The following tables summarize the impact that Organic business, foreign currency, and acquisitions had on our net sales revenue by segment:

<i>(in thousands)</i>	Fiscal Year Ended Last Day of February,		
	Home & Outdoor	Beauty & Wellness	Total
Fiscal 2023 sales revenue, net	\$ 915,685	\$ 1,156,982	\$ 2,072,667
Organic business	(2,499)	(78,066)	(80,565)
Impact of foreign currency	3,195	3,651	6,846
Acquisition (1)	—	6,102	6,102
Change in sales revenue, net	696	(68,313)	(67,617)
Fiscal 2024 sales revenue, net	\$ 916,381	\$ 1,088,669	\$ 2,005,050
Total net sales revenue growth (decline)	0.1 %	(5.9)%	(3.3)%
Organic business	(0.3)%	(6.7)%	(3.9)%
Impact of foreign currency	0.3 %	0.3 %	0.3 %
Acquisition	— %	0.5 %	0.3 %
Fiscal Year Ended Last Day of February,			
<i>(in thousands)</i>	Home & Outdoor	Beauty & Wellness	Total
	\$ 865,844	\$ 1,357,511	\$ 2,223,355
Fiscal 2022 sales revenue, net	\$ 865,844	\$ 1,357,511	\$ 2,223,355
Organic business	(93,569)	(228,403)	(321,972)
Impact of foreign currency	(9,313)	(7,656)	(16,969)
Acquisition (1)(2)	152,723	35,530	188,253
Change in sales revenue, net	49,841	(200,529)	(150,688)
Fiscal 2023 sales revenue, net	\$ 915,685	\$ 1,156,982	\$ 2,072,667
Total net sales revenue growth (decline)	5.8 %	(14.8)%	(6.8)%
Organic business	(10.8)%	(16.8)%	(14.5)%
Impact of foreign currency	(1.1)%	(0.6)%	(0.8)%
Acquisition	17.6 %	2.6 %	8.5 %

(1) On April 22, 2022, we completed the acquisition of Curlsmith. Curlsmith sales prior to the first annual anniversary of the acquisition are reported in Acquisition for the Beauty & Wellness segment in fiscal 2024 and fiscal 2023 and consist of approximately seven weeks and forty-five weeks of incremental operating results, respectively. For additional information see Note 6 to the accompanying consolidated financial statements.

(2) On December 29, 2021, we completed the acquisition of Osprey. Osprey sales prior to the first annual anniversary of the acquisition are reported in Acquisition for the Home & Outdoor segment in fiscal 2023 and consist of approximately forty-three weeks of incremental operating results. For additional information see Note 6 to the accompanying consolidated financial statements.

In the above tables, Organic business refers to our net sales revenue associated with product lines or brands after the first twelve months from the date the product line or brand was acquired, excluding the impact that foreign currency remeasurement had on reported net sales revenue. Net sales revenue from internally developed brands or product lines is considered Organic business activity.

Leadership Brand and Other Net Sales Revenue

The following table summarizes our Leadership Brand and other net sales revenue:

<i>(in thousands)</i>	Fiscal Years Ended Last Day of February,			\$ Change		% Change	
	2024	2023	2022	24/23	23/22	24/23	23/22
Leadership Brand sales revenue, net(1)	\$ 1,707,964	\$ 1,753,734	\$ 1,810,249	\$ (45,770)	\$ (56,515)	(2.6)%	(3.1)%
All other sales revenue, net	297,086	318,933	413,106	(21,847)	(94,173)	(6.9)%	(22.8)%
Total sales revenue, net	\$ 2,005,050	\$ 2,072,667	\$ 2,223,355	\$ (67,617)	\$ (150,688)	(3.3)%	(6.8)%

(1) Fiscal 2024 and 2023 include a full year of operating results from Osprey, acquired on December 29, 2021, compared to approximately nine weeks of operating results in fiscal 2022. For additional information see Note 6 to the accompanying consolidated financial statements.

Consolidated Net Sales Revenue

Comparison of Fiscal 2024 to 2023

Consolidated net sales revenue decreased \$67.6 million, or 3.3%, to \$2,005.1 million, compared to \$2,072.7 million. The decline was driven by a decrease from Organic business of \$80.6 million, or 3.9%, primarily due to:

- lower sales of fans, humidifiers, air purifiers, and heaters in Beauty & Wellness primarily driven by softer consumer demand, our SKU rationalization efforts, and reduced orders from retail customers as they rebalanced trade inventory in line with softer consumer demand;
- a decline in sales of hair appliances in Beauty & Wellness; and
- a decline in Home & Outdoor primarily due to lower brick and mortar sales in the insulated beverageware category and lower closeout and club channel sales in the home category.

These factors were partially offset by:

- an increase in consolidated online channel sales reflecting improved replenishment orders from certain retail customers and the launch of the new travel tumbler in Home & Outdoor;
- stronger consumer demand for travel, lifestyle and everyday packs in Home & Outdoor; and
- growth in sales of thermometry and prestige hair care products in Beauty & Wellness.

The Curlsmith acquisition contributed \$6.1 million, or 0.3%, to consolidated net sales revenue growth. Net sales revenue was favorably impacted by net foreign currency fluctuations of approximately \$6.8 million, or 0.3%.

Net sales revenue from our Leadership Brands was \$1,708.0 million, compared to \$1,753.7 million, a decrease of 2.6%.

Segment Net Sales Revenue

Home & Outdoor

Comparison of Fiscal 2024 to 2023

Net sales revenue increased \$0.7 million, or 0.1%, to \$916.4 million, compared to \$915.7 million, primarily due to the favorable impact of net foreign currency fluctuations of \$3.2 million, or 0.3%. The increase was partially offset by a decrease from Organic business of \$2.5 million, or 0.3%, primarily due to:

- a brick and mortar sales decline in the insulated beverageware category;
- reduced sales to Bed, Bath & Beyond as a result of its bankruptcy; and
- lower closeout and club channel sales in the home category.

These factors were partially offset by:

- an increase in online channel sales reflecting the launch of the new travel tumbler, improved replenishment orders from certain retail customers, and stronger demand for products in the home category;
- stronger consumer demand for travel, lifestyle and everyday packs;
- higher brick and mortar home category sales due to new and expanded retailer distribution and improved replenishment orders from certain retail customers; and
- an increase in closeout channel sales in the insulated beverageware and technical and lifestyle pack categories.

Beauty & Wellness

Comparison of Fiscal 2024 to 2023

Net sales revenue decreased \$68.3 million, or 5.9%, to \$1,088.7 million, compared to \$1,157.0 million. The decrease was primarily driven by a decrease from Organic business of \$78.1 million, or 6.7%, primarily due to:

- lower sales of fans, air purifiers, and heaters, primarily driven by softer consumer demand, our SKU rationalization efforts, and reduced orders from retail customers as they rebalanced trade inventory in line with softer consumer demand;
- a decline in humidification reflecting reduced orders from retail customers as they rebalanced trade inventory levels and the comparative impact of high COVID-related demand in the prior year; and
- a decline in sales of hair appliances.

These factors were partially offset by:

- growth in sales of thermometry which helped drive higher overall international sales;
- an increase in sales of prestige hair care products; and
- an increase in water filtration product sales.

The Curlsmith acquisition contributed \$6.1 million, or 0.5%, to segment net sales revenue growth. Net sales revenue was also favorably impacted by net foreign currency fluctuations of approximately \$3.7 million, or 0.3%.

Consolidated Gross Profit Margin

Comparison of Fiscal 2024 to 2023

Consolidated gross profit margin increased 3.9 percentage points to 47.3%, compared to 43.4%. The increase in consolidated gross profit margin was primarily due to:

- lower inbound freight costs;
- the favorable comparative impact of EPA compliance costs of \$16.9 million incurred in the prior year;
- the favorable impact of our SKU rationalization efforts in Beauty & Wellness; and
- a decrease in inventory obsolescence expense.

Consolidated SG&A

Comparison of Fiscal 2024 to 2023

Consolidated SG&A ratio increased 1.5 percentage points to 33.4%, compared to 31.9%. The increase in the consolidated SG&A ratio was primarily due to:

- an increase in annual incentive compensation expense;
- higher marketing expense;
- the unfavorable comparative impact of a gain from insurance recoveries of \$9.7 million recognized in the prior year;
- higher share-based compensation expense;
- an increase in depreciation and distribution expense primarily due to our new distribution facility;
- a charge of \$4.2 million related to the bankruptcy of Bed, Bath & Beyond; and
- the unfavorable operating leverage impact of the overall decrease in net sales.

These factors were partially offset by a gain on the sale of our distribution and office facilities in El Paso, Texas of \$34.2 million and the favorable comparative impact of EPA compliance costs of \$6.6 million incurred in the prior year.

Restructuring Charges

Fiscal 2024

We incurred \$18.7 million of pre-tax restructuring costs related primarily to professional fees and severance and employee related costs under Project Pegasus. During fiscal 2024, we made total cash restructuring payments of \$18.7 million and had a remaining liability of \$4.8 million as of February 29, 2024.

Fiscal 2023

We incurred \$27.4 million of pre-tax restructuring costs related primarily to professional fees and severance and employee related costs under Project Pegasus. During fiscal 2023, we made total cash restructuring payments of \$20.8 million and had a remaining liability of \$6.6 million as of February 28, 2023.

Operating Income, Operating Margin, Adjusted Operating Income (non-GAAP), and Adjusted Operating Margin (non-GAAP) by Segment

In order to provide a better understanding of the impact of certain items on our operating income, the tables that follow report the comparative pre-tax impact of acquisition-related expenses, Bed, Bath & Beyond bankruptcy, EPA compliance costs, gain from insurance recoveries, gain on sale of distribution and office facilities, restructuring charges, amortization of intangible assets, and non-cash share-based compensation, as applicable, on operating income and operating margin for each segment and in total for the periods presented below. Adjusted operating income and adjusted operating margin may be considered non-GAAP financial measures as contemplated by SEC Regulation G, Rule 100. For additional information regarding management's decision to present this non-GAAP financial information, see the introduction to this Item 7., "Management's Discussion and Analysis of Financial Condition and Results of Operations."

<i>(in thousands)</i>	Fiscal Year Ended February 29, 2024					
	Home & Outdoor (1)		Beauty & Wellness (2)		Total	
Operating income, as reported (GAAP)	\$ 142,732	15.6 %	\$ 117,857	10.8 %	\$ 260,589	13.0 %
Bed, Bath & Beyond bankruptcy	3,087	0.3 %	1,126	0.1 %	4,213	0.2 %
Gain on sale of distribution and office facilities	(16,175)	(1.8)%	(18,015)	(1.7)%	(34,190)	(1.7)%
Restructuring charges	5,144	0.6 %	13,568	1.2 %	18,712	0.9 %
Subtotal	134,788	14.7 %	114,536	10.5 %	249,324	12.4 %
Amortization of intangible assets	7,057	0.8 %	11,269	1.0 %	18,326	0.9 %
Non-cash share-based compensation	16,319	1.8 %	17,553	1.6 %	33,872	1.7 %
Adjusted operating income (non-GAAP)	<u><u>\$ 158,164</u></u>	<u><u>17.3 %</u></u>	<u><u>\$ 143,358</u></u>	<u><u>13.2 %</u></u>	<u><u>\$ 301,522</u></u>	<u><u>15.0 %</u></u>

<i>(in thousands)</i>	Fiscal Year Ended February 28, 2023					
	Home & Outdoor (1)		Beauty & Wellness (2)		Total	
Operating income, as reported (GAAP)	\$ 134,053	14.6 %	\$ 77,738	6.7 %	\$ 211,791	10.2 %
Acquisition-related expenses	117	— %	2,667	0.2 %	2,784	0.1 %
EPA compliance costs	—	— %	23,573	2.0 %	23,573	1.1 %
Gain from insurance recoveries	—	— %	(9,676)	(0.8)%	(9,676)	(0.5)%
Restructuring charges	8,689	0.9 %	18,673	1.6 %	27,362	1.3 %
Subtotal	142,859	15.6 %	112,975	9.8 %	255,834	12.3 %
Amortization of intangible assets	7,020	0.8 %	11,302	1.0 %	18,322	0.9 %
Non-cash share-based compensation	10,751	1.2 %	16,002	1.4 %	26,753	1.3 %
Adjusted operating income (non-GAAP)	<u><u>\$ 160,630</u></u>	<u><u>17.5 %</u></u>	<u><u>\$ 140,279</u></u>	<u><u>12.1 %</u></u>	<u><u>\$ 300,909</u></u>	<u><u>14.5 %</u></u>

<i>(in thousands)</i>	Fiscal Year Ended February 28, 2022					
	Home & Outdoor (1)		Beauty & Wellness		Total	
Operating income, as reported (GAAP)	\$ 134,925	15.6 %	\$ 137,625	10.1 %	\$ 272,550	12.3 %
Acquisition-related expenses	2,424	0.3 %	—	— %	2,424	0.1 %
EPA compliance costs	—	— %	32,354	2.4 %	32,354	1.5 %
Restructuring charges	369	— %	11	— %	380	— %
Subtotal	137,718	15.9 %	169,990	12.5 %	307,708	13.8 %
Amortization of intangible assets	2,891	0.3 %	9,873	0.7 %	12,764	0.6 %
Non-cash share-based compensation	13,812	1.6 %	20,806	1.5 %	34,618	1.6 %
Adjusted operating income (non-GAAP)	<u><u>\$ 154,421</u></u>	<u><u>17.8 %</u></u>	<u><u>\$ 200,669</u></u>	<u><u>14.8 %</u></u>	<u><u>\$ 355,090</u></u>	<u><u>16.0 %</u></u>

(1) Fiscal 2024 and 2023 include a full year of operating results from Osprey, acquired on December 29, 2021, compared to approximately nine weeks of operating results in fiscal 2022. For additional information see Note 6 to the accompanying consolidated financial statements.

(2) Fiscal 2024 includes a full year of operating results from Curlsmith, acquired on April 22, 2022, compared to approximately forty-five weeks of operating results in fiscal 2023. For additional information see Note 6 to the accompanying consolidated financial statements.

Consolidated Operating Income

Comparison of Fiscal 2024 to 2023

Consolidated operating income was \$260.6 million, or 13.0% of net sales revenue, compared to \$211.8 million, or 10.2% of net sales revenue. Fiscal 2024 includes a pre-tax Bed, Bath & Beyond bankruptcy charge of \$4.2 million, a pre-tax gain on sale of distribution and office facilities of \$34.2 million and pre-tax restructuring charges of \$18.7 million, compared to pre-tax acquisition-related expenses of \$2.8 million, pre-tax EPA compliance costs of \$23.6 million, pre-tax gain from insurance recoveries of \$9.7 million, and pre-tax restructuring charges of \$27.4 million in fiscal 2023. The effect of these items favorably impacted the year-over-year comparison of consolidated operating margin by a combined 2.7 percentage points. The remaining 0.1 percentage point increase in consolidated operating margin was primarily driven by:

- lower inbound freight costs;
- the favorable impact of our SKU rationalization efforts in Beauty & Wellness; and
- a decrease in inventory obsolescence expense.

These factors were partially offset by:

- increased annual incentive compensation expense;
- higher marketing expense;
- higher share-based compensation expense;
- an increase in depreciation and distribution expense primarily due to our new distribution facility; and
- the unfavorable operating leverage impact of the overall decrease in net sales.

Consolidated adjusted operating income increased 0.2% to \$301.5 million, or 15.0% of net sales revenue, compared to \$300.9 million, or 14.5% of net sales revenue.

Home & Outdoor

Comparison of Fiscal 2024 to 2023

Operating income was \$142.7 million, or 15.6% of segment net sales revenue, compared to \$134.1 million, or 14.6% of segment net sales revenue. The 1.0 percentage point increase in segment operating margin was primarily due to:

- lower inbound freight costs;
- a gain on the sale of our distribution and office facilities in El Paso, Texas of \$16.2 million;
- lower commodity costs; and
- a decrease in restructuring charges of \$3.5 million.

These factors were partially offset by:

- increased marketing expense;
- higher annual incentive compensation expense;
- an increase in depreciation and distribution expense primarily due to our new distribution facility;
- higher share-based compensation expense; and
- a charge of \$3.1 million related to the bankruptcy of Bed, Bath & Beyond.

Adjusted operating income decreased 1.5% to \$158.2 million, or 17.3% of segment net sales revenue, compared to \$160.6 million, or 17.5% of segment net sales revenue.

Beauty & Wellness

Comparison of Fiscal 2024 to 2023

Operating income was \$117.9 million, or 10.8% of segment net sales revenue, compared to \$77.7 million, or 6.7% of segment net sales revenue. The 4.1 percentage point increase in segment operating margin was primarily due to:

- lower inbound and outbound freight costs;
- the favorable comparative impact of EPA compliance costs of \$23.6 million incurred in the prior year;
- a gain on the sale of our distribution and office facilities in El Paso, Texas of \$18.0 million;
- a decrease in inventory obsolescence expense;
- decreased distribution expense;
- the favorable impact of our SKU rationalization efforts; and
- a decrease in restructuring charges of \$5.1 million.

These factors were partially offset by:

- higher annual incentive compensation expense;
- higher marketing expense;
- the unfavorable comparative impact of a gain from insurance recoveries of \$9.7 million recognized in the prior year; and
- unfavorable operating leverage.

Adjusted operating income increased 2.2% to \$143.4 million, or 13.2% of segment net sales revenue, compared to \$140.3 million, or 12.1% of segment net sales revenue.

Interest Expense

Comparison of Fiscal 2024 to 2023

Interest expense was \$53.1 million, compared to \$40.8 million. The increase in interest expense was primarily due to a higher average effective interest rate, partially offset by lower average borrowings outstanding compared to the prior year.

Income Tax Expense

The period-over-period comparison of our effective tax rate is often impacted by the mix of income in our various tax jurisdictions. Due to our organization in Bermuda and the ownership structure of our foreign subsidiaries, many of which are not owned directly or indirectly by a U.S. parent company, an immaterial amount of our foreign income is subject to U.S. taxation on a permanent basis under current law. Additionally, our intellectual property is largely owned by our foreign subsidiaries, resulting in proportionally higher earnings in jurisdictions with lower statutory tax rates, which decreases our overall effective tax rate.

The Organisation for Economic Co-operation and Development has introduced a framework to implement a global minimum corporate income tax of 15%, referred to as "Pillar Two." Many aspects of Pillar Two are effective for tax years beginning after January 1, 2024, with certain remaining aspects to be effective for tax years beginning January 1, 2025 or later. Certain countries have adopted legislation to implement Pillar Two, and other countries are in the process of introducing legislation to implement Pillar Two. Based on the countries in which we operate and those that have adopted legislation that is already effective (or with effective dates during our fiscal 2025), we currently do not expect the global minimum tax rules will have a material impact to our global effective tax rate in fiscal 2025. We will continue to assess the impact of Pillar Two and monitor developments in legislation, regulation, and interpretive guidance.

In response to Pillar Two, on December 27, 2023, Bermuda enacted a corporate income tax effective for fiscal years beginning on or after January 1, 2025. The 15% corporate income tax regime applies to Bermuda businesses that are part of multinational enterprise groups with annual revenue of €750 million or more and is effective for us in fiscal 2026. The Bermuda corporate income tax allows for a beginning net operating loss balance related to the five years preceding the effective date. Accordingly, during fiscal 2024, we recorded a deferred tax asset of \$9.3 million for the Bermuda net operating losses generated from fiscal 2021 through 2024 with an offsetting valuation allowance of \$9.3 million. Although we currently do not expect the tax regime to have a material impact to our consolidated financial statements, we will continue to monitor and evaluate impact as further regulatory guidance becomes available.

On August 16, 2022, the Inflation Reduction Act (the "Act") was enacted and signed into law. The Act is a budget reconciliation package that includes significant law changes relating to tax, climate change, energy, and health care. The tax provisions include, among other items, a corporate alternative minimum tax of 15%, an excise tax of 1% on corporate stock buy-backs, energy-related tax credits, and additional IRS funding. We do not expect these tax provisions to have a material impact to our consolidated financial statements.

Fiscal 2024 income tax expense as a percentage of income before income tax was 19.3% compared to income tax expense of 16.4% for fiscal 2023, primarily due to shifts in the mix of income in our various tax jurisdictions and tax expense recognized for the gain on the sale of our distribution and office facilities in El Paso, Texas during fiscal 2024.

Net Income, Diluted EPS, Adjusted Income (non-GAAP), and Adjusted Diluted EPS (non-GAAP)

In order to provide a better understanding of the impact of certain items on our income and diluted EPS, the tables that follow report the comparative after-tax impact of acquisition-related expenses, Bed, Bath & Beyond bankruptcy, EPA compliance costs, gain from insurance recoveries, gain on sale of distribution and office facilities, restructuring charges, amortization of intangible assets, and non-cash share-based compensation, as applicable, on income and diluted EPS for the periods presented below. Adjusted income and adjusted diluted EPS may be considered non-GAAP financial measures as contemplated by SEC Regulation G, Rule 100. For additional information regarding management's decision to present this non-GAAP financial information, see the introduction to this Item 7., "Management's Discussion and Analysis of Financial Condition and Results of Operations."

<i>(in thousands, except per share data)</i>	Fiscal Year Ended February 29, 2024					
	Income			Diluted EPS		
	Before Tax	Tax	Net of Tax	Before Tax	Tax	Net of Tax
As reported (GAAP)	\$ 209,042	\$ 40,448	\$ 168,594	\$ 8.72	\$ 1.69	\$ 7.03
Bed, Bath & Beyond bankruptcy	4,213	53	4,160	0.18	—	0.17
Gain on sale of distribution and office facilities	(34,190)	(8,787)	(25,403)	(1.43)	(0.37)	(1.06)
Restructuring charges	18,712	234	18,478	0.78	0.01	0.77
Subtotal	197,777	31,948	165,829	8.25	1.33	6.92
Amortization of intangible assets	18,326	2,447	15,879	0.76	0.10	0.66
Non-cash share-based compensation	33,872	2,110	31,762	1.41	0.09	1.33
Adjusted (non-GAAP)	<u>\$ 249,975</u>	<u>\$ 36,505</u>	<u>\$ 213,470</u>	<u>\$ 10.43</u>	<u>\$ 1.52</u>	<u>\$ 8.91</u>

Weighted average shares of common stock used in computing diluted EPS

23,970

<i>(in thousands, except per share data)</i>	Fiscal Year Ended February 28, 2023					
	Income			Diluted EPS		
	Before Tax	Tax	Net of Tax	Before Tax	Tax	Net of Tax
As reported (GAAP)	\$ 171,289	\$ 28,016	\$ 143,273	\$ 7.11	\$ 1.16	\$ 5.95
Acquisition-related expenses	2,784	2	2,782	0.12	—	0.12
EPA compliance costs	23,573	354	23,219	0.98	0.01	0.96
Gain from insurance recoveries	(9,676)	(121)	(9,555)	(0.40)	(0.01)	(0.40)
Restructuring charges	27,362	388	26,974	1.14	0.02	1.12
Subtotal	215,332	28,639	186,693	8.94	1.19	7.75
Amortization of intangible assets	18,322	2,275	16,047	0.76	0.09	0.67
Non-cash share-based compensation	26,753	1,830	24,923	1.11	0.08	1.03
Adjusted (non-GAAP)	<u>\$ 260,407</u>	<u>\$ 32,744</u>	<u>\$ 227,663</u>	<u>\$ 10.81</u>	<u>\$ 1.36</u>	<u>\$ 9.45</u>

Weighted average shares of common stock used in computing diluted EPS

24,090

<i>(in thousands, except per share data)</i>	Fiscal Year Ended February 28, 2022					
	Income			Diluted EPS		
	Before Tax	Tax	Net of Tax	Before Tax	Tax	Net of Tax
As reported (GAAP)	\$ 259,966	\$ 36,202	\$ 223,764	\$ 10.65	\$ 1.48	\$ 9.17
Acquisition-related expenses	2,424	87	2,337	0.10	—	0.10
EPA compliance costs	32,354	485	31,869	1.33	0.02	1.31
Restructuring charges	380	6	374	0.02	—	0.02
Subtotal	295,124	36,780	258,344	12.09	1.51	10.58
Amortization of intangible assets	12,764	1,010	11,754	0.52	0.04	0.48
Non-cash share-based compensation	34,618	2,965	31,653	1.42	0.12	1.30
Adjusted (non-GAAP)	\$ 342,506	\$ 40,755	\$ 301,751	\$ 14.03	\$ 1.67	\$ 12.36

Weighted average shares of common stock used in computing diluted EPS

24,410

Comparison of Fiscal 2024 to 2023

Net income was \$168.6 million compared to \$143.3 million. Diluted EPS was \$7.03 compared to \$5.95. Diluted EPS increased primarily due to higher operating income in both the Beauty & Wellness and Home & Outdoor segments, an increase in interest income, and lower weighted average diluted shares outstanding, partially offset by higher interest expense and an increase in the effective income tax rate.

Adjusted income decreased \$14.2 million, or 6.2%, to \$213.5 million compared to \$227.7 million. Adjusted diluted EPS decreased 5.7% to \$8.91 compared to \$9.45.

Liquidity and Capital Resources

We principally rely on our cash flow from operations and borrowings under our Credit Agreement to finance our operations, capital and intangible asset expenditures, acquisitions and share repurchases. Historically, our principal uses of cash to fund our operations have included operating expenses, primarily SG&A, and working capital, predominantly for inventory purchases and the extension of credit to our retail customers. We have typically been able to generate positive cash flow from operations sufficient to fund our operating activities. In the past, we have utilized a combination of available cash and existing, or additional, sources of financing to fund strategic acquisitions, share repurchases and capital investments. We generated \$306.1 million in cash from operations during fiscal 2024 and had \$18.5 million in cash and cash equivalents at February 29, 2024. As of February 29, 2024, the amount of cash and cash equivalents held by our foreign subsidiaries was \$17.5 million. We have no existing activities involving special purpose entities or off-balance sheet financing.

Our anticipated material cash requirements in fiscal 2025 include the following:

- operating expenses, primarily SG&A and working capital predominately for inventory purchases and to carry normal levels of accounts receivable on our balance sheet;
- repayment of a current maturity of long term debt of \$6.3 million;
- estimated interest payments of approximately \$47.4 million based on outstanding debt obligations, weighted average interest rates and interest rate swaps in effect at February 29, 2024;
- minimum operating lease payments under existing obligations of approximately \$10.6 million;
- minimum royalty payments under existing license agreements of approximately \$6.3 million;
- restructuring payments under Project Pegasus of approximately \$11.7 million (refer to Note 11 for additional information); and
- capital and intangible asset expenditures between approximately \$30 million to \$35 million to support ongoing operations and future infrastructure needs.

Our anticipated material cash requirements beyond fiscal 2025 include the following:

- operating expenses, primarily SG&A and working capital predominately for inventory purchases and to carry normal levels of accounts receivable on our balance sheet;
- outstanding long-term debt obligations maturing between fiscal 2026 and fiscal 2029, in an aggregate principal value of approximately \$665.7 million, with \$631.3 million of that amount maturing in fiscal 2029 (refer to Note 13 for additional information);
- estimated interest payments of approximately \$50.0 million, \$48.9 million, \$48.1 million, and \$45.4 million in fiscal 2026, fiscal 2027, fiscal 2028, and fiscal 2029, respectively, based on outstanding debt obligations, weighted average interest rates and interest rate swaps in effect at February 29, 2024 (refer to Note 13 for additional information);
- minimum operating lease payments of approximately \$45.9 million over the term of our existing operating lease arrangements (refer to Note 3 for additional information);
- minimum royalty payments of approximately \$20.3 million over the term of the existing license agreements (refer to Note 12 for additional information); and
- capital and intangible asset expenditures to support ongoing operations and future infrastructure needs.

Based on our current financial condition and current operations, we believe that cash flows from operations and available financing sources will continue to provide sufficient capital resources to fund our foreseeable short- and long-term liquidity requirements.

We continue to evaluate acquisition opportunities on a regular basis. We may finance acquisition activity with available cash, the issuance of shares of common stock, additional debt, or other sources of financing, depending upon the size and nature of any such transaction and the status of the capital markets at the time of such acquisition.

We may also elect to repurchase additional shares of common stock under our Board of Directors' authorization, subject to limitations contained in our debt agreement and based upon our assessment of a number of factors, including share price, trading volume and general market conditions, working capital requirements, general business conditions, financial conditions, any applicable contractual limitations, and other factors, including alternative investment opportunities. We may finance share repurchases with available cash, additional debt or other sources of financing. For additional information, see Item 5., "Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities" in this Annual Report.

Operating Activities

Comparison of Fiscal 2024 to 2023

Operating activities provided net cash of \$306.1 million compared to \$208.2 million. The increase was primarily driven by higher cash earnings, decreases in payments for inventory, inbound freight, annual incentive compensation, income taxes and restructuring activities, partially offset by increases in cash used primarily for accounts receivable and interest payments.

Investing Activities

Investing activities provided cash of \$5.4 million in fiscal 2024 and used cash of \$319.3 million in fiscal 2023.

Highlights from Fiscal 2024

- We received proceeds of \$49.5 million from the sale of our distribution and office facilities in El Paso, Texas and made investments in capital and intangible asset expenditures of \$36.6 million, of which \$19.3 million related to expenditures, primarily equipment, for our new two million square foot distribution facility. Capital and intangible asset expenditures also included expenditures for

computer, furniture and other equipment and tooling, molds, and other production equipment. In addition, we invested \$9.6 million in U.S. Treasury Bills.

Highlights from Fiscal 2023

- We paid \$147.9 million, net of cash acquired, to acquire Curlsmith and made investments in capital and intangible asset expenditures of \$174.9 million, of which \$147.0 million was for construction expenditures inclusive of capitalized interest related to our new two million square foot distribution facility. Capital and intangible asset expenditures also included \$27.9 million primarily for computer, software, furniture and other equipment and tooling, molds, and other production equipment.

Financing Activities

Financing activities used cash of \$322.1 million in fiscal 2024 and provided cash of \$106.8 million in fiscal 2023.

Highlights from Fiscal 2024

- we had proceeds of \$1,415.5 million from revolving loans under our Credit Agreement and Prior Credit Agreement, net of lender fees paid in connection with the refinancing of our Credit Agreement;
- we repaid \$1,686.6 million of revolving loans drawn under our Credit Agreement and Prior Credit Agreement;
- we received proceeds, net of lender fees, of \$248.9 million from term loans under our Credit Agreement;
- we repaid \$246.9 million of long-term debt which included the repayment of amounts outstanding on our term loans under the Prior Credit Agreement;
- we paid \$2.0 million of third-party financing costs in connection with the refinancing of our Credit Agreement; and
- we repurchased and retired 432,532 shares of common stock at an average price of \$127.67 per share for a total purchase price of \$55.2 million through a combination of open market purchases and the settlement of certain stock awards.

Highlights from Fiscal 2023

- we had draws of \$685.8 million in revolving loans under our Credit Agreement;
- we repaid \$795.3 million of revolving loans drawn under our Credit Agreement;
- we received proceeds of \$250.0 million from term loans under our Credit Agreement;
- we repaid \$19.8 million of long-term debt; and
- we repurchased and retired 90,462 shares of common stock at an average price of \$203.02 per share for a total purchase price of \$18.4 million through the settlement of certain stock awards.

Credit Agreement and Other Debt Agreements

Credit Agreement and Prior Credit Agreement

On February 15, 2024, we entered into a credit agreement (the "Credit Agreement") with Bank of America, N.A., as administrative agent, and other lenders. The Credit Agreement replaces our prior credit agreement (the "Prior Credit Agreement"), which terminated on February 15, 2024 and is further described below. We utilized the proceeds from the refinancing to repay all principal, interest, and fees outstanding under the Prior Credit Agreement without penalty. As a result, we recognized a loss on extinguishment of debt within interest expense of \$0.5 million during fiscal 2024, which consisted of a write-off of \$0.4 million of unamortized prepaid financing fees related to the Prior Credit Agreement and \$0.1 million of lender fees related to debt under the Credit Agreement treated as an extinguishment. Additionally, we expensed \$0.3 million of third-party fees in fiscal 2024 related to debt under the Credit

Agreement treated as a modification, which was recognized within interest expense. We capitalized \$4.0 million of lender fees and \$2.2 million of third-party fees incurred in connection with the Credit Agreement, which were recorded as prepaid financing fees in long-term debt and prepaid expenses and other current assets in the amounts of \$5.4 million and \$0.8 million, respectively.

The Credit Agreement provides for aggregate commitments of \$1.5 billion, which are available through (i) a \$1.0 billion revolving credit facility, which includes a \$50 million sublimit for the issuance of letters of credit, (ii) a \$250 million term loan facility, and (iii) a committed \$250 million delayed draw term loan facility, which may be borrowed in multiple drawdowns until August 15, 2025. Proceeds can be used for working capital and other general corporate purposes, including funding permitted acquisitions. At the closing date of the Credit Agreement, we borrowed \$457.5 million under the revolving credit facility and \$250.0 million under the term loan facility and utilized the proceeds to repay all debt outstanding under the Prior Credit Agreement. The Credit Agreement matures on February 15, 2029. The Credit Agreement includes an accordion feature, which permits the Company to request to increase its borrowing capacity by an additional \$300 million plus an unlimited amount when the Leverage Ratio (as defined in the Credit Agreement) on a pro-forma basis is less than 3.25 to 1.00. The Company's exercise of the accordion is subject to certain conditions being met, including lender approval.

Outstanding letters of credit reduce the borrowing availability under the Credit Agreement on a dollar-for-dollar basis. We are able to repay amounts borrowed at any time without penalty. Borrowings accrue interest under one of two alternative methods pursuant to the Credit Agreement as described below. With each borrowing against our credit line, we can elect the interest rate method based on our funding needs at the time. We also incur loan commitment and letter of credit fees under the Credit Agreement. The term loans are payable at the end of each fiscal quarter in equal installments of 0.625% through February 28, 2025, 0.9375% through February 28, 2026, and 1.25% thereafter of the original principal balance of the term loans, beginning in the first quarter of fiscal 2025, with the remaining balance due at the maturity date. Borrowings under the Credit Agreement bear floating interest at either the Base Rate or Term SOFR (as defined in the Credit Agreement), plus a margin based on the Net Leverage Ratio (as defined in the Credit Agreement) of 0% to 1.125% and 1.0% to 2.125% for Base Rate and Term SOFR borrowings, respectively.

Our Prior Credit Agreement with Bank of America, N.A., as administrative agent, and other lenders, provided for an unsecured total revolving commitment of \$1.25 billion and a \$300 million accordion, which could be used for term loan commitments. In June 2022, we exercised the accordion under the Prior Credit Agreement and borrowed \$250 million as term loans. The proceeds from the term loans were used to repay revolving loans under the Prior Credit Agreement. The maturity date of the term loans and the revolving loans under the Prior Credit Agreement was March 13, 2025. Borrowings under the Prior Credit Agreement bore floating interest at either the Base Rate or Term SOFR (as defined in the Prior Credit Agreement), plus a margin based on the Net Leverage Ratio (as defined in the Prior Credit Agreement) of 0% to 1.0% and 1.0% to 2.0% for Base Rate and Term SOFR borrowings, respectively.

The floating interest rates on our borrowings under the Credit Agreement and Prior Credit Agreement are hedged with interest rate swaps to effectively fix interest rates on \$500 million and \$425 million of the outstanding principal balance under the revolving loans as of February 29, 2024 and February 28, 2023, respectively. See Notes 14, 15, and 16 for additional information regarding our interest rate swaps.

As of February 29, 2024, the outstanding Credit Agreement principal balance was \$672.0 million (excluding prepaid financing fees) and the balance of outstanding letters of credit was \$15.5 million. The weighted average interest rate on borrowings outstanding under the Credit Agreement was 6.0% at February 29, 2024. As of February 29, 2024, the amount available for revolving loans under the Credit Agreement was \$562.6 million. Covenants in the Credit Agreement limit the amount of total indebtedness we can incur. As of February 29, 2024, these covenants effectively limited our ability to incur more than

\$474.6 million of additional debt from all sources, including the Credit Agreement, or \$562.6 million in the event a qualified acquisition is consummated.

Other Debt Agreements

On February 28, 2023, we paid the remaining balance of \$15.1 million, including principal and interest, outstanding under our unsecured loan agreement (the "MBFC Loan") with the Mississippi Business Finance Corporation (the "MBFC"), without penalty. As a result, as of February 28, 2023, we no longer had outstanding debt related to the MBFC Loan and the MBFC Loan terminated pursuant to its terms. The loan agreement was entered into in connection with the issuance by MBFC of taxable industrial development revenue bonds. Borrowings under the MBFC Loan bore interest at either the Base Rate or Term SOFR (both as defined in the loan agreement), plus a margin based on the Net Leverage Ratio (as defined in the loan agreement) of 0% to 1.0% and 1.0% to 2.0% for Base Rate and Term SOFR borrowings, respectively. The borrowings were used to fund construction of our Olive Branch, Mississippi distribution facility. The maturity date of the MBFC Loan was March 1, 2023.

Debt Covenants

Our debt under our Credit Agreement is unconditionally guaranteed, on a joint and several basis, by the Company and certain of its subsidiaries. Our Credit Agreement requires the maintenance of certain key financial covenants, defined in the table below. Our Credit Agreement also contains other customary covenants, including, among other things, covenants restricting or limiting us, except under certain conditions set forth therein, from (1) incurring liens on our properties, (2) making certain types of investments, (3) incurring additional debt, and (4) assigning or transferring certain licenses. Our Credit Agreement also contains customary events of default, including failure to pay principal or interest when due, among others. Upon an event of default under our Credit Agreement, the lenders may, among other things, accelerate the maturity of any amounts outstanding. The commitments of the lenders to make loans to us under the Credit Agreement are several and not joint. Accordingly, if any lender fails to make loans to us, our available liquidity could be reduced by an amount up to the aggregate amount of such lender's commitments under the Credit Agreement.

As of February 29, 2024, we were in compliance with all covenants as defined under the terms of the Credit Agreement.

The table below provides the formulas currently in effect for certain key financial covenants as defined under our Credit Agreement:

Applicable Financial Covenant	Credit Agreement
Minimum Interest Coverage Ratio	EBIT (1) ÷ Interest Expense (1)
	Minimum Required: 3.00 to 1.00
Maximum Leverage Ratio	Total Current and Long Term Debt (2) + EBITDA (1) + Pro Forma Effect of Transactions Maximum Currently Allowed: 3.50 to 1.00 (3)

Key Definitions:

EBIT: Earnings + Interest Expense + Taxes + Non-Cash Charges (4) + Certain Allowed Addbacks (4) - Certain Non-Cash Income (4)

EBITDA: EBIT + Depreciation and Amortization Expense

Pro Forma Effect of Transactions: For any acquisition, pre-acquisition EBITDA of the acquired business is included so that the EBITDA of the acquired business included in the computation equals its twelve month trailing total. In addition, the amount of certain pro forma run-rate cost savings for acquisitions or dispositions may be added to EBIT and EBITDA.

(1) Computed using totals for the latest reported four consecutive fiscal quarters.

(2) Computed using the ending debt balances plus outstanding letters of credit as of the latest reported fiscal quarter.

(3) In the event a qualified acquisition is consummated, the maximum leverage ratio is 4.50 to 1.00 for the first four fiscal quarters after the qualified acquisition is consummated.

(4) As defined in the Credit Agreement.

Critical Accounting Policies and Estimates

The SEC defines critical accounting estimates as those made in accordance with generally accepted accounting principles that involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on a company's financial condition or results of operations. We consider the following estimates to meet this definition and represent our more critical estimates and assumptions used in the preparation of our consolidated financial statements.

Income Taxes

We must make certain estimates and judgments in determining our provision for income tax expense. The provision for income tax expense is calculated on reported income before income taxes based on current tax law and includes, in the current period, the cumulative effect of any changes in tax rates from those used previously in determining deferred tax assets and liabilities. Tax laws may require items to be included in the determination of taxable income at different times from when the items are reflected in the financial statements. Deferred tax balances reflect the effects of temporary differences between the financial statement carrying amounts of assets and liabilities and their tax bases, as well as from net operating losses and tax credit carryforwards, and are stated at enacted tax rates in effect for the year taxes are expected to be paid or recovered.

Deferred tax assets represent tax benefits for tax deductions or credits available in future years and require certain estimates and assumptions to determine whether it is more likely than not that all or a portion of the benefit will not be realized. The recoverability of these future tax deductions and credits is determined by assessing the adequacy of future expected taxable income from all sources, including the future reversal of existing taxable temporary differences, taxable income in carryback years, estimated future taxable income and available tax planning strategies. In projecting future taxable income, we begin with historical results and incorporate assumptions including future operating income, the reversal of temporary differences and the implementation of feasible and prudent tax planning strategies. These assumptions require significant judgement and are consistent with the plans and estimates we are using

to manage our underlying business. Should a change in facts or circumstances, such as changes in our business plans, economic conditions or future tax legislation, lead to a change in judgment about the ultimate recoverability of a deferred tax asset, we record or adjust the related valuation allowance in the period that the change in facts and circumstances occurs, along with a corresponding increase or decrease in income tax expense. Additionally, if future taxable income varies from projected taxable income, we may be required to adjust our valuation allowance in future years.

In addition, the calculation of our tax liabilities requires us to account for uncertainties in the application of complex and evolving tax regulations. We recognize liabilities for uncertain tax positions based on the two-step process prescribed within GAAP. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained upon examination by the tax authority based upon its technical merits assuming the tax authority has full knowledge of all relevant information. To be recognized in the financial statements, the tax position must meet this more-likely-than-not threshold. For positions meeting this recognition threshold, the second step requires us to estimate and measure the tax benefit as the largest amount that has greater than a 50 percent likelihood of being realized upon ultimate settlement. It is inherently difficult and subjective to estimate such amounts, as this requires us to determine the probability of various possible outcomes. We reevaluate these uncertain tax positions on a quarterly basis. This evaluation is based on factors including, but not limited to, changes in facts or circumstances, changes in tax law, effectively settled issues under audit, historical experience with similar tax matters, guidance from our tax advisors, and new audit activity. For tax positions that do not meet the threshold requirement, we record liabilities for unrecognized tax benefits as a tax expense or benefit in the period recognized or reversed and disclose as a separate liability in our financial statements, including related accrued interest and penalties. A change in recognition or measurement would result in the recognition of a tax benefit or an additional charge to the tax provision in the period in which the change occurs.

Valuation of Inventory

We record inventory on our balance sheet at the lower of average cost or net realizable value. We write down a portion of our inventory to net realizable value based on the historical sales trends of products and estimates about future demand and market conditions, among other factors. We regularly review our inventory for slow-moving items and for items that we are unable to sell at prices above their original cost. When we identify such an item, we use net realizable value as the basis for recording such inventory and base our estimates on expected future selling prices less expected disposal costs. These estimates entail a significant amount of inherent subjectivity and uncertainty. As a result, these estimates could vary significantly from the amounts that we may ultimately realize upon the sale of inventories if future economic conditions, product demand, product discontinuances, competitive conditions or other factors differ from our estimates and expectations. Additionally, changes in consumer demand, retailer inventory management strategies, transportation lead times, supplier capacity and raw material availability could make our inventory management and reserves more difficult to estimate.

Acquisitions, Goodwill and Indefinite-Lived Intangibles, and Related Impairment Testing

A significant portion of our non-current assets consists of goodwill and intangible assets recorded as a result of past acquisitions. Accounting for business combinations requires the use of estimates and assumptions in determining the fair value of assets acquired and liabilities assumed in order to properly allocate the purchase price. Goodwill is recorded as the difference, if any, between the aggregate consideration paid and the fair value of the net tangible and intangible assets received in the acquisition of a business. Our intangible assets acquired primarily include trade names and customer relationships. The fair value of our assets acquired and liabilities assumed are typically based upon valuations performed by independent third-party appraisers using the income approach, including estimated future discounted cash flow models ("DCF Models"), the relief from royalty method for trade names, and the distributor method for customer relationships. The fair value of our trade names and customer relationships acquired involved significant estimates and assumptions, including revenue growth rates, gross profit and operating profit margins, discount rates and royalty and customer attrition rates (as

applicable). We believe that the fair value assigned to the assets acquired and liabilities assumed are based on reasonable assumptions and estimates that marketplace participants would use.

We review goodwill and indefinite-lived intangible assets for impairment on an annual basis or more frequently whenever events or changes in circumstances indicate that their carrying value may not be recoverable. We consider whether circumstances or conditions exist which suggest that the carrying value of our goodwill and indefinite-lived intangible assets might be impaired. If such circumstances or conditions exist, we perform a qualitative assessment to determine whether it is more likely than not that the assets are impaired. We evaluate goodwill at the reporting unit level (operating segment or one level below an operating segment). If the results of the qualitative assessment indicate that it is more likely than not that the assets are impaired, further steps are required in order to determine whether the carrying value of each reporting unit and indefinite-lived intangible assets exceeds its fair market value. An impairment charge is recognized to the extent the goodwill or indefinite-lived intangible asset recorded exceeds the reporting unit's or asset's fair value. We perform our annual impairment testing for goodwill and indefinite-lived assets as of the beginning of the fourth quarter of our fiscal year. Based on our qualitative assessment performed during the fourth quarter of fiscal 2024 and fiscal 2023, we determined that it is not more likely than not that the fair value of each reporting unit and indefinite-lived intangible asset is lower than its carrying value; therefore, quantitative impairment testing was not required.

Our quantitative impairment test methodology primarily uses DCF Models. The DCF Models use a number of assumptions including expected future cash flows from the assets, volatility, risk free rate, and the expected life of the assets, the determination of which require significant judgments from management. In determining the assumptions to be used, we consider the existing rates on Treasury Bills, yield spreads on assets with comparable expected lives, historical volatility of our common stock and that of comparable companies, and general economic and industry trends, among other considerations. When stock market or other conditions warrant, we expand our traditional impairment test methodology to give weight to other methods that provide additional observable market information in order to better reflect the current risk level being incorporated into market prices and in order to corroborate the fair values of each of our reporting units. Management will place increased reliance on these additional methods in conjunction with its DCF Models in the event that the total market capitalization of its stock drops below its consolidated stockholders' equity balance for a sustained period.

Considerable management judgment is necessary, in determining the fair value of goodwill and intangible assets (initially acquired and as part of our impairment testing), including the reasonableness of fair value estimates, evaluating the most likely impact of a range of possible external conditions, considering the resulting operating changes and their impact on estimated future cash flows, determining the appropriate discount factors to use, and selecting and weighting appropriate comparable market level inputs. The recoverability of these assets is dependent upon achievement of our projections and the continued execution of key initiatives related to revenue growth and profitability. The rates used in our projections are management's estimate of the most likely results over time, given a wide range of potential outcomes. The assumptions and estimates used in our fair value analysis involve significant elements of subjective judgment and analysis by our management. While we believe that the assumptions we use are reasonable at the time made, changes in business conditions or other unanticipated events and circumstances may occur that cause actual results to differ materially from projected results and this could potentially require future adjustments to our asset valuations.

Impairment of Long-Lived Assets

We review intangible assets with definite lives and long-lived assets held and used if a triggering event occurs during the reporting period. If such circumstances or conditions exist, further steps are required in order to determine whether the carrying value of each of the individual assets exceeds its fair market value. If our analysis indicates that an individual asset's carrying value does exceed its fair market value, the next step is to record a loss equal to the excess of the individual asset's carrying value over its fair value. We evaluate any long-lived assets held for sale quarterly to determine if estimated fair value less

cost to sell has changed during the reporting period. The determination of the fair value of definite-lived intangible assets and long-lived assets can entail a significant amount of judgment and subjectivity, including revenue growth rates, discount rates, royalty and customer attrition rates (as applicable), and estimated market prices (as applicable).

Economic Useful Lives of Intangible Assets

We amortize intangible assets, such as trademark licenses, trade names, customer relationships and lists, patents and non-compete agreements over their economic useful lives, unless those assets' economic useful lives are indefinite. If an intangible asset's economic useful life is deemed indefinite, that asset is not amortized. The determination of the economic useful life of an intangible asset requires a significant amount of judgment and entails significant subjectivity and uncertainty. When we acquire an intangible asset, we consider factors such as the asset's history, our plans for that asset and the market for products associated with the asset. We consider these same factors when reviewing the economic useful lives of our previously acquired intangible assets as well. We review the economic useful lives of our intangible assets at least annually. We complete our analysis of the remaining useful economic lives of our intangible assets during the fourth quarter of each fiscal year or when a triggering event occurs.

Share-Based Compensation

We grant share-based compensation awards to non-employee directors and certain associates under our equity plans. We measure the cost of services received in exchange for equity awards, which include grants of restricted stock awards ("RSAs"), restricted stock units ("RSUs"), performance stock awards ("PSAs"), and performance stock units ("PSUs"), based on the fair value of the awards on the grant date. These awards may be subject to attainment of certain service conditions, performance conditions and/or market conditions.

We grant PSAs and PSUs to certain officers and associates, which cliff vest after three years and are contingent upon meeting one or more defined operational performance metrics over the three year performance period ("Performance Condition Awards"). The quantity of shares ultimately awarded can range from 0% to 200% of "Target", as defined in the award agreement as 100%, based on the level of achievement against the defined operational performance metrics. We recognize compensation expense for Performance Condition Awards over the requisite service period to the extent performance conditions are considered probable. Estimating the number of shares of Performance Condition Awards that are probable of vesting requires judgment, including assumptions about future operating performance. While the assumptions used to estimate the probability of achievement against the defined operational performance metrics are management's best estimates, such estimates involve inherent uncertainties. The extent actual results or updated estimates differ from our current estimates, such amounts will be recorded as a cumulative adjustment to share-based compensation expense in the period estimates are revised.

The critical accounting estimates described above supplement the description of our accounting policies disclosed in Note 1 to the accompanying consolidated financial statements. Note 1 describes several other policies that are important to the preparation of our consolidated financial statements, but do not meet the SEC's definition of critical accounting estimates.

Information Regarding Forward-Looking Statements

Certain written and oral statements in this Annual Report may constitute "forward-looking statements" as defined under the Private Securities Litigation Reform Act of 1995. This includes statements made in this Annual Report, in other filings with the SEC, in press releases, and in certain other oral and written presentations. Generally, the words "anticipates", "believes", "expects", "plans", "may", "will", "might", "would", "should", "seeks", "estimates", "project", "predict", "potential", "currently", "continue", "intends", "outlook", "forecasts", "targets", "could", and other similar words identify forward-looking statements. All statements that address operating results, events or developments that we expect or anticipate may

occur in the future, including statements related to sales, expenses, EPS results, and statements expressing general expectations about future operating results, are forward-looking statements and are based upon our current expectations and various assumptions. We believe there is a reasonable basis for our expectations and assumptions, but there can be no assurance that we will realize our expectations or that our assumptions will prove correct. Forward-looking statements are only as of the date they are made and are subject to risks that could cause them to differ materially from actual results. Accordingly, we caution readers not to place undue reliance on forward-looking statements. We believe that these risks include but are not limited to the risks described in this Annual Report under Item 1A., "Risk Factors" and that are otherwise described from time to time in our SEC reports as filed. We undertake no obligation to publicly update or revise any forward-looking statements as a result of new information, future events or otherwise.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Changes in currency exchange rates and interest rates are our primary financial market risks.

Foreign Currency Risk

The U.S. Dollar is the functional currency for the Company and all of its subsidiaries and is also the reporting currency for the Company. By operating internationally, we are subject to foreign currency risk from transactions denominated in currencies other than the U.S. Dollar ("foreign currencies"). Such transactions include sales and operating expenses. As a result of such transactions, portions of our cash, accounts receivable and accounts payable are denominated in foreign currencies. Approximately 14%, 13%, and 10% of our net sales revenue was denominated in foreign currencies during fiscal 2024, 2023 and 2022, respectively. These sales were primarily denominated in Euros, British Pounds and Canadian Dollars. We make most of our inventory purchases from manufacturers in Asia and primarily use the U.S. Dollar for such purchases.

In our consolidated statements of income, foreign currency exchange rate gains and losses resulting from the remeasurement of foreign income taxes receivables and payables, and deferred income tax assets and liabilities are recognized in income tax expense, and all other foreign currency exchange rate gains and losses are recognized in SG&A. We recorded in income tax expense foreign currency exchange rate net gains of \$0.3 million during fiscal 2024 and net losses of \$0.4 million and \$0.5 million during fiscal 2023 and 2022, respectively. We recorded in SG&A foreign currency exchange rate net losses of \$0.5 million, \$1.7 million and \$0.2 million during fiscal 2024, 2023 and 2022, respectively.

We identify foreign currency risk by regularly monitoring our foreign currency denominated transactions and balances. Where operating conditions permit, we reduce our foreign currency risk by purchasing most of our inventory with U.S. Dollars and by converting cash balances denominated in foreign currencies to U.S. Dollars.

We mitigate certain foreign currency exchange rate risk by using a series of forward contracts and cross-currency debt swaps to protect against the foreign currency exchange rate risk inherent in our transactions denominated in foreign currencies. Our primary objective in holding derivatives is to reduce the volatility of net earnings, cash flows, and the net asset value associated with changes in foreign currency exchange rates. Our foreign currency risk management strategy includes both hedging instruments and derivatives that are not designated as hedging instruments, which have terms of generally 12 to 24 months. We do not enter into any derivatives or similar instruments for trading or other speculative purposes. We expect that as currency market conditions warrant, and our foreign currency denominated transaction exposure grows, we will continue to execute additional contracts in order to hedge against certain potential foreign currency exchange rate losses.

As of February 29, 2024 and February 28, 2023, a hypothetical adverse 10% change in foreign currency exchange rates would reduce the carrying and fair values of our derivatives by \$8.3 million and \$8.8

million on a pre-tax basis, respectively. This calculation is for risk analysis purposes and does not purport to represent actual losses or gains in fair value that we could incur. It is important to note that the change in value represents the estimated change in fair value of the contracts. Actual results in the future may differ materially from these estimated results due to actual developments in the global financial markets. Because the contracts hedge an underlying exposure, we would expect a similar and opposite change in foreign currency exchange rate gains or losses over the same periods as the contracts. Refer to Note 15 to the accompanying consolidated financial statements for further information regarding these instruments.

A significant portion of the products we sell are purchased from third-party manufacturers in China, who source a significant portion of their labor and raw materials in Chinese Renminbi. The Chinese Renminbi has fluctuated against the U.S. Dollar in recent years and in fiscal 2024 the average exchange rate of the Chinese Renminbi weakened against the U.S. Dollar by approximately 5.0% compared to the average rate during fiscal 2023. If China's currency continues to fluctuate against the U.S. Dollar in the short-to-intermediate term, we cannot accurately predict the impact of those fluctuations on our results of operations. Accordingly, there can be no assurance that foreign exchange rates will be stable in the future or that fluctuations in Chinese foreign currency markets will not have a material adverse effect on our business, results of operations and financial condition.

Interest Rate Risk

Interest on our outstanding debt as of February 29, 2024 is based on variable floating interest rates. As such, we are exposed to changes in short-term market interest rates and these changes in rates will impact our net interest expense. As of February 29, 2024, certain borrowings under the Credit Agreement bore interest at an adjusted Term SOFR (as defined in the Credit Agreement). SOFR began in April 2018 and it therefore has a limited history. The future performance of SOFR cannot reliably be predicted based on hypothetical or limited historical performance data. Uncertainty as to SOFR or changes to SOFR may affect the interest rate of certain borrowings under the Credit Agreement. We hedge against interest rate volatility by using interest rate swaps to hedge a portion of our outstanding floating rate debt. Additionally, our cash and short-term investments generate interest income that will vary based on changes in short-term interest.

As of February 29, 2024 and February 28, 2023, a hypothetical adverse 10% change in interest rates would reduce the carrying and fair values of the interest rate swaps by \$2.7 million and \$4.3 million on a pre-tax basis, respectively. This calculation is for risk analysis purposes and does not purport to represent actual losses or gains in fair value that we could incur. It is important to note that the change in value represents the estimated change in the fair value of the swaps. Actual results in the future may differ materially from these estimated results due to actual developments in the global financial markets. Because the swaps hedge an underlying exposure, we would expect a similar and opposite change in floating interest rates over the same periods as the swaps. Refer to Notes 13 and 15 to the accompanying consolidated financial statements for further information regarding our interest rate sensitive assets and liabilities.

As of February 29, 2024 and February 28, 2023, a hypothetical 1% increase in interest rates would increase our annual interest expense, net of the effect of our interest rate swaps, by approximately \$1.7 million and \$5.1 million, respectively. This calculation is for risk analysis purposes and does not purport to represent actual increases or decreases in interest expense that we could incur. Actual results in the future may differ materially from these estimated results due to actual developments in the global financial markets. Refer to Item 1A., "Risk Factors" and Item 7., "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Annual Report for further information regarding our interest rate risks.

Item 8. Financial Statements and Supplementary Data

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All other schedules are omitted as the required information is included in the consolidated financial statements or is not applicable.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Helen of Troy's management is responsible for establishing and maintaining adequate internal control over financial reporting as defined by Rules 13a-15(f) or 15d-15(f) under the Securities Exchange Act.

Our internal control system is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles and includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect our transactions and dispositions of assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and Board of Directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

There are inherent limitations in the effectiveness of internal control over financial reporting, including the possibility that misstatements may not be prevented or detected. Furthermore, the effectiveness of internal controls may become inadequate because of future changes in conditions, or variations in the degree of compliance with our policies or procedures.

Our management assesses the effectiveness of our internal control over financial reporting using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework. Based on our assessment, we have concluded that our internal control over financial reporting was effective as of February 29, 2024.

Our independent registered public accounting firm, Grant Thornton LLP, has issued an audit report on the effectiveness of our internal control over financial reporting. Their report appears on the following page.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
Helen of Troy Limited

Opinion on internal control over financial reporting

We have audited the internal control over financial reporting of Helen of Troy Limited and subsidiaries (the "Company") as of February 29, 2024, based on criteria established in the 2013 *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of February 29, 2024, based on criteria established in the 2013 *Internal Control-Integrated Framework* issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated financial statements of the Company as of and for the year ended February 29, 2024, and our report dated April 24, 2024 expressed an unqualified opinion on those financial statements.

Basis for opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting ("Management's Report"). Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and limitations of internal control over financial reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ GRANT THORNTON LLP
Dallas, Texas
April 24, 2024

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
Helen of Troy Limited

Opinion on the financial statements

We have audited the accompanying consolidated balance sheets of Helen of Troy Limited and subsidiaries (the "Company") as of February 29, 2024 and February 28, 2023, the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the three years in the period ended February 29, 2024, and the related notes and financial statement schedule included under Schedule II – Valuation and Qualifying Accounts (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of February 29, 2024 and February 28, 2023, and the results of its operations and its cash flows for each of the three years in the period ended February 29, 2024, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of February 29, 2024, based on criteria established in the 2013 *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), and our report dated April 24, 2024 expressed an unqualified opinion.

Basis for opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical audit matters

Critical audit matters are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

/s/ GRANT THORNTON LLP

We have served as the Company's auditor since 2007.

Dallas, Texas

April 24, 2024

HELEN OF TROY LIMITED AND SUBSIDIARIES

Consolidated Balance Sheets

<i>(in thousands, except shares and par value)</i>	February 29, 2024	February 28, 2023
Assets		
Assets, current:		
Cash and cash equivalents	\$ 18,501	\$ 29,073
Receivables, less allowances of \$ 7,481 and \$ 1,678	394,536	377,604
Inventory	395,995	455,485
Prepaid expenses and other current assets	27,012	24,721
Income taxes receivable	7,874	5,158
Total assets, current	843,918	892,041
Property and equipment, net of accumulated depreciation of \$ 169,021 and \$ 178,961	336,646	351,793
Goodwill	1,066,730	1,066,479
Other intangible assets, net of accumulated amortization of \$ 186,882 and \$ 168,574	536,696	553,883
Operating lease assets	35,962	38,751
Deferred tax assets, net	3,662	2,781
Other assets	15,008	7,987
Total assets	\$ 2,838,622	\$ 2,913,715
Liabilities and Stockholders' Equity		
Liabilities, current:		
Accounts payable	\$ 245,349	\$ 190,598
Accrued expenses and other current liabilities	181,391	200,718
Income taxes payable	17,821	14,778
Long-term debt, current maturities	6,250	6,064
Total liabilities, current	450,811	412,158
Long-term debt, excluding current maturities	659,421	928,348
Lease liabilities, non-current	37,262	42,672
Deferred tax liabilities, net	41,253	28,048
Other liabilities, non-current	12,433	13,678
Total liabilities	1,201,180	1,424,904
Commitments and contingencies		
Stockholders' equity:		
Cumulative preferred stock, non-voting, \$ 1.00 par. Authorized 2,000,000 shares; none issued	—	—
Common stock, \$ 0.10 par. Authorized 50,000,000 shares; 23,751,258 and 23,994,405 shares issued and outstanding	2,375	2,399
Additional paid in capital	348,739	317,277
Accumulated other comprehensive income	2,099	4,947
Retained earnings	1,284,229	1,164,188
Total stockholders' equity	1,637,442	1,488,811
Total liabilities and stockholders' equity	\$ 2,838,622	\$ 2,913,715

See accompanying notes to consolidated financial statements.

HELEN OF TROY LIMITED AND SUBSIDIARIES**Consolidated Statements of Income**

	Fiscal Years Ended Last Day of February,		
	2024	2023	2022
<i>(in thousands, except per share data)</i>			
Sales revenue, net	\$ 2,005,050	\$ 2,072,667	\$ 2,223,355
Cost of goods sold	1,056,390	1,173,316	1,270,168
Gross profit	948,660	899,351	953,187
 Selling, general and administrative expense ("SG&A")	 669,359	 660,198	 680,257
Restructuring charges	18,712	27,362	380
Operating income	260,589	211,791	272,550
 Non-operating income, net	 1,518	 249	 260
Interest expense	53,065	40,751	12,844
Income before income tax	209,042	171,289	259,966
 Income tax expense	 40,448	 28,016	 36,202
Net income	<u><u>\$ 168,594</u></u>	<u><u>\$ 143,273</u></u>	<u><u>\$ 223,764</u></u>
 Earnings per share ("EPS"):			
Basic	\$ 7.06	\$ 5.98	\$ 9.27
Diluted	7.03	5.95	9.17
 Weighted average shares used in computing EPS:			
Basic	23,865	23,955	24,142
Diluted	23,970	24,090	24,410

See accompanying notes to consolidated financial statements.

HELEN OF TROY LIMITED AND SUBSIDIARIES**Consolidated Statements of Comprehensive Income**

<i>(in thousands)</i>	Fiscal Years Ended Last Day of February,		
	2024	2023	2022
Net income	\$ 168,594	\$ 143,273	\$ 223,764
Other comprehensive (loss) income, net of tax:			
Cash flow hedge activity - interest rate swaps	(2,477)	6,520	5,450
Cash flow hedge activity - foreign currency contracts	(371)	(1,775)	6,408
Total other comprehensive (loss) income, net of tax	(2,848)	4,745	11,858
Comprehensive income	\$ 165,746	\$ 148,018	\$ 235,622

See accompanying notes to consolidated financial statements.

HELEN OF TROY LIMITED AND SUBSIDIARIES

Consolidated Statements of Stockholders' Equity

<i>(in thousands, including shares)</i>	Common Stock		Accumulated Other		Retained Earnings	Total Stockholders' Equity
	Shares	Par Value	Additional Paid in Capital	Comprehensive Income (Loss)		
Balances at February 28, 2021	24,406	\$ 2,441	\$ 283,396	\$ (11,656)	\$ 965,166	\$ 1,239,347
Net income	—	—	—	—	223,764	223,764
Other comprehensive income, net of tax	—	—	—	11,858	—	11,858
Exercise of stock options	23	2	1,693	—	—	1,695
Issuance and settlement of restricted stock	202	20	(20)	—	—	—
Issuance of common stock related to stock purchase plan	24	2	4,259	—	—	4,261
Common stock repurchased and retired	(855)	(85)	(20,206)	—	(167,913)	(188,204)
Share-based compensation	—	—	34,618	—	—	34,618
Balances at February 28, 2022	23,800	\$ 2,380	\$ 303,740	\$ 202	\$ 1,021,017	\$ 1,327,339
Net income	—	—	—	—	143,273	143,273
Other comprehensive income, net of tax	—	—	—	4,745	—	4,745
Exercise of stock options	9	1	724	—	—	725
Issuance and settlement of restricted stock	242	24	(24)	—	—	—
Issuance of common stock related to stock purchase plan	33	3	4,338	—	—	4,341
Common stock repurchased and retired	(90)	(9)	(18,254)	—	(102)	(18,365)
Share-based compensation	—	—	26,753	—	—	26,753
Balances at February 28, 2023	23,994	\$ 2,399	\$ 317,277	\$ 4,947	\$ 1,164,188	\$ 1,488,811
Net income	—	—	—	—	168,594	168,594
Other comprehensive loss, net of tax	—	—	—	(2,848)	—	(2,848)
Exercise of stock options	6	1	264	—	—	265
Issuance and settlement of restricted stock	142	14	(14)	—	—	—
Issuance of common stock related to stock purchase plan	42	4	3,966	—	—	3,970
Common stock repurchased and retired	(433)	(43)	(6,626)	—	(48,553)	(55,222)
Share-based compensation	—	—	33,872	—	—	33,872
Balances at February 29, 2024	23,751	\$ 2,375	\$ 348,739	\$ 2,099	\$ 1,284,229	\$ 1,637,442

See accompanying notes to consolidated financial statements.

HELEN OF TROY LIMITED AND SUBSIDIARIES

Consolidated Statements of Cash Flows

	Fiscal Years Ended Last Day of February,		
(in thousands)	2024	2023	2022
Cash provided by operating activities:			
Net income	\$ 168,594	\$ 143,273	\$ 223,764
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	51,499	44,683	35,829
Amortization of financing costs	1,235	1,114	986
Non-cash operating lease expense	10,191	9,702	9,580
Provision for credit losses	6,103	1,798	312
Non-cash share-based compensation	33,872	26,753	34,618
Non-cash restructuring charges	1,772	—	—
Loss on extinguishment of debt	489	—	—
Gain on sale of distribution and office facilities	(34,190)	—	—
Gain on sale of Personal Care business	—	(1,336)	(513)
(Gain) loss on the sale or disposal of property and equipment	(233)	63	(2,243)
Deferred income taxes and tax credits	13,210	(2,242)	(8,871)
Changes in operating capital, net of effects of acquisition of businesses:			
Receivables	(18,668)	83,624	(66,834)
Inventory	58,192	110,304	(45,913)
Prepaid expenses and other current assets	(2,405)	2,778	(5,589)
Other assets and liabilities, net	(2,830)	(355)	(6,595)
Accounts payable	54,403	(115,931)	(43,745)
Accrued expenses and other current liabilities	(36,287)	(88,040)	(3,593)
Accrued income taxes	1,120	(7,946)	19,630
Net cash provided by operating activities	306,067	208,242	140,823
Cash provided (used) by investing activities:			
Capital and intangible asset expenditures	(36,644)	(174,864)	(78,039)
Net payments to acquire businesses, net of cash acquired	—	(146,342)	(410,880)
Payments for purchases of U.S. Treasury Bills	(9,605)	—	—
Proceeds from maturity of U.S. Treasury Bills	622	—	—
Proceeds from sale of distribution and office facilities	49,456	—	—
Proceeds from sale of Personal Care business	—	1,804	44,700
Proceeds from the sale of property and equipment	1,620	69	5,305
Net cash provided (used) by investing activities	5,449	(319,333)	(438,914)
Cash (used) provided by financing activities:			
Proceeds from revolving loans	1,415,511	685,800	998,200
Repayment of revolving loans	(1,686,580)	(795,300)	(527,700)
Proceeds from term loans	248,868	250,000	—
Repayment of long-term debt	(246,875)	(19,832)	(1,900)
Payment of financing costs	(2,025)	(586)	—
Proceeds from share issuances under share-based compensation plans	4,235	5,066	5,956
Payments for repurchases of common stock	(55,222)	(18,365)	(188,204)
Net cash (used) provided by financing activities	(322,088)	106,783	286,352
Net decrease in cash and cash equivalents	(10,572)	(4,308)	(11,739)
Cash and cash equivalents, beginning balance	29,073	33,381	45,120
Cash and cash equivalents, ending balance	\$ 18,501	\$ 29,073	\$ 33,381
Supplemental cash flow information:			
Interest paid	\$ 52,537	\$ 43,687	\$ 11,694
Income taxes paid, net of refunds	28,855	37,082	22,831
Supplemental non-cash investing activity:			
Capital expenditures included in accounts payable	7,491	5,847	6,858

See accompanying notes to consolidated financial statements.

HELEN OF TROY LIMITED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in thousands of U.S. Dollars, except share and per share data, unless indicated otherwise)

Note 1 - Summary of Significant Accounting Policies and Related Information

Corporate Overview

When used in these notes within this Annual Report on Form 10-K (the "Annual Report"), unless otherwise indicated or the context suggests otherwise, references to "the Company", "our Company", "Helen of Troy", "we", "us", or "our" refer to Helen of Troy Limited and its subsidiaries, which are all wholly-owned. We refer to our common shares, par value \$ 0.10 per share, as "common stock." References to "the FASB" refer to the Financial Accounting Standards Board. References to "GAAP" refer to accounting principles generally accepted in the United States of America (the "U.S."). References to "ASU" refer to the codification of GAAP in the Accounting Standards Updates issued by the FASB. References to "ASC" refer to the codification of GAAP in the Accounting Standards Codification issued by the FASB.

We incorporated as Helen of Troy Corporation in Texas in 1968 and were reorganized as Helen of Troy Limited in Bermuda in 1994. We are a leading global consumer products company offering creative products and solutions for our customers through a diversified portfolio of brands. As of February 29, 2024, we operated two reportable segments: Home & Outdoor and Beauty & Wellness.

Our Home & Outdoor segment offers a broad range of outstanding world-class brands that help consumers enjoy everyday living inside their homes and outdoors. Our innovative products for home activities include food preparation and storage, cooking, cleaning, organization, and beverage service. Our outdoor performance range, on-the-go food storage, and beverageware includes lifestyle hydration products, coolers and food storage solutions, backpacks, and travel gear. The Beauty & Wellness segment provides consumers with a broad range of outstanding world-class brands for beauty and wellness. In Beauty, we deliver innovation through products such as hair styling appliances, grooming tools, and liquid and aerosol personal care products that help consumers look and feel more beautiful. In Wellness, we are there when you need us most with highly regarded humidifiers, thermometers, water and air purifiers, heaters, and fans.

Our business is seasonal due to different calendar events, holidays and seasonal weather and illness patterns. Our fiscal reporting period ends on the last day in February. Historically, our highest sales volume and operating income occur in our third fiscal quarter ending November 30th. We purchase our products from unaffiliated manufacturers, most of which are located in China, Mexico, Vietnam and the U.S.

During fiscal 2023, we initiated a global restructuring plan intended to expand operating margins through initiatives designed to improve efficiency and effectiveness and reduce costs (referred to as "Project Pegasus"). See Note 11 for additional information.

On April 22, 2022, we completed the acquisition of Recipe Products Ltd., a producer of innovative prestige hair care products for all types of curly and wavy hair under the Curlsmith brand ("Curlsmith"). The total purchase consideration was \$ 147.9 million in cash, net of a final net working capital adjustment and cash acquired. The Curlsmith brand and products were added to the Beauty & Wellness segment. See Note 6 for additional information.

On December 29, 2021, we completed the acquisition of Osprey Packs, Inc. ("Osprey"), a longtime U.S. leader in technical and everyday packs, for \$ 409.3 million in cash, net of a final net working capital adjustment and cash acquired. The Osprey brand and products were added to the Home & Outdoor segment. See Note 6 for additional information.

During fiscal 2022 and fiscal 2023, we divested certain assets within our Beauty & Wellness segment's mass channel personal care business, which included liquid, powder and aerosol products under brands such as Pert, Brut, Sure and Infusium ("Personal Care"). On June 7, 2021, we completed the sale of our North America Personal Care business to HRB Brands LLC, for \$ 44.7 million in cash and recognized a gain on the sale in SG&A totaling \$ 0.5 million. On March 25, 2022, we completed the sale of the Latin America and Caribbean Personal Care business to HRB Brands LLC, for \$ 1.8 million in cash and recognized a gain on the sale in SG&A totaling \$ 1.3 million. The net assets sold included intangible assets, inventory, certain net trade receivables, fixed assets and certain accrued sales discounts and allowances relating to our Personal Care business. Income before income tax expense for our Personal Care business was \$ 5.5 million in fiscal 2022, inclusive of corporate overhead expenses that were allocable to the business.

Principles of Consolidation

The accompanying consolidated financial statements are prepared in accordance with GAAP and include all of our subsidiaries. Our consolidated financial statements are prepared in U.S. Dollars. All intercompany balances and transactions are eliminated in consolidation.

The preparation of consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes. Actual results may differ materially from those estimates.

Reclassifications

We have recast or separately disclosed certain amounts in the prior years' accompanying footnotes to conform with the current year's presentation.

Cash and Cash Equivalents

Cash equivalents include all highly liquid investments with an original maturity of three months or less. We maintain cash and cash equivalents at several financial institutions, which at times may not be federally insured or may exceed federally insured limits. We have not experienced any losses in such accounts and believe we are not exposed to any significant credit risks on such accounts. We consider money market accounts to be cash equivalents.

Receivables

Our receivables are comprised of trade receivables from customers, primarily in the retail industry, offset by an allowance for credit losses. Our allowance for credit losses reflects our best estimate of expected credit losses over the receivables' term, determined principally based on historical experience, specific allowances for known at-risk accounts, and consideration of current economic conditions and management's expectations of future economic conditions. Our policy is to write off receivables when we have determined they will no longer be collectible. Write-offs are applied as a reduction to the allowance for credit losses and any recoveries of previous write-offs are netted against bad debt expense in the period recovered.

We have a significant concentration of credit risk with three major customers at February 29, 2024 representing approximately 20 %, 14 %, and 12 % of our gross trade receivables, respectively. As of February 28, 2023, our significant concentration of credit risk with three major customers represented approximately 18 %, 15 %, and 13 % of our gross trade receivables, respectively. In addition, as of February 29, 2024 and February 28, 2023, approximately 55 % and 52 %, respectively, of our gross trade receivables were due from our five top customers.

Foreign Currency Transactions

The U.S. Dollar is the functional currency for the Company and all of its subsidiaries and is also the reporting currency for the Company; therefore, we do not have a translation adjustment recorded through accumulated other comprehensive income. All our non-U.S. subsidiaries' transactions denominated in other currencies have been remeasured into U.S. Dollars using exchange rates in effect on the date each transaction occurred. In our consolidated statements of income, foreign currency exchange rate gains and losses resulting from the remeasurement of foreign income taxes receivables and payables and deferred income tax assets and liabilities are recognized in income tax expense, and all other foreign currency exchange rate gains and losses are recognized in SG&A.

We mitigate certain foreign currency exchange rate risk by using forward contracts and cross-currency debt swaps to protect against the foreign currency exchange rate risk inherent in our transactions denominated in foreign currencies. For additional information on our derivatives see "Financial Instruments" below.

Inventory and Cost of Goods Sold

Our inventory consists almost entirely of finished goods. Inventories are stated at the lower of average cost or net realizable value. We write down a portion of our inventory to net realizable value based on the historical sales trends of products and estimates about future demand and market conditions, among other factors. Our average costs include the amounts we pay manufacturers for product, tariffs and duties associated with transporting product across national borders, freight costs associated with transporting the product from our manufacturers to our distribution facilities, and general and administrative expenses directly attributable to acquiring inventory, as applicable.

General and administrative expenses directly attributable to acquiring inventory include all the expenses of operating our sourcing activities and expenses incurred for packaging. We capitalized \$ 23.4 million, \$ 22.9 million, and \$ 26.0 million of such general and administrative expenses into inventory during fiscal 2024, 2023 and 2022, respectively. We estimate that \$ 8.9 million and \$ 11.7 million of general and administrative expenses directly attributable to the procurement of inventory were included in our inventory balances on hand at February 29, 2024 and February 28, 2023, respectively.

The "Cost of goods sold" line item in the consolidated statements of income is comprised of the book value of inventory sold to customers during the reporting period and depreciation expense of tooling, molds and other production equipment. When circumstances dictate that we use net realizable value as the basis for recording inventory, we base our estimates on expected future selling prices less expected disposal costs.

For fiscal 2024, 2023, and 2022, finished goods purchased from vendors in Asia comprised approximately 79 %, 87 %, and 88 %, respectively, of total finished goods purchased. During fiscal 2024, we had two vendors (located in China) who fulfilled approximately 7 % and 5 % of our product requirements compared to two vendors (located in China) who each fulfilled approximately 6 % for fiscal 2023. During fiscal 2022, we had one vendor (located in China) who fulfilled approximately 9 % of our product requirements. Additionally, during fiscal 2024, we had one vendor (located in Mexico) who fulfilled approximately 12 % of our product requirements compared to approximately 7 % for both fiscal 2023 and 2022. For fiscal 2024, 2023, and 2022, our top two vendors combined fulfilled approximately 19 %, 13 %, and 16 % of our product requirements, respectively. For fiscal 2024, 2023 and 2022, our top five vendors fulfilled approximately 33 %, 29 %, and 36 % of our product requirements, respectively.

Property and Equipment

These assets are recorded at cost. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets. Expenditures for repair and maintenance of property and equipment are expensed as incurred. For tax purposes, accelerated depreciation methods are used where allowed by tax laws.

Trademark License Agreements, Trade Names, Patents, and Other Intangible Assets

A significant portion of our sales are made subject to trademark license agreements with various licensors. Our license agreements are reported on our consolidated balance sheets at cost, less accumulated amortization. The cost of our license agreements represent amounts paid to licensors to acquire the license or to alter the terms of the license in a manner that we believe to be in our best interest. Certain licenses have extension terms that may require additional payments to the licensor as part of the terms of renewal. We capitalize costs incurred to renew or extend the term of a license agreement and amortize such costs on a straight-line basis over the remaining term or economic life of the agreement, whichever is shorter. Royalty payments are not included in the cost of license agreements. Royalty expense under our license agreements is recognized as incurred and is included in our consolidated statements of income in SG&A. Net sales revenue subject to trademark license agreements, the majority of which require royalty payments, comprised approximately 37 %, 40 %, and 46 % of consolidated net sales revenue for fiscal 2024, 2023 and 2022, respectively. During fiscal 2024, two license agreements each accounted for net sales revenue of approximately 10 % of consolidated net sales revenue, one of which does not require royalty payments. No other trademark license agreements had associated net sales revenue that accounted for 10% or more of consolidated net sales revenue.

We also sell products under trade names that we own for which we have registered trademarks. Trade names that we acquire through acquisition from other entities are generally recorded on our consolidated balance sheets based upon the appraised fair value of the acquired asset, net of any accumulated amortization and impairment charges. Costs associated with developing trade names internally are recorded as expenses in the period incurred. In certain instances where trade names have readily determinable useful lives, we amortize their costs on a straight-line basis over such lives. In some instances, we have determined that such acquired assets have an indefinite useful life. In these cases, no amortization is recorded. Patents acquired through acquisition, if material, are recorded on our consolidated balance sheets based upon the appraised value of the acquired patents and amortized over the remaining life of the patent. Additionally, we incur certain costs in connection with the design and development of products to be covered by patents, which are capitalized as incurred and amortized on a straight-line basis over the life of the patent in the jurisdiction filed, typically 12 to 14 years.

Other intangible assets include customer relationships, customer lists and non-compete agreements that we acquired. These are recorded on our consolidated balance sheets based upon the fair value of the acquired asset and amortized on a straight-line basis over the remaining life of the asset as determined either by a third-party appraisal or the term of any controlling agreements.

Goodwill, Intangible and Other Long-Lived Assets and Related Impairment Testing

Goodwill is recorded as the difference, if any, between the aggregate consideration paid and the fair value of the net tangible and intangible assets received in the acquisition of a business. The fair value of our assets acquired and liabilities assumed are typically based upon valuations performed by independent third-party appraisers.

We review goodwill and indefinite-lived intangible assets for impairment on an annual basis or more frequently whenever events or changes in circumstances indicate that their carrying value may not be recoverable. We consider whether circumstances or conditions exist which suggest that the carrying

value of our goodwill and indefinite-lived intangible assets might be impaired. If such circumstances or conditions exist, we perform a qualitative assessment to determine whether it is more likely than not that the assets are impaired. We evaluate goodwill at the reporting unit level (operating segment or one level below an operating segment). If the results of the qualitative assessment indicate that it is more likely than not that the assets are impaired, further steps are required in order to determine whether the carrying value of each reporting unit and indefinite-lived intangible assets exceeds its fair market value. An impairment charge is recognized to the extent the goodwill or indefinite-lived intangible asset recorded exceeds the reporting unit's or asset's fair value. We perform our annual impairment testing for goodwill and indefinite-lived intangible assets as of the beginning of the fourth quarter of our fiscal year (see Note 7).

We review intangible assets with definite lives and long-lived assets held and used if a triggering event occurs during the reporting period. If such circumstances or conditions exist, further steps are required in order to determine whether the carrying value of each of the individual assets exceeds its fair market value. If our analysis indicates that an individual asset's carrying value does exceed its fair market value, the next step is to record a loss equal to the excess of the individual asset's carrying value over its fair value. We evaluate any long-lived assets held for sale quarterly to determine if estimated fair value less cost to sell has changed during the reporting period.

The assumptions and estimates used in our impairment testing involve significant elements of subjective judgment and analysis. While we believe that the assumptions we use are reasonable at the time made, changes in business conditions or other unanticipated events and circumstances may occur that cause actual results to differ materially from projected results and this could potentially require future adjustments to our asset valuations.

Economic Useful Lives and Amortization of Intangible Assets

Intangible assets consist primarily of trademark license agreements, trade names, customer relationships and lists, patents, and non-compete agreements. We amortize intangible assets over their economic useful lives, unless those assets' economic useful lives are indefinite. If an intangible asset's economic useful life is deemed indefinite, that asset is not amortized. The determination of the economic useful life of an intangible asset requires a significant amount of judgment and entails significant subjectivity and uncertainty. When we acquire an intangible asset, we consider factors such as the asset's history, our plans for that asset and the market for products associated with the asset. We consider these same factors when reviewing the economic useful lives of our previously acquired intangible assets as well. We review the economic useful lives of our intangible assets at least annually. We complete our analysis of the remaining useful economic lives of our intangible assets during the fourth quarter of each fiscal year or when a triggering event occurs. For certain intangible assets subject to amortization, we use the straight-line method over appropriate periods ranging from 5 to 40 years for trademark licenses, 15 to 30 years for trade names, 4.5 to 24 years for customer relationships and lists, and 5 to 20 years for other definite-lived intangible assets (see Note 7).

Financial Instruments

We use derivatives to manage our exposure to changes in foreign currency exchange rates, which include foreign currency forward contracts and cross-currency debt swaps. In addition, we use interest rate swaps to manage our exposure to changes in interest rates. All of our derivative assets and liabilities are recorded at fair value. Derivatives for which we have elected and qualify for hedge accounting include certain of our forward contracts ("foreign currency contracts") and interest rate swaps. Our foreign currency contracts and interest rate swaps are designated as cash flow hedges and changes in fair value are recorded in Other Comprehensive (Loss) Income ("OCI") until the hedge transaction is settled, at which point amounts are reclassified from Accumulated Other Comprehensive (Loss) Income ("AOCI") to our consolidated statements of income. We evaluate our derivatives designated as cash flow

hedges each quarter to assess hedge effectiveness. Foreign currency derivatives for which we have not elected hedge accounting consist of certain forward contracts and our cross-currency debt swaps, and any changes in the fair value of these derivatives are recorded in our consolidated statements of income. These undesignated derivatives are used to hedge monetary net asset and liability positions. Cash flows from our foreign currency derivatives and interest rate swaps are classified as cash flows from operating activities in our consolidated statements of cash flows, which is consistent with the classification of the cash flows from the underlying hedged item. Accordingly, we present interest paid net of cash flows from our interest rate swaps as supplemental information to our consolidated statements of cash flows. We do not enter into any derivatives or similar instruments for trading or other speculative purposes. We also invest in U.S. Treasury Bills as a component of our capital management strategy, which are recorded at amortized cost. See Notes 14, 15 and 16 for more information on our fair value measurements, investments and derivatives.

Income Taxes and Uncertain Tax Positions

The provision for income tax expense is calculated on reported income before income taxes based on current tax law and includes, in the current period, the cumulative effect of any changes in tax rates from those used previously in determining deferred tax assets and liabilities. Tax laws may require items to be included in the determination of taxable income at different times from when the items are reflected in the financial statements. Deferred tax balances reflect the effects of temporary differences between the financial statement carrying amounts of assets and liabilities and their tax bases, as well as from net operating losses and tax credit carryforwards, and are stated at enacted tax rates in effect for the year taxes are expected to be paid or recovered.

Deferred tax assets represent tax benefits for tax deductions or credits available in future years and require certain estimates and assumptions to determine whether it is more likely than not that all or a portion of the benefit will not be realized. The recoverability of these future tax deductions and credits is determined by assessing the adequacy of future expected taxable income from all sources, including the future reversal of existing taxable temporary differences, taxable income in carryback years, estimated future taxable income and available tax planning strategies. Should a change in facts or circumstances lead to a change in judgment about the ultimate recoverability of a deferred tax asset, we record or adjust the related valuation allowance in the period that the change in facts and circumstances occurs, along with a corresponding increase or decrease in income tax expense.

We record tax benefits for uncertain tax positions based upon management's evaluation of the information available at the reporting date. To be recognized in the financial statements, the tax position must meet the more-likely-than-not threshold that the position will be sustained upon examination by the tax authority based on its technical merits assuming the tax authority has full knowledge of all relevant information. For positions meeting this recognition threshold, the benefit is measured as the largest amount that has greater than a 50 percent likelihood of being realized upon ultimate settlement. We reevaluate these uncertain tax positions on a quarterly basis. This evaluation is based on factors including, but not limited to, changes in facts or circumstances, changes in tax law, effectively settled issues under audit, historical experience with similar tax matters, guidance from our tax advisors, and new audit activity. For tax positions that do not meet the threshold requirement, we record liabilities for unrecognized tax benefits as a tax expense or benefit in the period recognized or reversed in our consolidated financial statements, including related accrued interest and penalties.

Revenue Recognition

Our revenue is primarily generated from the sale of non-customized consumer products to customers. These products are promised goods that are distinct performance obligations. Revenue is recognized when control of, and title to, the product sold transfers to the customer in accordance with applicable shipping terms, which can occur on the date of shipment or the date of receipt by the customer,

depending on the customer and the agreed upon shipping terms. Payment terms from the sale of our products are typically due to us in thirty to ninety days after the date of sale.

We measure revenue as the amount of consideration for which we expect to be entitled in exchange for transferring goods. We allow for sales returns for defects in material and workmanship for periods ranging from one to five years, which are accounted for as variable consideration. We recognize an accrual for sales returns to reduce sales to reflect our best estimate of future customer returns, determined principally based on historical experience and specific allowances for known pending returns.

Certain customers may receive cash incentives such as customer, trade, and advertising discounts as well as other customer-related programs, which are also accounted for as variable consideration. In some cases, we apply judgment, such as contractual rates and historical payment trends, when estimating variable consideration. Most of our variable consideration is classified as a reduction to net sales. In instances when we purchase a distinct good or service from our customer and fair value can be reasonably estimated, these amounts are expensed in our consolidated statements of income in SG&A. The amount of consideration granted to customers recorded in SG&A was \$ 44.7 million, \$ 40.2 million, and \$ 39.0 million for fiscal 2024, 2023 and 2022, respectively.

Sales taxes and other similar taxes are excluded from revenue. We have elected to account for shipping and handling activities as a fulfillment cost as permitted by the guidance. We do not have unsatisfied performance obligations since our performance obligations are satisfied at a single point in time.

Advertising

Advertising costs include cooperative retail advertising with our customers, traditional and digital media advertising and production expenses, and expenses associated with other promotional product messaging and consumer awareness programs. Advertising costs are expensed in the period in which they are incurred and included in our consolidated statements of income in SG&A. We incurred total advertising costs of \$ 106.8 million, \$ 98.5 million, and \$ 96.4 million during fiscal 2024, 2023 and 2022, respectively, which is inclusive of the amounts described above for consideration granted to customers.

Research and Development Expense

Research and development expenses consist primarily of salary and employee benefit expenses and contracted development efforts and expenses associated with development of products. Expenditures for research activities relating to product design, engineering, development and improvement are generally charged to expense as incurred and are included in our consolidated statements of income in SG&A. We incurred total research and development expenses of \$ 56.5 million, \$ 47.8 million, and \$ 54.0 million during fiscal 2024, 2023 and 2022, respectively.

Shipping and Handling Revenue and Expense

Shipping and handling revenue and expense are included in our consolidated statements of income in SG&A. This includes distribution facility costs, third-party logistics costs and outbound transportation costs we incur. Our net expense for shipping and handling was \$ 156.7 million, \$ 162.0 million, and \$ 173.4 million during fiscal 2024, 2023 and 2022, respectively.

Share-Based Compensation Plans

We grant share-based compensation awards to non-employee directors and certain associates under our equity plans. We measure the cost of services received in exchange for equity awards, which include grants of restricted stock awards ("RSAs"), restricted stock units ("RSUs"), performance stock awards ("PSAs"), and performance stock units ("PSUs"), based on the fair value of the awards on the grant date. These awards may be subject to attainment of certain service conditions, performance conditions and/or

market conditions. Share-based compensation expense is recognized over the requisite service period during which the employee is required to provide service in exchange for the award, unless the awards are subject to performance conditions ("Performance Condition Awards"), in which case we recognize compensation expense over the requisite service period to the extent performance conditions are considered probable. Estimating the number of shares of Performance Condition Awards that are probable of vesting requires judgment, and to the extent actual results or updated estimates differ from our current estimates, such amounts will be recorded as a cumulative adjustment to share-based compensation expense in the period estimates are revised. Share-based compensation expense is recorded ratably for PSAs and PSUs subject to attainment of market conditions ("Market Condition Awards") during the requisite service period and is not reversed, except for forfeitures, at the vesting date regardless of whether the market condition is met. All share-based compensation expense is recorded net of forfeitures in our consolidated statements of income.

The grant date fair value of RSAs, RSUs, PSAs, and PSUs is determined using the closing price of our common stock on the date of grant, except for Market Condition Awards, in which case we use a Monte Carlo simulation model. The Monte Carlo simulation model utilizes multiple input variables to estimate the probability that market conditions will be achieved and is applied to the closing price of our common stock on the date of grant. See Note 8 for further information on our share-based compensation plans.

Note 2 - New Accounting Pronouncements

Adopted

In September 2022, the FASB issued ASU 2022-04, *Liabilities—Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations*, which requires a buyer in a supplier finance program to disclose qualitative and quantitative information about its program to allow a user of the financial statements to understand the program's nature, activity during the period, changes from period to period, and potential magnitude. The amendments in ASU 2022-04 are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2022, with the exception for the amendment on rollforward information, which is effective for fiscal years beginning after December 15, 2023. The guidance should be applied retrospectively, except for the amendment on rollforward information, which should be applied prospectively. This ASU was effective for us in the first quarter of fiscal 2024, with the exception of the amendment on rollforward information, which will be effective for us in our Form 10-K for fiscal 2025. We adopted this ASU during the first quarter of fiscal 2024 and the adoption did not have an impact on our consolidated financial statement disclosures.

In October 2021, the FASB issued ASU 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*, which requires contract assets and contract liabilities acquired in a business combination to be recognized and measured by the acquirer on the acquisition date in accordance with ASC 606, *Revenue from Contracts with Customers*. Prior to the issuance of this guidance, contract assets and contract liabilities were recognized by the acquirer at fair value on the acquisition date. The amendments in ASU 2021-08 are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2022, and should be applied prospectively to acquisitions occurring on or after the effective date. We adopted this ASU during the first quarter of fiscal 2024 and the adoption did not have an impact on our consolidated financial statements.

Not Yet Adopted

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which provides updates to qualitative and quantitative reportable segment disclosure requirements, including enhanced disclosures about significant segment expenses and increased interim disclosure requirements, among others. The amendments in ASU 2023-07 are

effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted, and the amendments should be applied retrospectively. This ASU will be effective for our Form 10-K for fiscal 2025 and our Form 10-Q for the first quarter of fiscal 2026. We are currently evaluating the impact this ASU may have on our consolidated financial statement disclosures.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which provides qualitative and quantitative updates to the rate reconciliation and income taxes paid disclosures, among others, to enhance the transparency of income tax disclosures, including consistent categories and greater disaggregation of information in the rate reconciliation and disaggregation by jurisdiction of income taxes paid. The amendments in ASU 2023-09 are effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The amendments should be applied prospectively; however, retrospective application is also permitted. This ASU will be effective for our Form 10-K for fiscal 2026. We are currently evaluating the impact this ASU may have on our consolidated financial statement disclosures.

Note 3 - Leases

We determine if an arrangement is or contains a lease at contract inception and determine its classification as an operating or finance lease at lease commencement. We primarily have leases for office space, which are classified as operating leases. Operating leases are included in operating lease assets, accrued expenses and other current liabilities, and lease liabilities, non-current in our consolidated balance sheets. Operating lease assets and operating lease liabilities are recognized based on the present value of the future lease payments over the lease term at commencement date. As most of our lease contracts do not provide an explicit interest rate, we use an estimated secured incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments.

We include options to extend or terminate the lease in the lease term for accounting considerations, when it is reasonably certain that we will exercise that option. Our leases have remaining lease terms of less than 1 year to 9 years. Operating lease expense for lease payments is recognized on a straight-line basis over the lease term. We do not recognize leases with an initial term of twelve months or less on the balance sheet and instead recognize the related lease payments as expense in the consolidated statements of income on a straight-line basis over the lease term. We account for lease and non-lease components as a single lease component for all asset classes. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Operating lease expense recognized within SG&A in the consolidated statements of income was \$ 14.8 million, \$ 16.3 million, and \$ 13.3 million for fiscal 2024, 2023, and 2022, respectively and includes short-term lease expense of \$ 4.6 million, \$ 6.4 million, and \$ 3.7 million for fiscal 2024, 2023 and 2022, respectively. The non-cash component of lease expense is included as an adjustment to reconcile net income to net cash provided by operating activities in the consolidated statements of cash flows.

A summary of supplemental lease information was as follows:

	February 29, 2024	February 28, 2023
Weighted average remaining lease term (years)	7.5	8.2
Weighted average discount rate	5.66 %	5.62 %
Cash paid for amounts included in the measurement of lease liabilities	\$ 9,932	\$ 10,393
Operating lease assets obtained in exchange for operating lease liabilities	\$ 4,865	\$ 7,749

A summary of our estimated lease payments, imputed interest and liabilities was as follows:

(in thousands)	February 29, 2024
Fiscal 2025	\$ 10,564
Fiscal 2026	6,500
Fiscal 2027	6,540
Fiscal 2028	5,934
Fiscal 2029	5,810
Thereafter	21,108
Total future lease payments	56,456
Less: imputed interest	(10,933)
Present value of lease liability	\$ 45,523

(in thousands)	February 29, 2024	February 28, 2023
Lease liabilities, current (1)	\$ 8,261	\$ 7,120
Lease liabilities, non-current	37,262	42,672
Total lease liability	\$ 45,523	\$ 49,792

(1) Included as part of "Accrued expenses and other current liabilities" on the consolidated balance sheet.

Note 4 - Property and Equipment

A summary of property and equipment was as follows:

(in thousands)	Estimated Useful Lives (Years)	Fiscal Years Ended Last Day of February,	
		2024	2023
Land	—	\$ 16,687	\$ 20,632
Building and improvements	3 — 40	236,370	132,303
Computer, furniture and other equipment	3 — 20	166,230	101,567
Tooling, molds and other production equipment	3 — 7	77,358	67,184
Construction in progress	—	9,022	209,068
Property and equipment, gross		505,667	530,754
Less: accumulated depreciation		(169,021)	(178,961)
Property and equipment, net		\$ 336,646	\$ 351,793

We recorded \$ 33.2 million, \$ 26.4 million and \$ 23.1 million of depreciation expense including \$ 12.6 million, \$ 13.0 million and \$ 10.0 million in cost of goods sold and \$ 20.6 million, \$ 13.4 million and \$ 13.1 million in SG&A in the consolidated statements of income for fiscal 2024, 2023 and 2022, respectively. In March 2023, we completed the construction of an additional distribution facility in Gallaway, Tennessee that became operational during the first quarter of fiscal 2024 and currently services some of our Home & Outdoor segment.

On September 28, 2023, we completed the sale of our distribution and office facilities in El Paso, Texas, for a sales price of \$ 50.6 million, less transaction costs of \$ 1.1 million. Concurrently, we entered into an agreement to leaseback the office facilities for a period of up to 18 months substantially rent free, which we estimated to have a fair value of approximately \$ 1.9 million. The transaction qualified for sales recognition under the sale leaseback accounting requirements. Accordingly, we increased the sales price by the \$ 1.9 million of prepaid rent and recognized a gain on the sale of \$ 34.2 million within SG&A during fiscal 2024, of which \$ 18.0 million and \$ 16.2 million was recognized by our Beauty & Wellness and Home & Outdoor segments, respectively. The related property and equipment, totaling \$ 17.2 million net of accumulated depreciation of \$ 36.8 million, was derecognized from the consolidated balance sheet, and at lease commencement, we recorded an operating lease asset, which includes the imputed rent payments described above, and an operating lease liability. See Note 3 for additional information

regarding our leases. We used the proceeds from the sale to repay amounts outstanding under our long-term debt agreement.

Note 5 - Accrued Expenses and Other Current Liabilities

A summary of accrued expenses and other current liabilities was as follows:

<i>(in thousands)</i>	Fiscal Years Ended Last Day of February,	
	2024	2023
Accrued compensation, benefits and payroll taxes	\$ 36,572	\$ 17,380
Accrued sales discounts and allowances	37,851	63,881
Accrued sales returns	21,282	28,498
Accrued advertising	29,212	36,931
Other	56,474	54,028
Total accrued expenses and other current liabilities	\$ 181,391	\$ 200,718

Note 6 - Acquisitions

Curlsmith

On April 22, 2022, we completed the acquisition of Recipe Products Ltd., a producer of innovative prestige hair care products for all types of curly and wavy hair under the Curlsmith brand. Curlsmith's products are a category leader in the prestige market for curly hair and include conditioners, shampoos and co-washes purposefully designed for the unique joys and challenges of all types of curls and textured hair. The Curlsmith brand and products were added to the Beauty & Wellness segment. The total purchase consideration was \$ 147.9 million in cash, net of a final net working capital adjustment of \$ 2.1 million and cash acquired. The acquisition was funded with cash on hand and borrowings under our existing revolving credit facility. We incurred pre-tax acquisition-related expenses of \$ 2.7 million during fiscal 2023, which were recognized in SG&A within our consolidated statement of income.

We accounted for the acquisition as a purchase of a business and recorded the excess of the purchase price over the estimated fair value of the assets acquired and liabilities assumed as goodwill. The goodwill recognized is attributable primarily to expected synergies including leveraging our Beauty & Wellness segment's existing marketing and sales structure, as well as our global sourcing, distribution, shared services, and international go-to-market capabilities. The goodwill is not expected to be deductible for income tax purposes. We have determined the appropriate fair values of the acquired intangible assets and completed our analysis of the economic lives of the assets acquired. We assigned \$ 21.0 million to trade names and are amortizing over a 20 year expected life. We assigned \$ 12.0 million to customer relationships and are amortizing over a 19.5 year expected life, based on historical attrition rates.

During fiscal 2023, we made adjustments to provisional asset and liability balances, which resulted in a corresponding net increase to goodwill of \$ 0.1 million. We also finalized the net working capital adjustment during fiscal 2023, which resulted in a \$ 1.8 million reduction to the total purchase consideration and goodwill. During the first quarter of fiscal 2024, we made final adjustments to provisional liability balances, which resulted in a corresponding increase to goodwill of \$ 0.3 million.

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The following table presents the estimated fair values of assets acquired and liabilities assumed at the acquisition date:

<i>(in thousands)</i>		
Assets:		
Receivables		
Inventory		\$ 4,211
Prepaid expenses and other current assets		7,890
Property and equipment		119
Goodwill		212
Trade names - definite		117,108
Customer relationships - definite		21,000
Deferred tax assets, net		12,000
Total assets		360
		162,900
Liabilities:		
Accounts payable		1,401
Accrued expenses and other current liabilities		2,813
Income taxes payable		2,572
Deferred tax liabilities, net		8,187
Total liabilities		14,973
Net assets recorded		\$ 147,927

The impact of the acquisition of Curlsmith on our consolidated statement of income for fiscal 2023 was as follows:

April 22, 2022 (acquisition date) through February 28, 2023 <i>(in thousands, except earnings per share data)</i>	Fiscal Year Ended February 28, 2023 (1)
Sales revenue, net	\$ 35,530
Net income	2,906
EPS:	
Basic	\$ 0.12
Diluted	\$ 0.12

(1) Represents approximately forty-five weeks of operating results from Curlsmith, acquired April 22, 2022. Net income and EPS amounts include allocations for corporate expenses, interest expense and income tax expense.

The following supplemental unaudited pro forma information presents our financial results as if the acquisition of Curlsmith had occurred on March 1, 2021. This supplemental pro forma information has been prepared for comparative purposes and does not necessarily indicate what may have occurred if the acquisition had been completed on March 1, 2021, and this information is not intended to be indicative of future results:

<i>(in thousands, except earnings per share data)</i>	Fiscal Years Ended Last Day of February,	
	2023	2022
Sales revenue, net	\$ 2,079,759	\$ 2,259,463
Net income	145,186	224,828
EPS:		
Basic	\$ 6.06	\$ 9.31
Diluted	\$ 6.03	\$ 9.21

These amounts have been calculated after applying our accounting policies and adjusting the results of Curlsmith to reflect the effect of definite-lived intangible assets recognized as part of the business combination on amortization expense as if the acquisition had occurred on March 1, 2021.

Osprey

On December 29, 2021, we completed the acquisition of Osprey, a longtime U.S. leader in technical and everyday packs. Osprey is highly respected in the outdoor industry with a product lineup that includes a wide range of backpacks and daypacks for hiking, mountaineering, skiing, climbing, mountain biking, trail running, commuting, and school, as well as rugged adventure travel packs, wheeled luggage, and travel accessories. The Osprey brand and products were added to the Home & Outdoor segment. The total purchase consideration, net of cash acquired, was \$ 409.3 million in cash, including the impact of a final \$ 10.7 million favorable net working capital adjustment. The acquisition was funded with cash on hand and borrowings under our existing revolving credit facility. We incurred pre-tax acquisition-related expenses of \$ 0.1 million and \$ 2.4 million during fiscal 2023 and 2022, respectively, which were recognized in SG&A within our consolidated statements of income.

We accounted for the acquisition as a purchase of a business and recorded the excess of the purchase price over the estimated fair value of the assets acquired and liabilities assumed as goodwill. The goodwill recognized is attributable primarily to expected synergies including leveraging our information systems, shared services capabilities and international footprint. The goodwill is not expected to be deductible for income tax purposes.

During fiscal 2023, we made final adjustments to provisional asset and liability balances, which resulted in a corresponding net increase to goodwill of \$ 2.3 million. We also finalized the net working capital adjustment, which resulted in a \$ 1.6 million reduction to the total purchase consideration and goodwill.

The following table presents the estimated fair values of assets acquired and liabilities assumed at the acquisition date:

<i>(in thousands)</i>	
Assets:	
Receivables	\$ 12,437
Inventory	30,001
Prepaid expenses and other current assets	3,699
Income taxes receivable	4,169
Property and equipment	11,576
Goodwill	209,721
Trade names - indefinite	170,000
Customer relationships - definite	22,000
Operating lease assets	2,155
Total assets	465,758
Liabilities:	
Accounts payable	3,780
Accrued expenses and other current liabilities	11,125
Lease liabilities, non-current	1,719
Deferred tax liabilities, net	39,839
Total liabilities	56,463
Net assets recorded	\$ 409,295

The impact of the acquisition of Osprey on our consolidated statement of income for fiscal 2022 was as follows:

December 29, 2021 (acquisition date) through February 28, 2022 (in thousands, except earnings per share data)	Fiscal Year Ended February 28, 2022 (1)	
Sales revenue, net	\$	24,373
Net income		696
EPS:		
Basic	\$	0.03
Diluted	\$	0.03

(1) Net income and EPS amounts include allocations for corporate expenses, interest expense and income tax expense.

The following supplemental unaudited pro forma information presents our financial results as if the acquisition of Osprey had occurred on March 1, 2020. This supplemental pro forma information has been prepared for comparative purposes and does not necessarily indicate what may have occurred if the acquisition had been completed on March 1, 2020, and this information is not intended to be indicative of future results:

(in thousands, except earnings per share data)	Fiscal Year Ended February 28, 2022	
Sales revenue, net	\$	2,361,906
Net income		202,507
EPS:		
Basic	\$	8.39
Diluted	\$	8.30

These amounts have been calculated after applying our accounting policies and adjusting the results of Osprey to reflect the effect of definite-lived intangible assets recognized as part of the business combination on amortization expense as if the acquisition had occurred on March 1, 2020.

Note 7 - Goodwill and Intangibles

Amortization expense is recorded for intangible assets with definite useful lives and is reported within SG&A in our consolidated statements of income. Some of our goodwill is held in jurisdictions that allow deductions for tax purposes; however, in some of those jurisdictions we have no tax basis for the associated goodwill recorded for book purposes. Accordingly, the majority of our goodwill is not deductible for tax purposes. We perform annual impairment testing each fiscal year and interim impairment testing, if necessary. We write down any asset deemed to be impaired to its fair value.

During fiscal years 2024, 2023 and 2022, we did not record any impairment charges related to goodwill or intangible assets.

The following table summarizes the changes in our goodwill by segment for fiscal 2024 and 2023:

<i>(in thousands)</i>	Home & Outdoor	Beauty & Wellness	Total
Gross carrying amount as of February 28, 2022	\$ 491,028	\$ 457,845	\$ 948,873
Accumulated impairment as of February 28, 2022	—	—	—
Acquisitions (1) (2)	749	116,857	117,606
Gross carrying amount as of February 28, 2023	491,777	574,702	1,066,479
Accumulated impairment as of February 28, 2023	—	—	—
Net carrying amount as of February 28, 2023	\$ 491,777	\$ 574,702	\$ 1,066,479
Acquisitions (2)	—	251	251
Gross carrying amount as of February 29, 2024	491,777	574,953	1,066,730
Accumulated impairment as of February 29, 2024	—	—	—
Net carrying amount as of February 29, 2024	<u>\$ 491,777</u>	<u>\$ 574,953</u>	<u>\$ 1,066,730</u>

(1) Reflects the goodwill recorded in the Home & Outdoor segment in connection with the acquisition of Osprey on December 29, 2021. For additional information see Note 6.

(2) Reflects the goodwill recorded in the Beauty & Wellness segment in connection with the acquisition of Curlsmith on April 22, 2022. For additional information see Note 6.

The following table summarizes the components of our other intangible assets as follows:

<i>(in thousands)</i>	February 29, 2024 (1)			February 28, 2023 (1)		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Indefinite-lived:						
Trademark licenses	\$ 7,400	\$ —	\$ 7,400	\$ 7,400	\$ —	\$ 7,400
Trade names	<u>358,200</u>	—	<u>358,200</u>	<u>358,200</u>	—	<u>358,200</u>
Definite-lived:						
Trademark licenses	74,650	(7,523)	67,127	74,250	(5,429)	68,821
Trade names	51,150	(10,267)	40,883	51,150	(7,212)	43,938
Customer relationships and lists	160,201	(112,194)	48,007	160,201	(103,653)	56,548
Other intangibles	71,977	(56,898)	15,079	71,256	(52,280)	18,976
Total	<u>\$ 723,578</u>	<u>\$ (186,882)</u>	<u>\$ 536,696</u>	<u>\$ 722,457</u>	<u>\$ (168,574)</u>	<u>\$ 553,883</u>

(1) Balances as of February 29, 2024 and February 28, 2023 include intangible assets recorded in connection with the acquisitions of Curlsmith and Osprey on April 22, 2022, and December 29, 2021, respectively. For additional information see Note 6.

The following tables summarize amortization expense related to our other intangible assets as follows:

Aggregate Amortization Expense (in thousands)

Fiscal 2024	\$ 18,326
Fiscal 2023	18,322
Fiscal 2022	12,764

Estimated Amortization Expense (in thousands)

Fiscal 2025	\$ 17,850
Fiscal 2026	16,044
Fiscal 2027	11,580
Fiscal 2028	8,835
Fiscal 2029	8,799

Note 8 - Share-Based Compensation Plans

During the fiscal year, we had equity activity under one expired and two active share-based compensation plans. The expired plan consists of the 2008 Stock Incentive Plan (the "2008 Plan"). The active plans consist of the 2018 Stock Incentive Plan (the "2018 Plan") and the 2018 Employee Stock Purchase Plan (the "2018 ESPP"). The plans are administered by the Compensation Committee of the Board of Directors, which consists of non-employee directors who are independent under the applicable listing standards for companies traded on the NASDAQ Stock Market LLC.

2018 Plan

On August 22, 2018, our shareholders approved the 2018 Plan. The 2018 Plan permits the granting of stock options, stock appreciation rights, RSAs, RSUs, PSAs, PSUs, and other stock-based awards. The aggregate number of shares for issuance under the 2018 Plan will not exceed 2,000,000 shares and as of February 29, 2024, 697,829 shares were available for issuance.

2018 ESPP

On August 22, 2018, our shareholders approved the 2018 ESPP. The aggregate number of shares of common stock that may be purchased under the 2018 ESPP will not exceed 750,000 shares. Under the terms of the plan, associates may authorize the withholding of up to 15 % of their wages or salaries to purchase our shares of common stock, not to exceed \$25,000 of the fair market value of such shares for any calendar year. The purchase price for shares acquired under the 2018 ESPP is equal to the lower of 85 % of the share's fair market value on either the first day of each option period or the last day of each period. The plan will expire by its terms on September 1, 2028. Shares of common stock purchased under the 2018 ESPP vest immediately at the time of purchase. During fiscal 2024, there were 41,749 shares purchased under the plan.

Share-Based Compensation Expense

We recorded share-based compensation expense in SG&A as follows:

<i>(in thousands)</i>	Fiscal Years Ended Last Day of February,		
	2024	2023	2022
Directors stock compensation	\$ 787	\$ 788	\$ 644
Service Condition Awards	12,345	8,663	11,177
Performance Condition Awards	5,746	9,017	17,260
Market Condition Awards	13,790	7,223	4,234
Employee stock purchase plan	1,204	1,062	1,303
Share-based compensation expense	33,872	26,753	34,618
Less: income tax benefits	(2,110)	(1,830)	(2,965)
Share-based compensation expense, net of income tax benefits	<u>\$ 31,762</u>	<u>\$ 24,923</u>	<u>\$ 31,653</u>

Stock Options

There have been no new grants of options since fiscal 2017 and all options outstanding at February 28, 2023 and February 29, 2024 were exercisable. A summary of stock option activity under our 2008 plan was as follows:

<i>(in thousands, except contractual term and per share data)</i>	Options	<i>Weighted Average Exercise Price (per share)</i>	<i>Weighted Average Remaining Contractual Term (in years)</i>	<i>Weighted Average Intrinsic Value</i>	
				<i>Options</i>	<i>Intrinsic Value</i>
Outstanding at February 28, 2023	16	\$ 61.77	1.1	\$ 726	
Exercised	(6)	46.00			298
Outstanding at February 29, 2024	10	\$ 72.46	0.5	\$ 447	
Exercisable at February 29, 2024	10	\$ 72.46	0.5	\$ 447	

The total intrinsic value of options exercised during fiscal 2024, 2023, and 2022, was \$ 0.3 million, \$ 1.1 million, and \$ 3.6 million, respectively.

Director Restricted Stock Awards

During fiscal 2024 we issued under the 2018 Plan, 7,256 RSAs to non-employee members of the Board of Directors with a total grant date fair value of \$ 0.8 million or \$ 108.40 per share. The RSAs vested immediately, and accordingly, were expensed immediately. The total fair value of RSAs granted to our non-employee members of the Board of Directors that vested immediately on grant dates in fiscal 2023 and 2022 was \$ 0.8 million and \$ 0.6 million, respectively.

Service Condition Awards

We grant RSAs and RSUs to associates, which primarily vest ratably over three or four years or have specified graded vesting terms over 3 years, "Service Condition Awards". A summary of Service Condition Awards activity during fiscal 2024 follows:

<i>(in thousands, except per share data)</i>	Number of Service Condition Awards	<i>Weighted Average Grant Date Fair Value (per share)</i>	
		<i>Number of Service Condition Awards</i>	<i>Weighted Average Grant Date Fair Value (per share)</i>
Outstanding at February 28, 2023	111	\$ 199.29	
Granted	147	109.97	
Vested	(58)	181.44	
Forfeited	(20)	147.14	
Outstanding at February 29, 2024	180	\$ 138.06	

The total fair value of Service Condition Awards that vested in fiscal 2024, 2023, and 2022 was \$ 6.2 million, \$ 10.2 million, and \$ 14.3 million, respectively. The weighted average grant date fair value of Service Condition Awards granted during fiscal 2024, 2023 and 2022 was \$ 109.97, \$ 195.90, and \$ 218.35, respectively.

Performance Condition Awards

We grant Performance Condition Awards to certain officers and associates, which cliff vest after three years. The vesting of these awards is contingent upon meeting one or more defined operational performance metrics over a three year performance period. The quantity of shares ultimately awarded can range from 0 % to 200 % of "Target", as defined in the award agreement as 100 %, based on the level of achievement against the defined operational performance metrics. A summary of Performance

Condition Awards activity during fiscal 2024 follows and reflects all PSAs granted and outstanding at maximum achievement of 200 % of Target:

<i>(in thousands, except per share data)</i>	Number of Performance Condition Awards	Weighted Average Grant Date Fair Value (per share)	
Outstanding at February 28, 2023	294	\$	189.21
Granted	135		110.83
Vested	(77)		170.27
Forfeited (1)	(93)		168.81
Outstanding at February 29, 2024	259	\$	161.23

(1) Includes an additional 74 thousand shares, which resulted from the performance of the fiscal 2021 awards not achieving maximum 200 % of Target.

The total fair value of Performance Condition Awards that vested in fiscal 2024, 2023, and 2022 was \$ 7.5 million, \$ 37.8 million, and \$ 29.9 million, respectively. The weighted average grant date fair value of Performance Condition Awards granted during fiscal 2024, 2023 and 2022 was \$ 110.83 , \$ 204.20 and \$ 216.20 , respectively.

Market Condition Awards

We grant Market Condition Awards to certain officers and associates, which cliff vest after three years . The vesting of these awards is contingent upon meeting specified stock price return targets compared to a predetermined peer group over a three year period. The quantity of shares ultimately awarded can range from 0 % to 200 % of "Target", as defined in the award agreement as 100 %, based on the level of achievement against the defined targets. A summary of Market Condition Awards activity during fiscal 2024 follows and reflects all PSAs granted and outstanding at maximum achievement of 200 % of Target:

<i>(in thousands, except per share data)</i>	Number of Market Condition Awards	Weighted Average Grant Date Fair Value (per share)	
Outstanding at February 28, 2023	142	\$	154.32
Granted	135		80.49
Vested	—		—
Forfeited	(18)		118.43
Outstanding at February 29, 2024	259	\$	118.09

The weighted average grant date fair value of Market Condition Awards granted during fiscal 2024, 2023 and 2022 was \$ 80.49 , \$ 152.91 and \$ 156.08 , respectively.

The fair value of our Market Condition Awards are estimated using a Monte Carlo simulation valuation model. The Monte Carlo simulation model utilizes multiple input variables to estimate the probability that market conditions will be achieved and is applied to the closing price of our common stock on the date of grant. The input variables utilized are included in the table below:

	Fiscal Years Ended Last Day of February,		
	2024	2023	2022
Expected term in years	3	3	3
Risk free interest rate	4.6 %	1.5 %	0.3 %
Expected volatility	46.0 %	38.8 %	38.9 %
Expected dividend yield (1)	— %	— %	— %

(1) The Monte Carlo method assumes a reinvestment of dividends.

The expected term is consistent with the explicit service period and the risk free interest rate is based on U.S. Treasury securities with maturities equal to the expected term of the awards. Expected volatility is based equally on the historical volatility of our stock prices over the expected term of the awards and at-the-money call options traded on or near the grant date of the awards.

Unrecognized Share-Based Compensation Expense

As of February 29, 2024, our total unrecognized share-based compensation for all awards was \$ 17.1 million, which will be recognized over a weighted average amortization period of 2.0 years. The total unrecognized share-based compensation reflects an estimate of Target achievement for Performance Condition Awards granted during fiscal 2024 and an estimate of zero percent of Target achievement for Performance Condition Awards granted during fiscal 2023 and fiscal 2022.

Note 9 - Defined Contribution Plans

We sponsor defined contribution savings plans in the U.S. and other countries where we have associates. Total company matching contributions made to these plans for fiscal 2024, 2023 and 2022 were \$ 6.0 million, \$ 5.9 million and \$ 5.6 million, respectively.

Note 10 - Repurchases of Common Stock

In August 2021, our Board of Directors authorized the repurchase of up to \$ 500 million of our outstanding common stock. The authorization became effective August 25, 2021, for a period of three years, and replaced our former repurchase authorization, of which approximately \$ 79.5 million remained. These repurchases may include open market purchases, privately negotiated transactions, block trades, accelerated stock repurchase transactions, or any combination of such methods. As of February 29, 2024, our repurchase authorization allowed for the purchase of \$ 348.4 million of common stock.

Our current equity-based compensation plans include provisions that allow for the "net exercise" of share-settled awards by all plan participants. In a net exercise, any required payroll taxes, federal withholding taxes and exercise price of the shares due from the option or other share-based award holders are settled by having the holder tender back to us a number of shares at fair value equal to the amounts due. Net exercises are treated as purchases and retirements of shares.

The following table summarizes our share repurchase activity for the periods shown:

<i>(in thousands, except share and per share data)</i>	Fiscal Years Ended Last Day of February,		
	2024	2023	2022
Common stock repurchased on the open market:			
Number of shares	381,200	—	776,601
Aggregate value of shares	\$ 50,006	\$ —	\$ 170,712
Average price per share	\$ 131.18	\$ —	\$ 219.82
Common stock received in connection with share-based compensation:			
Number of shares	51,332	90,462	78,358
Aggregate value of shares	\$ 5,216	\$ 18,365	\$ 17,492
Average price per share	\$ 101.60	\$ 203.02	\$ 223.23

Note 11 - Restructuring Plan

As part of our global restructuring plan, Project Pegasus, we incur severance and employee related costs, professional fees, contract termination costs and other exit and disposal costs which are recorded as "Restructuring charges" in the consolidated statements of income. Severance and employee related

costs consist primarily of salary continuation benefits, prorated annual incentive compensation (based on eligibility), outplacement services and continuation of health benefits. Severance and employee related benefits are pursuant to our severance plan and are accounted for in accordance with ASC 712, *Compensation - Nonretirement Postemployment Benefits*, based upon the characteristics of the termination benefits pursuant to our severance plan. Severance and employee related costs are recognized when the benefits are determined to be probable of being paid and reasonably estimable. Professional fees, contract termination costs and other exit and disposal costs are accounted for in accordance with ASC 420, *Exit or Disposal Cost Obligations* and are recognized as incurred. Restructuring accruals are based upon management estimates at the time and are subject to change depending upon changes in facts and circumstances subsequent to the date the original liability was recorded.

During fiscal 2023, we initiated Project Pegasus, a global restructuring plan intended to expand operating margins through initiatives designed to improve efficiency and effectiveness and reduce costs. Project Pegasus includes initiatives to further optimize our brand portfolio, streamline and simplify the organization, accelerate cost of goods savings projects, enhance the efficiency of our supply chain network, optimize our indirect spending and improve our cash flow and working capital, as well as other activities. We anticipate these initiatives will create operating efficiencies, as well as provide a platform to fund future growth investments.

During the fourth quarter of fiscal 2023, we made changes to the structure of our organization, which resulted in our previous Health & Wellness and Beauty operating segments being combined into a single reportable segment. As part of our initiative focused on streamlining and simplifying the organization, we made further changes to the structure of our organization, which included the creation of a North America Regional Market Organization ("RMO") responsible for sales and go-to-market strategies for all categories and channels in the U.S. and Canada, and further centralization of certain functions under shared services, particularly in operations and finance to better support our business segments and RMOs. This new structure reduced the size of our global workforce by approximately 10 %. We believe that these changes better focus business segment resources on brand development, consumer-centric innovation and marketing, the RMOs on sales and go-to-market strategies, and shared services on their respective areas of expertise while also creating a more efficient and effective organizational structure.

During the second quarter of fiscal 2024, we announced plans to geographically consolidate the U.S. Beauty business, currently located in El Paso, Texas, and Irvine, California, and co-locate it with our Wellness business in the Boston, Massachusetts area. This geographic consolidation and relocation is the next step in our initiative to streamline and simplify the organization and is expected to be completed during fiscal 2025. We expect these changes will enable a greater opportunity to capture synergies and enhance collaboration and innovation within the Beauty & Wellness segment.

We have updated our expectations regarding Project Pegasus charges and savings. We have lowered our total estimate of one-time pre-tax restructuring charges to approximately \$ 50 million to \$ 55 million over the duration of the plan. We continue to expect these charges to be completed during fiscal 2025. We previously estimated total pre-tax restructuring charges of approximately \$ 60 million to \$ 65 million. In addition, we now have the following expectations regarding Project Pegasus charges:

- Pre-tax restructuring charges to be comprised of approximately \$ 15 million to \$ 19 million of severance and employee related costs, \$ 28 million of professional fees, \$ 3 million to \$ 4 million of contract termination costs, and \$ 4 million of other exit and disposal costs.
- All of our operating segments and shared services will be impacted by the plan and pre-tax restructuring charges include approximately \$ 16 million to \$ 17 million in Home & Outdoor and \$ 34 million to \$ 38 million in Beauty & Wellness.
- Pre-tax restructuring charges represent primarily cash expenditures, which we continue to expect to be substantially paid by the end of fiscal 2025.

We have the following expectations regarding Project Pegasus savings:

- We continue to expect targeted annualized pre-tax operating profit improvements of approximately \$ 75 million to \$ 85 million, which began in fiscal 2024 and which we now expect to be substantially achieved by the end of fiscal 2027.
- We have updated our expectations regarding the estimated cadence of the recognition of the savings to be approximately 25 % in fiscal 2024, which was achieved, approximately 35 % in fiscal 2025, approximately 25 % in fiscal 2026, and approximately 15 % in fiscal 2027. We previously estimated recognition of the savings to be approximately 25 % in fiscal 2024, approximately 50 % in fiscal 2025 and approximately 25 % in 2026.
- We continue to expect total profit improvements to be realized approximately 60 % through reduced cost of goods sold and 40 % through lower SG&A.

During fiscal 2024 and 2023, we incurred \$ 18.7 million and \$ 27.4 million, respectively, of pre-tax restructuring costs in connection with Project Pegasus, which were recorded as "Restructuring charges" in the consolidated statements of income. We recognized \$ 0.4 million of pre-tax restructuring costs during fiscal 2022 under a prior restructuring plan referred to as Project Refuel, which was completed during the fourth quarter of fiscal 2022.

The following tables summarize restructuring charges recorded as a result of Project Pegasus for the periods presented:

<i>(in thousands)</i>	Fiscal Year Ended February 29, 2024			Total
	Home & Outdoor	Beauty & Wellness	Total	
Severance and employee related costs	\$ 1,046	\$ 4,777	\$ 5,823	\$ 15,276
Professional fees	4,049	6,079	10,128	26,877
Contract termination	—	796	796	1,331
Other (1)	49	1,916	1,965	2,590
Total restructuring charges	\$ 5,144	\$ 13,568	\$ 18,712	\$ 46,074

(1) Includes a \$ 1.8 million charge to write-off inventory, tooling and other production equipment as a result of abandoning a new product prior to its initial launch.

<i>(in thousands)</i>	Fiscal Year Ended February 28, 2023			Total
	Home & Outdoor	Beauty & Wellness	Total	
Severance and employee related costs	\$ 1,984	\$ 7,469	\$ 9,453	9,453
Professional fees	6,674	10,075	16,749	16,749
Contract termination	—	535	535	535
Other	31	594	625	625
Total restructuring charges	\$ 8,689	\$ 18,673	\$ 27,362	\$ 27,362

The tables below present a rollforward of our accruals related to Project Pegasus, which are included in accounts payable and accrued expenses and other current liabilities:

<i>(in thousands)</i>	Balance at February 28, 2023	Charges	Payments	Balance at February 29, 2024
Severance and employee related costs	\$ 3,173	\$ 5,823	\$ (4,503)	\$ 4,493
Professional fees	3,201	10,128	(13,057)	272
Contract termination	160	796	(956)	—
Other	34	194	(228)	—
Total	\$ 6,568	\$ 16,941	\$ (18,744)	\$ 4,765

<i>(in thousands)</i>	Balance at February 28, 2022	Charges	Payments	Balance at February 28, 2023
Severance and employee related costs	\$ —	\$ 9,453	\$ (6,280)	\$ 3,173
Professional fees	—	16,749	(13,548)	3,201
Contract termination	—	535	(375)	160
Other	—	625	(591)	34
Total	\$ —	\$ 27,362	\$ (20,794)	\$ 6,568

Note 12 - Commitments and Contingencies

Indemnity Agreements

Under agreements with customers, licensors and parties from whom we have acquired assets or entered into business combinations, we indemnify these parties against liability associated with our products. Additionally, we are party to a number of agreements under leases where we indemnify the lessor for liabilities attributable to our actions or conduct. The indemnity agreements to which we are a party do not, in general, increase our liability for claims related to our products or actions and have not materially affected our consolidated financial statements.

Legal Matters

We are involved in various other legal claims and proceedings in the normal course of operations. We believe the outcome of these matters will not have a material adverse effect on our consolidated financial position, results of operations or liquidity, except as described below.

On December 23, 2021, Brita LP filed a complaint against Kaz USA, Inc. and Helen of Troy Limited in the United States District Court for the Western District of Texas (the "Patent Litigation"), alleging patent infringement by the Company relating to its PUR gravity-fed water filtration systems. In the Patent Litigation, Brita LP seeks monetary damages and injunctive relief relating to the alleged infringement. Brita LP simultaneously filed a complaint with the United States International Trade Commission ("ITC") against Kaz USA, Inc., Helen of Troy Limited and five other unrelated companies that sell water filtration systems (the "ITC Action"). The complaint in the ITC Action also alleged patent infringement by the Company with respect to a limited set of PUR gravity-fed water filtration systems. In the ITC Action, Brita LP requested the ITC to initiate an unfair import investigation relating to such filtration systems. This action sought injunctive relief to prevent entry of certain accused PUR products (and certain other products) into the U.S. and cessation of marketing and sales of existing inventory that is already in the U.S. On January 25, 2022, the ITC instituted the investigation requested by the ITC Action. Discovery closed in the ITC Action in May 2022, and approximately half of the originally identified PUR gravity-fed water filters were removed from the case and are no longer included in the ITC Action. In August 2022, the parties participated in the evidentiary hearing, with additional supplemental hearings in October 2022. On February 28, 2023, the ITC issued an Initial Determination in the ITC Action, tentatively ruling against the Company and the other unrelated respondents. The ITC has a guaranteed review process, and thus all respondents, including the Company, filed a petition with the ITC for a full review of the Initial

Determination. On September 19, 2023, the ITC issued its Final Determination in the Company's favor. The ITC determined there was no violation by the Company and terminated the investigation. Brita LP is appealing the ITC's decision to the Federal Circuit ("CAFC Appeal") and filed its Notice of Appeal on October 24, 2023. The Company intervened in the CAFC Appeal, but as of the filing date of this Form 10-K, no hearings have been scheduled. The Patent Litigation remains stayed for the time being. We cannot predict the outcome of these legal proceedings, the amount or range of any potential loss, when the proceedings will be resolved, or customer acceptance of any replacement water filter. Litigation is inherently unpredictable, and the resolution or disposition of these proceedings could, if adversely determined, have a material and adverse impact on our financial position and results of operations.

Regulatory Matters

Our operations are subject to national, state, local, and provincial jurisdictions' environmental, health and safety laws and regulations and industry-specific product certifications. Many of the products we sell are subject to product safety laws and regulations in various jurisdictions. These laws and regulations specify the maximum allowable levels of certain materials that may be contained in our products, provide statutory prohibitions against misbranded and adulterated products, establish ingredients and manufacturing procedures for certain products, specify product safety testing requirements, and set product identification, labeling and claim requirements. Some of our product lines are subject to product identification, labeling and claim requirements, which are monitored and enforced by regulatory agencies, such as the U.S. Environmental Protection Agency (the "EPA"), U.S. Customs and Border Protection, the U.S. Food and Drug Administration, and the U.S. Consumer Product Safety Commission.

During fiscal 2022, we were in discussions with the EPA regarding the compliance of packaging claims on certain of our products in the air and water filtration categories and a limited subset of humidifier products within the Beauty & Wellness segment that are sold in the U.S. The EPA did not raise any product quality, safety or performance issues. As a result of these packaging compliance discussions, we voluntarily implemented a temporary stop shipment action on the impacted products as we worked with the EPA towards an expedient resolution. Our fiscal 2022 consolidated, and Beauty & Wellness segment's, net sales revenue, gross profit, and operating income were materially and adversely impacted by the stop shipment actions and the time needed to execute repackaging and relabeling plans. We resumed normalized levels of shipping of the affected inventory during fiscal 2022 and we completed the repackaging and relabeling of our existing inventory of impacted products during fiscal 2023. Additionally, as a result of continuing dialogue with the EPA, we executed further repackaging and relabeling plans on certain additional humidifier products and certain additional air filtration products, which were also completed during fiscal 2023. Although we have not been notified of any fines or penalties imposed against us by the EPA related to this matter, there can be no assurances that such fines or penalties will not be imposed in the future.

We recorded charges to cost of goods sold to write-off obsolete packaging for the affected products in our inventory on-hand and in-transit. We have also incurred additional compliance costs comprised of obsolete packaging, storage and other charges from vendors, which were recognized in cost of goods sold and incremental warehouse storage costs and legal fees, which were recognized in SG&A. We refer to these charges as "EPA compliance costs."

The following table provides a summary of EPA compliance costs incurred during the periods presented:

<i>(in thousands)</i>	Fiscal Years Ended Last Day of February		
	2024	2023	2022
Cost of goods sold	\$ —	\$ 16,928 ¹	\$ 17,728 ²
SG&A	—	6,645	14,626
Total EPA compliance costs	\$ —	\$ 23,573	\$ 32,354

(1) Includes a \$ 4.4 million charge to write-off the obsolete packaging for the affected additional humidifier products and affected additional air filtration products in our inventory on-hand and in-transit as of the end of the first quarter of fiscal 2023.

(2) Includes a \$ 13.1 million charge to cost of goods sold to write-off the obsolete packaging for the affected air filtration, water filtration and humidifier products in our inventory on-hand and in-transit as of the end of the first quarter of fiscal 2022.

In addition, we incurred and capitalized into inventory costs to repackaging a portion of our existing inventory of the affected products beginning in the second quarter of fiscal 2022 through completion of the repackaging in the third quarter of fiscal 2023.

For additional information refer to Item 1A., "Risk Factors," and to Item 7., "Management's Discussion and Analysis of Financial Condition and Results of Operations," including "EPA Compliance Costs" included within this Annual Report.

Weather-Related Incident

On March 30, 2022, a third-party facility that we utilized for inventory storage incurred severe damage from a weather-related incident. The inventory that was stored at this facility primarily related to our Beauty & Wellness segment. While the inventory was insured, some seasonal inventory and inventory designated for specific customer promotions was not accessible and subsequently determined to be damaged, and as a result, unfavorably impacted our net sales revenue during the first quarter of fiscal 2023. As a result of the damages to the inventory stored at the facility, we recorded a charge to write-off the damaged inventory totaling \$ 34.4 million during fiscal 2023. These charges were fully offset by probable insurance recoveries of \$ 34.4 million also recorded during fiscal 2023, which represented anticipated insurance proceeds, not to exceed the amount of the associated losses, for which receipt was deemed probable. The charges for the damaged inventory and the expected insurance recoveries were included in cost of goods sold in our consolidated statement of income for the fiscal year ended February 28, 2023. During fiscal 2023, we received proceeds of \$ 46.0 million from our insurance carriers related to this incident which are included in cash flows from operating activities in our consolidated statement of cash flows for the fiscal year ended February 28, 2023. As a result, during fiscal 2023, the Company recorded a gain of \$ 9.7 million, net of costs incurred to dispose of the inventory, as a reduction of SG&A expense in our consolidated statement of income.

Commitments

We sell certain of our products under trademarks licensed from third parties. Some of these trademark license agreements require us to pay minimum royalties. As of February 29, 2024, we estimate future minimum annual royalty payments over the noncancelable term of these arrangements to be approximately \$ 6.3 million, \$ 6.0 million, \$ 6.0 million, \$ 5.5 million, and \$ 2.8 million per year, during the next five fiscal years, respectively.

Note 13 - Long-Term Debt

A summary of our long-term debt follows:

<i>(in thousands)</i>	February 29, 2024	February 28, 2023
Credit Agreement (1):		
Revolving loans	\$ 421,950	\$ 690,000
Term loans	250,000	246,875
Total borrowings under Credit Agreement (1)	671,950	936,875
Unamortized prepaid financing fees	(6,279)	(2,463)
Total long-term debt	665,671	934,412
Less: current maturities of long-term debt	(6,250)	(6,064)
Long-term debt, excluding current maturities	\$ 659,421	\$ 928,348

(1) Borrowings outstanding as of February 29, 2024 and February 28, 2023 are under the Credit Agreement and the Prior Credit Agreement, respectively.

Aggregate annual maturities of our long-term debt as of February 29, 2024 were as follows:

<i>(in thousands)</i>		
Fiscal 2025		\$ 6,250
Fiscal 2026		9,375
Fiscal 2027		12,500
Fiscal 2028		12,500
Fiscal 2029		631,325
Thereafter		—
Total		\$ 671,950

Credit Agreement and Prior Credit Agreement

On February 15, 2024, we entered into a credit agreement (the "Credit Agreement") with Bank of America, N.A., as administrative agent, and other lenders. The Credit Agreement replaces our prior credit agreement (the "Prior Credit Agreement"), which terminated on February 15, 2024 and is further described below. We utilized the proceeds from the refinancing to repay all principal, interest, and fees outstanding under the Prior Credit Agreement without penalty. As a result, we recognized a loss on extinguishment of debt within interest expense of \$ 0.5 million during fiscal 2024, which consisted of a write-off of \$ 0.4 million of unamortized prepaid financing fees related to the Prior Credit Agreement and \$ 0.1 million of lender fees related to debt under the Credit Agreement treated as an extinguishment. Additionally, we expensed \$ 0.3 million of third-party fees in fiscal 2024 related to debt under the Credit Agreement treated as a modification, which was recognized within interest expense. We capitalized \$ 4.0 million of lender fees and \$ 2.2 million of third-party fees incurred in connection with the Credit Agreement, which were recorded as prepaid financing fees in long-term debt and prepaid expenses and other current assets in the amounts of \$ 5.4 million and \$ 0.8 million, respectively.

The Credit Agreement provides for aggregate commitments of \$ 1.5 billion, which are available through (i) a \$ 1.0 billion revolving credit facility, which includes a \$ 50 million sublimit for the issuance of letters of credit, (ii) a \$ 250 million term loan facility, and (iii) a committed \$ 250 million delayed draw term loan facility, which may be borrowed in multiple drawdowns until August 15, 2025. Proceeds can be used for working capital and other general corporate purposes, including funding permitted acquisitions. At the closing date of the Credit Agreement, we borrowed \$ 457.5 million under the revolving credit facility and \$ 250.0 million under the term loan facility and utilized the proceeds to repay all debt outstanding under the Prior Credit Agreement. The Credit Agreement matures on February 15, 2029. The Credit Agreement includes an accordion feature, which permits the Company to request to increase its borrowing capacity by an additional \$ 300 million plus an unlimited amount when the Leverage Ratio (as

defined in the Credit Agreement) on a pro-forma basis is less than 3.25 to 1.00. The Company's exercise of the accordion is subject to certain conditions being met, including lender approval.

Outstanding letters of credit reduce the borrowing availability under the Credit Agreement on a dollar-for-dollar basis. We are able to repay amounts borrowed at any time without penalty. Borrowings accrue interest under one of two alternative methods pursuant to the Credit Agreement as described below. With each borrowing against our credit line, we can elect the interest rate method based on our funding needs at the time. We also incur loan commitment and letter of credit fees under the Credit Agreement. The term loans are payable at the end of each fiscal quarter in equal installments of 0.625 % through February 28, 2025, 0.9375 % through February 28, 2026, and 1.25 % thereafter of the original principal balance of the term loans, beginning in the first quarter of fiscal 2025, with the remaining balance due at the maturity date. Borrowings under the Credit Agreement bear floating interest at either the Base Rate or Term SOFR (as defined in the Credit Agreement), plus a margin based on the Net Leverage Ratio (as defined in the Credit Agreement) of 0 % to 1.125 % and 1.0 % to 2.125 % for Base Rate and Term SOFR borrowings, respectively.

Our Prior Credit Agreement with Bank of America, N.A., as administrative agent, and other lenders, provided for an unsecured total revolving commitment of \$ 1.25 billion and a \$ 300 million accordion, which could be used for term loan commitments. In June 2022, we exercised the accordion under the Prior Credit Agreement and borrowed \$ 250 million as term loans. The proceeds from the term loans were used to repay revolving loans under the Prior Credit Agreement. The maturity date of the term loans and the revolving loans under the Prior Credit Agreement was March 13, 2025. Borrowings under the Prior Credit Agreement bore floating interest at either the Base Rate or Term SOFR (as defined in the Prior Credit Agreement), plus a margin based on the Net Leverage Ratio (as defined in the Prior Credit Agreement) of 0 % to 1.0 % and 1.0 % to 2.0 % for Base Rate and Term SOFR borrowings, respectively.

The floating interest rates on our borrowings under the Credit Agreement and Prior Credit Agreement are hedged with interest rate swaps to effectively fix interest rates on \$ 500 million and \$ 425 million of the outstanding principal balance under the revolving loans as of February 29, 2024 and February 28, 2023, respectively. See Notes 14, 15, and 16 for additional information regarding our interest rate swaps.

As of February 29, 2024, the balance of outstanding letters of credit was \$ 15.5 million and the amount available for revolving loans under the Credit Agreement was \$ 562.6 million. Covenants in the Credit Agreement limit the amount of total indebtedness we can incur. As of February 29, 2024, these covenants effectively limited our ability to incur more than \$ 474.6 million of additional debt from all sources, including the Credit Agreement, or \$ 562.6 million in the event a qualified acquisition is consummated.

Other Debt Agreements

On February 28, 2023, we paid the remaining balance of \$ 15.1 million, including principal and interest, outstanding under our unsecured loan agreement (the "MBFC Loan") with the Mississippi Business Finance Corporation (the "MBFC") without penalty. As a result, as of February 28, 2023, we no longer had outstanding debt related to the MBFC Loan and the MBFC Loan terminated pursuant to its terms. The loan agreement was entered into in connection with the issuance by MBFC of taxable industrial development revenue bonds. Borrowings under the MBFC Loan bore interest at either the Base Rate or Term SOFR (both as defined in the loan agreement), plus a margin based on the Net Leverage Ratio (as defined in the loan agreement) of 0 % to 1.0 % and 1.0 % to 2.0 % for Base Rate and Term SOFR borrowings, respectively. The borrowings were used to fund construction of our Olive Branch, Mississippi distribution facility. The maturity date of the MBFC Loan was March 1, 2023.

Debt Covenants

Our debt under our Credit Agreement is unconditionally guaranteed, on a joint and several basis, by the Company and certain of its subsidiaries. Our Credit Agreement requires the maintenance of certain key financial covenants defined in the accompanying Management's Discussion and Analysis of Financial Condition and Results of Operations - Financial Condition, Liquidity and Capital Resources - Credit Agreement and Other Debt Agreements. Our Credit Agreement also contains other customary covenants, including, among other things, covenants restricting or limiting us, except under certain conditions set forth therein, from (1) incurring liens on our properties, (2) making certain types of investments, (3) incurring additional debt, and (4) assigning or transferring certain licenses. Our Credit Agreement also contains customary events of default, including failure to pay principal or interest when due, among others. Upon an event of default under our Credit Agreement, the lenders may, among other things, accelerate the maturity of any amounts outstanding. The commitments of the lenders to make loans to us under the Credit Agreement are several and not joint. Accordingly, if any lender fails to make loans to us, our available liquidity could be reduced by an amount up to the aggregate amount of such lender's commitments under the Credit Agreement.

As of February 29, 2024, we were in compliance with all covenants as defined under the terms of the Credit Agreement.

Interest and Capitalized Interest

During fiscal 2024 and 2023, we incurred interest costs totaling \$ 53.9 million and \$ 46.2 million, respectively, of which we capitalized \$ 0.9 million and \$ 5.5 million, respectively, as part of property and equipment in connection with the construction of a new distribution facility. During fiscal 2022, we incurred interest costs totaling \$ 12.8 million, none of which was capitalized.

The following table contains information about interest rates and the related weighted average borrowings outstanding under our Credit Agreement, including under the Prior Credit Agreement, and the MBFC Loan for the periods presented below:

<i>(in thousands)</i>	Fiscal Years Ended Last Day of February,		
	2024	2023	2022
Credit Agreement:			
Average borrowings outstanding (1)	\$ 806,415	\$ 1,011,263	\$ 503,900
Average effective interest rate (2)	6.4 %	4.4 %	2.3 %
Interest rate range (3)	6.5 % - 9.3 %	1.1 % - 8.6 %	1.1 % - 3.3 %
Weighted average interest rate on borrowings outstanding at year end (4)	6.0 %	6.3 %	1.6 %
MBFC Loan:			
Average borrowings outstanding (1)	(5) \$ 12,226	\$ 17,087	
Average effective interest rate (2)	(5) 5.0 %	1.1 %	
Interest rate range	(5) 1.2 % - 5.9 %	1.1 % - 1.2 %	
Weighted average interest rate on borrowings outstanding at year end	(5) (5)	1.2 %	

- (1) Average borrowings outstanding is computed as the average of the current and four prior quarters ending balances outstanding.
- (2) The average effective interest rate during each year is computed by dividing the total interest expense associated with the borrowing for a fiscal year by the average borrowings outstanding for the same fiscal year. Beginning in fiscal 2024, we included the impact of our interest rate swaps and commitment fees incurred under the Credit Agreement and Prior Credit Agreement in computing total interest expense. Accordingly, we have recast the prior periods presented to conform.
- (3) Interest rate range reflects the interest rates on the borrowings under the Credit Agreement and Prior Credit Agreement pursuant to the respective agreements and excludes the impact of our interest rate swaps.
- (4) Beginning in the fourth quarter of fiscal 2024, the weighted average interest rate on borrowings outstanding at year end under the Credit Agreement is computed inclusive of the impact of our interest rate swaps. Accordingly, we have recast the prior periods presented to conform.
- (5) As of February 29, 2024 and February 28, 2023, we no longer had any outstanding borrowings on the MBFC Loan as the MBFC Loan terminated pursuant to its terms on February 28, 2023.

Note 14 - Fair Value

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Valuation techniques under the accounting guidance related to fair value measurements are based on observable and unobservable inputs. These inputs are classified into the following hierarchy:

- Level 1: Quoted prices for identical assets or liabilities in active markets;
- Level 2: Observable inputs other than quoted prices that are directly or indirectly observable for the asset or liability, including quoted prices for similar assets or liabilities in active markets; quoted prices for similar or identical assets or liabilities in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable; and
- Level 3: Unobservable inputs that reflect the reporting entity's own assumptions.

When circumstances dictate the transfer of an asset or liability to a different level, we report the transfer at the beginning of the reporting period in which the facts and circumstances resulting in the transfer occurred. There were no transfers between the fair value hierarchy levels during the periods presented.

All of our financial assets and liabilities, except for our investments in U.S. Treasury Bills, are classified as Level 2 because their valuation is dependent on observable inputs and other quoted prices for similar assets or liabilities, or model-derived valuations whose significant value drivers are observable. Our investments in U.S. Treasury Bills are classified as Level 1 because their value is based on quoted prices in active markets for identical assets. The following table presents the fair value of our financial assets and liabilities:

<i>(in thousands)</i>	Fair Value	
	February 29, 2024	February 28, 2023
Assets:		
Cash equivalents (money market accounts)	\$ 462	\$ 381
U.S. Treasury Bills	8,948	—
Interest rate swaps	2,504	5,746
Foreign currency derivatives	592	1,423
Total assets	\$ 12,506	\$ 7,550
Liabilities:		
Foreign currency derivatives	386	711
Total liabilities	\$ 386	\$ 711

All of our financial assets and liabilities, except for our investments in U.S. Treasury Bills, are measured and recorded at fair value on a recurring basis. Our investments in U.S. Treasury Bills are recorded at amortized cost. As of February 29, 2024, the current and non-current carrying amounts of our U.S. Treasury Bills were \$ 2.5 million and \$ 6.6 million, respectively, and were included within Prepaid expenses and other current assets and Other assets, respectively in our consolidated balance sheet.

The carrying amounts of cash, accounts payable, accrued expenses and other current liabilities and income taxes payable approximate fair value because of the short maturity of these items. The carrying amounts of receivables approximate fair value due to the effect of the related allowance for credit losses. The carrying amount of our floating rate long-term debt approximates its fair value.

Our investments in U.S. Treasury Bills are classified as held-to-maturity because we have the positive intent and ability to hold the securities to maturity. We invest in U.S. Treasury Bills with maturities ranging from less than one to five years. Gross unrealized gains and losses are not material for any period presented. During fiscal 2024, we recognized interest income on these investments of \$ 0.3 million, which is included in "Non-operating income, net" in our consolidated statement of income.

We use derivatives to manage our exposure to changes in foreign currency exchange rates, which include foreign currency forward contracts and cross-currency debt swaps. In addition, we use interest rate swaps to manage our exposure to changes in interest rates. All of our derivative assets and liabilities are recorded at fair value. See Notes 1, 15 and 16 for more information on our derivatives.

We did not remeasure any assets to fair value on a non-recurring basis during fiscal 2024 or 2023.

Note 15 - Financial Instruments and Risk Management

Foreign Currency Risk

The U.S. Dollar is the functional currency for the Company and all of its subsidiaries and is also the reporting currency for the Company. By operating internationally, we are subject to foreign currency risk from transactions denominated in currencies other than the U.S. Dollar ("foreign currencies"). Such transactions include sales and operating expenses. As a result of such transactions, portions of our cash, accounts receivable and accounts payable are denominated in foreign currencies. Approximately

14 %, 13 %, and 10 % of our net sales revenue was denominated in foreign currencies during fiscal 2024, 2023 and 2022, respectively. These sales were primarily denominated in Euros, British Pounds and Canadian Dollars. We make most of our inventory purchases from manufacturers in Asia and primarily use the U.S. Dollar for such purchases.

In our consolidated statements of income, foreign currency exchange rate gains and losses resulting from the remeasurement of foreign income taxes receivables and payables, and deferred income tax assets and liabilities are recognized in income tax expense, and all other foreign currency exchange rate gains and losses are recognized in SG&A. We recorded in income tax expense foreign currency exchange rate net gains of \$ 0.3 million during fiscal 2024 and net losses of \$ 0.4 million and \$ 0.5 million during fiscal 2023 and 2022, respectively. We recorded in SG&A foreign currency exchange rate net losses of \$ 0.5 million, \$ 1.7 million and \$ 0.2 million during fiscal 2024, 2023 and 2022, respectively. We mitigate certain foreign currency exchange rate risk by using forward contracts and cross-currency debt swaps to protect against the foreign currency exchange rate risk inherent in our transactions denominated in foreign currencies. We do not enter into any derivatives or similar instruments for trading or other speculative purposes. Certain of our forward contracts are designated as cash flow hedges ("foreign currency contracts"). Foreign currency derivatives for which we have not elected hedge accounting consist of certain forward contracts and our cross-currency debt swaps. These undesignated derivatives are used to hedge monetary net asset and liability positions. We evaluate our derivatives designated as cash flow hedges each quarter to assess hedge effectiveness. For additional information on our accounting for derivatives see Note 1.

Interest Rate Risk

Interest on our outstanding debt as of February 29, 2024 is based on floating interest rates. If short-term interest rates increase, we will incur higher interest expense on any future outstanding balances of floating rate debt. Floating interest rates are hedged with interest rate swaps to effectively fix interest rates on a portion of our outstanding principal balance under the Credit Agreement and Prior Credit Agreement, which totaled \$ 672.0 million and \$ 936.9 million as of February 29, 2024 and February 28, 2023, respectively. As of February 29, 2024 and February 28, 2023, \$ 500 million and \$ 425 million of the outstanding principal balance under the Credit Agreement and Prior Credit Agreement, respectively, was hedged with interest rate swaps to fix the interest rate we pay. Our interest rate swaps are designated as cash flow hedges, and we evaluate our derivatives designated as cash flow hedges each quarter to assess hedge effectiveness. For additional information on our accounting for derivatives see Note 1.

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The following tables summarize the fair values of our derivative instruments at the end of fiscal 2024 and 2023:

(in thousands)

		February 29, 2024							
					Prepaid Expenses and Other Assets		Accrued Expenses and Other Liabilities		Other Liabilities
		Hedge Type	Final Settlement Date	Notional Amount	Current Assets	Other Assets	Current Liabilities	Non-current	
Derivatives designated as hedging instruments									
Forward contracts - sell Euro		Cash flow	2/2025	€ 36,500	\$ 377	\$ —	\$ 90	\$ —	\$ —
Forward contracts - sell Canadian Dollars		Cash flow	2/2025	\$ 20,750	151	\$ —	57	\$ —	\$ —
Forward contracts - sell Pounds		Cash flow	2/2025	£ 20,250	59	\$ —	234	\$ —	\$ —
Forward contracts - sell Norwegian Kroner		Cash flow	8/2024	kr 5,000	5	\$ —	\$ —	\$ —	\$ —
Interest rate swaps		Cash flow	2/2026	\$ 500,000	1,314	1,190	\$ —	\$ —	\$ —
Subtotal					1,906	1,190	381	\$ —	\$ —
Derivatives not designated under hedge accounting									
Forward contracts - sell Euro	(1)		3/2024	€ 430	—	—	3	\$ —	\$ —
Forward contracts - sell Pounds	(1)		3/2024	£ 735	—	—	2	\$ —	\$ —
Subtotal					—	—	5	\$ —	\$ —
Total fair value					\$ 1,906	\$ 1,190	\$ 386	\$ —	\$ —

(in thousands)

		February 28, 2023							
					Prepaid Expenses and Other Assets		Accrued Expenses and Other Liabilities		Other Liabilities
		Hedge Type	Final Settlement Date	Notional Amount	Current Assets	Other Assets	Current Liabilities	Non-current	
Derivatives designated as hedging instruments									
Forward contracts - sell Euro		Cash flow	2/2024	€ 29,310	\$ 257	\$ —	\$ —	\$ —	\$ —
Forward contracts - sell Canadian Dollars		Cash flow	2/2024	\$ 30,000	962	11	\$ —	\$ —	\$ —
Forward contracts - sell Pounds		Cash flow	1/2024	£ 19,400	—	—	711	\$ —	\$ —
Forward contracts - sell Norwegian Kroner		Cash flow	2/2024	kr 40,000	185	—	—	\$ —	\$ —
Interest rate swaps		Cash flow	2/2026	\$ 425,000	3,941	1,805	\$ —	\$ —	\$ —
Subtotal					5,345	1,816	711	\$ —	\$ —
Derivatives not designated under hedge accounting									
Forward contracts - buy Euro	(1)		3/2023	€ 500	6	—	—	\$ —	\$ —
Forward contracts - buy Pounds	(1)		3/2023	£ 400	2	—	—	\$ —	\$ —
Subtotal					8	—	—	\$ —	\$ —
Total fair value					\$ 5,353	\$ 1,816	\$ 711	\$ —	\$ —

(1) These forward contracts, for which we have not elected hedge accounting, hedge monetary net asset and liability positions for the notional amounts reported, creating an economic hedge against currency movements.

The pre-tax effects of derivative instruments designated as cash flow hedges for fiscal 2024 and 2023 were as follows:

		Fiscal Years Ended Last Day of February,						
		Gain (Loss) Recognized in AOCI			Gain (Loss) Reclassified from AOCI into Income			
		2024	2023	Location	2024	2023		
(in thousands)								
Foreign currency contracts - cash flow hedges	\$ (502)	\$ 8,289	Sales revenue, net	\$ (9)	\$ 10,390			
Interest rate swaps - cash flow hedges	4,373	8,382	Interest expense	7,615	(145)			
Total	\$ 3,871	\$ 16,671		\$ 7,606	\$ 10,245			

The pre-tax effects of derivative instruments not designated under hedge accounting for fiscal 2024 and 2023 were as follows:

(in thousands)	Location	Fiscal Years Ended Last Day of February,	
		Gain (Loss) Recognized in Income	
		2024	2023
Forward contracts	SG&A	\$ (280)	\$ (281)
Cross-currency debt swaps - principal	SG&A	—	875
Total		\$ (280)	\$ 594

We expect a net gain of \$ 1.5 million associated with foreign currency contracts and interest rate swaps currently recorded in AOCI to be reclassified into income over the next twelve months. The amount ultimately realized, however, will differ as exchange rates and interest rates change and the underlying contracts settle. See Notes 1, 14 and 16 for more information.

Counterparty Credit Risk

Financial instruments, including foreign currency contracts, forward contracts, cross-currency debt swaps and interest rate swaps, expose us to counterparty credit risk for non-performance. We manage our exposure to counterparty credit risk by only dealing with counterparties who are substantial international financial institutions with significant experience using such derivative instruments. We believe that the risk of incurring credit losses is remote.

Note 16 - Accumulated Other Comprehensive Income (Loss)

The changes in AOCI by component and related tax effects for fiscal 2024 and 2023 were as follows:

(in thousands)	Interest Rate Swaps	Foreign Currency Contracts		Total
		2024	2023	
Balance at February 28, 2022	\$ (2,126)	\$ 2,328	\$ 202	
Other comprehensive income before reclassification	8,382	8,289	16,671	
Amounts reclassified out of AOCI	145	(10,390)	(10,245)	
Tax effects	(2,007)	326	(1,681)	
Other comprehensive income (loss)	6,520	(1,775)	4,745	
Balance at February 28, 2023	\$ 4,394	\$ 553	\$ 4,947	
Other comprehensive income (loss) before reclassification	4,373	(502)	3,871	
Amounts reclassified out of AOCI	(7,615)	9	(7,606)	
Tax effects	765	122	887	
Other comprehensive loss	(2,477)	(371)	(2,848)	
Balance at February 29, 2024	\$ 1,917	\$ 182	\$ 2,099	

See Notes 1, 14 and 15 for additional information regarding our cash flow hedges.

Note 17 - Segment and Geographic Information

Segment Information

We currently operate in two segments consisting of Home & Outdoor and Beauty & Wellness. The Curlsmith and Osprey brands and products were added to the Beauty & Wellness and Home & Outdoor segments, respectively, upon the completion of the acquisitions of Curlsmith and Osprey.

The following tables summarize segment information for the periods presented:

<i>(in thousands)</i>	Fiscal Year Ended February 29, 2024		
	Home & Outdoor (1)	Beauty & Wellness (2)	Total
Sales revenue, net	\$ 916,381	\$ 1,088,669	\$ 2,005,050
Restructuring charges	5,144	13,568	18,712
Operating income	142,732	117,857	260,589
Capital and intangible asset expenditures	28,012	8,632	36,644
Depreciation and amortization	24,595	26,904	51,499

<i>(in thousands)</i>	Fiscal Year Ended February 28, 2023		
	Home & Outdoor (1)	Beauty & Wellness (2)	Total
Sales revenue, net	\$ 915,685	\$ 1,156,982	\$ 2,072,667
Restructuring charges	8,689	18,673	27,362
Operating income	134,053	77,738	211,791
Capital and intangible asset expenditures	159,183	15,681	174,864
Depreciation and amortization	18,364	26,319	44,683

<i>(in thousands)</i>	Fiscal Year Ended February 28, 2022		
	Home & Outdoor (1)	Beauty & Wellness	Total
Sales revenue, net	\$ 865,844	\$ 1,357,511	\$ 2,223,355
Restructuring charges	369	11	380
Operating income	134,925	137,625	272,550
Capital and intangible asset expenditures	67,732	10,307	78,039
Depreciation and amortization	12,112	23,717	35,829

(1) Fiscal 2024 and 2023 include a full year of operating results from Osprey, acquired on December 29, 2021, compared to approximately nine weeks of operating results in fiscal 2022. For additional information see Note 6.

(2) Fiscal 2024 includes a full year of operating results from Curlsmith, acquired on April 22, 2022, compared to approximately forty-five weeks of operating results in fiscal 2023. For additional information see Note 6.

We compute segment operating income based on net sales revenue, less cost of goods sold, SG&A, and restructuring charges. The SG&A used to compute each segment's operating income is directly associated with the segment, plus shared services and corporate overhead expenses that are allocable to the segment. We do not allocate non-operating income and expense, including interest or income taxes, to operating segments. Our chief operating decision maker reviews balance sheet information at a consolidated level.

Geographic Information

The following table presents net sales revenue by geographic region, in U.S. Dollars. Net sales are attributed to countries based on the customer's location.

<i>(in thousands)</i>	Fiscal Years Ended Last Day of February,			
	2024	2023	2022	
U.S.	\$ 1,478,134	73.7 %	\$ 1,538,852	74.2 %
Canada	82,122	4.1 %	108,416	5.2 %
EMEA	284,434	14.2 %	268,153	13.0 %
Asia Pacific	116,157	5.8 %	115,626	5.6 %
Latin America	44,203	2.2 %	41,620	2.0 %
Total sales revenue, net	\$ 2,005,050	100.0 %	\$ 2,072,667	100.0 %
	\$ 2,223,355	100.0 %	\$ 2,223,355	100.0 %

Worldwide sales to our largest customer, Amazon.com Inc., accounted for approximately 21 %, 17 % and 19 % of our consolidated net sales revenue in fiscal 2024, 2023 and 2022, respectively. Sales to our second largest customer, Target Corporation, accounted for approximately 10 % in both fiscal 2024 and 2023 and 11 % in fiscal 2022 of our consolidated net sales revenue. Sales to our third largest customer, Walmart, Inc., including its worldwide affiliates, accounted for approximately 9 %, 10 % and 11 % of our consolidated net sales revenue in fiscal 2024, 2023, and 2022, respectively. Sales to these largest customers include sales across both of our business segments. No other customers accounted for 10% or more of consolidated net sales revenue during these fiscal years. Sales to our top five customers accounted for approximately 47 %, 43 % and 49 % of our consolidated net sales revenue in fiscal 2024, 2023 and 2022, respectively.

Our U.S. and international long-lived assets were as follows:

(in thousands)	Fiscal Years Ended Last Day of February,		
	2024	2023	2022
U.S.	\$ 344,361	\$ 357,577	\$ 213,505
International	28,247	32,967	29,632
Total	\$ 372,608	\$ 390,544	\$ 243,137

The table above classifies assets based upon the country where they are physically located. Long-lived assets included in the table above include property and equipment and operating lease assets.

Note 18 - Income Taxes

We reorganized the Company in Bermuda in 1994 and many of our foreign subsidiaries are not directly or indirectly owned by a U.S. parent. As such, a large portion of our foreign income is not subject to U.S. taxation on a permanent basis under current law. Additionally, our intellectual property is largely owned by foreign subsidiaries, resulting in proportionally higher earnings in jurisdictions with lower statutory tax rates, which decreases our overall effective tax rate. The taxable income earned in each jurisdiction, whether U.S. or foreign, is determined by the subsidiary's operating results and transfer pricing and tax regulations in the related jurisdictions.

The Organisation for Economic Co-operation and Development has introduced a framework to implement a global minimum corporate income tax of 15%, referred to as "Pillar Two." Many aspects of Pillar Two are effective for tax years beginning after January 1, 2024, with certain remaining aspects to be effective for tax years beginning January 1, 2025 or later. Certain countries have adopted legislation to implement Pillar Two, and other countries are in the process of introducing legislation to implement Pillar Two. Based on the countries in which we operate and those that have adopted legislation that is already effective (or with effective dates during our fiscal 2025), we currently do not expect the global minimum tax rules will have a material impact to our global effective tax rate in fiscal 2025. We will continue to assess the impact of Pillar Two and monitor developments in legislation, regulation, and interpretive guidance.

In response to Pillar Two, on December 27, 2023, Bermuda enacted a corporate income tax effective for fiscal years beginning on or after January 1, 2025. The 15% corporate income tax regime applies to Bermuda businesses that are part of multinational enterprise groups with annual revenue of €750 million or more and is effective for us in fiscal 2026. The Bermuda corporate income tax allows for a beginning net operating loss balance related to the five years preceding the effective date. Accordingly, during fiscal 2024, we recorded a deferred tax asset of \$ 9.3 million for the Bermuda net operating losses generated from fiscal 2021 through 2024 with an offsetting valuation allowance of \$ 9.3 million. Although we currently do not expect the tax regime to have a material impact to our consolidated financial statements, we will continue to monitor and evaluate impact as further regulatory guidance becomes available.

On August 16, 2022, the Inflation Reduction Act (the "Act") was enacted and signed into law. The Act is a budget reconciliation package that includes significant law changes relating to tax, climate change, energy, and health care. The tax provisions include, among other items, a corporate alternative minimum tax of 15%, an excise tax of 1% on corporate stock buy-backs, energy-related tax credits, and additional IRS funding. We do not expect these tax provisions to have a material impact to our consolidated financial statements.

On March 11, 2021, the American Rescue Plan Act (the "ARP") was enacted and signed into law. The ARP is an economic stimulus package in response to the COVID-19 outbreak, which contains tax provisions that did not have a material impact to our consolidated financial statements.

The Company continues to elect to account for U.S. tax on global intangible low-taxed income ("GILTI") as a period cost and therefore has not recorded deferred taxes related to GILTI on its foreign subsidiaries.

While U.S. federal tax expense has been recognized on the undistributed earnings of our U.S. owned foreign subsidiaries, no deferred tax liabilities with respect to items such as certain foreign exchange gains or losses, foreign withholding taxes or state taxes have been recognized. No deferred taxes have been provided on the undistributed earnings of our foreign-owned subsidiaries as these earnings will continue to be permanently reinvested. Due to the number of legal entities and jurisdictions involved, our legal entity structure, and the tax laws in the relevant jurisdictions, we believe it is not practicable to estimate the amount of additional taxes which may be payable upon distribution of these undistributed earnings.

Our components of income before income tax expense are as follows:

(in thousands)	Fiscal Years Ended Last Day of February,		
	2024	2023	2022
U.S.	\$ 68,957	\$ 41,738	\$ 63,653
Non-U.S.	140,085	129,551	196,313
Total	\$ 209,042	\$ 171,289	\$ 259,966

Our components of income tax expense (benefit) are as follows:

(in thousands)	Fiscal Years Ended Last Day of February,		
	2024	2023	2022
Current:			
U.S. federal	\$ 9,259	\$ 13,472	\$ 20,907
State	2,704	3,417	6,283
Non-U.S.	15,275	13,369	17,883
	27,238	30,258	45,073
Deferred:			
U.S. federal	9,449	(3,337)	(5,269)
State	3,252	(1,815)	(1,766)
Non-U.S.	509	2,910	(1,836)
	13,210	(2,242)	(8,871)
Total	\$ 40,448	\$ 28,016	\$ 36,202

Our total income tax expense differs from the amounts computed by applying the U.S. statutory tax rate to income before income taxes. An income tax rate reconciliation of these differences are as follows:

	Fiscal Years Ended Last Day of February,		
	2024	2023	2022
Effective income tax rate at the U.S. statutory rate	21.0 %	21.0 %	21.0 %
Impact of U.S. state income taxes	2.2 %	0.3 %	1.4 %
Effect of statutory tax rate in Macau	(4.0)%	(5.4)%	0.1 %
Effect of statutory tax rate in Barbados	(2.4)%	(3.3)%	(11.0)%
Effect of statutory tax rate in Switzerland	(1.8)%	(2.0)%	(1.2)%
Effect of income from other non-U.S. operations subject to varying rates	2.3 %	2.1 %	1.2 %
Effect of foreign exchange fluctuations	(0.3)%	2.5 %	0.5 %
Effect of stock compensation	1.2 %	— %	— %
Effect of uncertain tax positions	0.4 %	0.2 %	0.6 %
Effect of non-deductible executive compensation	1.9 %	1.2 %	1.1 %
Effect of changes in valuation allowance	3.9 %	(0.5)%	0.5 %
Effect of changes in tax rates	(4.4)%	(0.4)%	(0.1)%
Other items	(0.7)%	0.7 %	(0.2)%
Effective income tax rate	19.3 %	16.4 %	13.9 %

Each year there are significant transactions or events that are incidental to our core businesses and that by a combination of their nature and jurisdiction, can have a disproportionate impact on our reported effective tax rates. Without these transactions or events, the trend in our effective tax rates would follow a more normalized pattern.

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities are as follows:

(in thousands)	Fiscal Years Ended Last Day of February,		
	2024	2023	
Deferred tax assets, gross:			
Operating loss carryforwards and tax credits	\$ 19,345	\$ 10,882	
Accounts receivable	6,877	9,674	
Inventories	26,498	20,541	
Operating lease liabilities	10,329	11,658	
Research and development expenditures	2,847	5,722	
Interest limitation	7,561	1,932	
Accrued expenses and other	5,953	4,676	
Total gross deferred tax assets	79,410	65,085	
Valuation allowance	(19,044)	(10,706)	
Deferred tax liabilities:			
Operating lease assets	(8,119)	(8,997)	
Depreciation	(28,433)	(9,397)	
Amortization	(61,405)	(61,252)	
Total deferred tax liabilities, net	\$ (37,591)	\$ (25,267)	

In assessing the realizability of deferred tax assets, we consider whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. We consider the scheduled reversal of deferred tax liabilities, expected future taxable income and tax planning strategies in assessing the ultimate realization of deferred tax assets. If recovery is not likely, we must increase our provision for taxes by recording a valuation allowance against the deferred tax assets that we estimate will not be recoverable. In fiscal 2024, the \$ 8.3 million net increase in our valuation allowance was principally due to net operating loss carryforwards recorded in fiscal 2024 as a result of the Bermuda corporate income tax enactment that are not expected to be recoverable.

The composition of our operating loss carryforwards and tax credits at the end of fiscal 2024 is as follows:

(in thousands)	February 29, 2024		
	Tax Year Expiration Date Range	Deferred Tax Assets	Operating Loss Carryforward
U.S. state operating loss carryforwards	2032-2038	\$ 414	\$ 9,489
Non-U.S. operating loss carryforwards with definite carryover periods	2024-2041	4,210	16,874
Non-U.S. operating loss carryforwards with indefinite carryover periods	Indefinite	14,721	79,224
Subtotal		19,345	\$ 105,587
Less portion of valuation allowance established for operating loss carryforwards		(18,931)	
Total operating loss carryforwards, net of valuation allowance		\$ 414	

Any future amount of deferred tax asset considered realizable could be reduced in the near term if estimates of future taxable income during any carryforward periods are reduced.

During fiscal 2024 and 2023, changes in the total amount of unrecognized tax benefits (excluding interest and penalties) were as follows:

(in thousands)	Fiscal Years Ended Last Day of February,	
	2024	2023
Total unrecognized tax benefits, beginning balance	\$ 6,018	\$ 5,623
Tax positions taken during the current period	806	644
Changes in tax positions taken during a prior period	—	(249)
Total unrecognized tax benefits, ending balance	6,824	6,018
Less current unrecognized tax benefits	—	—
Non-current unrecognized tax benefits	\$ 6,824	\$ 6,018

If we are able to sustain our positions with the relevant taxing authorities, approximately \$ 6.8 million (excluding interest and penalties) of uncertain tax position liabilities as of February 29, 2024 would favorably impact our effective tax rate in future periods. We do not expect any significant changes to our existing unrecognized tax benefits during the next twelve months resulting from any issues currently pending with tax authorities.

We classify interest and penalties on uncertain tax positions as income tax expense. At the end of fiscal 2024 and 2023, the liability for tax-related interest and penalties associated with unrecognized tax benefits was \$ 3.2 million and \$ 3.1 million, respectively. Additionally, during fiscal 2024 and 2023, we recognized a de minimis amount of tax expense and tax benefits of \$ 0.1 million, respectively, from tax-related interest and penalties in the consolidated statements of income.

We file income tax returns in the U.S. federal jurisdiction and in various states and foreign jurisdictions. As of February 29, 2024, tax years under examination or still subject to examination by material tax jurisdictions are as follows:

Jurisdiction	Tax Years Under Examination	Open Tax Years		
Barbados	- None -	2019	—	2024
China	2009-2018	2009	—	2024
Germany	2014-2021	2014	—	2024
Hong Kong	2014-2018	2014	—	2024
Macao	- None -	2021	—	2024
Switzerland	- None -	2017	—	2024
United Kingdom	- None -	2022	—	2024
U.S.	2021	2020	—	2024

Note 19 - Earnings Per Share

We compute basic earnings per share using the weighted average number of shares of common stock outstanding during the period. We compute diluted earnings per share using the weighted average number of shares of common stock outstanding plus the effect of dilutive securities. Dilutive securities at any given point in time may consist of outstanding options to purchase common stock and issued and contingently issuable unvested RSUs, PSUs, RSAs, PSAs and other stock-based awards (see Note 8). Anti-dilutive securities are not included in the computation of diluted earnings per share under the treasury stock method.

The following table presents our weighted average basic and diluted shares outstanding for the periods shown:

<i>(in thousands)</i>	Fiscal Years Ended Last Day of February,		
	2024	2023	2022
Weighted average shares outstanding, basic	23,865	23,955	24,142
Incremental shares from share-based compensation arrangements	105	135	268
Weighted average shares outstanding, diluted	23,970	24,090	24,410
Anti-dilutive securities	44	46	17

HELEN OF TROY LIMITED AND SUBSIDIARIES**Schedule II - Valuation and Qualifying Accounts**

<i>(in thousands)</i>	Beginning Balance	Additions (1)	Deductions (2)	Ending Balance
Allowance for credit losses:				
Year Ended February 29, 2024	\$ 1,678	\$ 6,103	\$ 300	\$ 7,481
Year Ended February 28, 2023	\$ 843	\$ 1,798	\$ 963	\$ 1,678
Year Ended February 28, 2022	\$ 998	\$ 312	\$ 467	\$ 843
Deferred tax asset valuation allowance:				
Year Ended February 29, 2024	\$ 10,706	\$ 8,338	\$ —	\$ 19,044
Year Ended February 28, 2023	\$ 11,673	\$ —	\$ 967	\$ 10,706
Year Ended February 28, 2022	\$ 15,021	\$ —	\$ 3,348	\$ 11,673

(1) Additions to the allowance for credit losses represent periodic net charges to the provision for doubtful receivables, inclusive of any recoveries of receivables previously written off. The addition to the allowance for credit losses in fiscal 2024, includes a charge for uncollectible receivables due to the bankruptcy of Bed, Bath & Beyond. In fiscal 2024, the addition to the deferred tax asset valuation allowance was primarily due to net operating loss carryforwards recorded in fiscal 2024 as a result of the Bermuda corporate income tax enactment that are not expected to be recoverable partially offset by changes in estimates of the recoverability of deferred tax assets.

(2) Deductions to the allowance for credit losses represent uncollectible balances written off. Deductions to the deferred tax asset valuation allowance in fiscal 2023 and fiscal 2022 were primarily due to changes in deferred tax assets that are not expected to be recoverable.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

Item 9A. Controls and Procedures

Based on their evaluation, as of the end of the period covered by this Annual Report on Form 10-K, our Company's Chief Executive Officer and Chief Financial Officer have concluded that our Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) are effective at the reasonable assurance level. During our fiscal quarter ended February 29, 2024, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Report and Attestation Report on Internal Control Over Financial Reporting

Management's report on internal control over financial reporting and the attestation report on internal control over financial reporting of the independent registered public accounting firm required by this item are set forth under Item 8., "Financial Statements and Supplementary Data" of this Annual Report and are incorporated herein by reference.

Item 9B. Other Information

Rule 10b5-1 Trading Plans

During the fiscal quarter ended February 29, 2024, none of our officers or directors adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement."

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Information in our definitive Proxy Statement for the 2024 Annual General Meeting of Shareholders (the "Proxy Statement") is incorporated by reference in response to this Item 10, as noted below:

- information about our Directors who are standing for re-election is set forth under "Proposal 1: Election of Directors";
- information about our executive officers is set forth under "Fiscal Year 2024 Executive Officers";
- information about our Audit Committee, including members of the committee, and our designated "audit committee financial experts" is set forth under "Board Committees and Meetings - Audit Committee";
- information about Section 16(a) beneficial ownership reporting compliance is set forth under "Delinquent Section 16(a) Reports" (if any to disclose); and
- information about any material changes to procedures for recommending nominees to the board of directors is set forth under "Board Composition and Structure" and "Shareholder Proposals."

We have adopted a Code of Ethics governing our Chief Executive Officer, Chief Financial Officer, Principal Accounting Officer, and finance department members. The full text of our Code of Ethics is published on our website, at www.helenoftroy.com, under the "Investor Relations-Governance" caption. The information on our website is not part of this Annual Report. We intend to disclose future amendments to, or waivers from, certain provisions of this Code of Ethics on our website or in a current report on Form 8-K.

Item 11. Executive Compensation

Information set forth under the captions "Director Compensation"; "Executive Compensation Tables"; "Compensation Discussion & Analysis"; "CEO Pay Ratio for Fiscal Year 2024"; "Compensation Committee Interlocks and Insider Participation"; and "Compensation Committee Report" in our Proxy Statement is incorporated by reference in response to this Item 11.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information set forth under the captions "Equity Compensation Plan Information" and "Security Ownership of Certain Beneficial Owners and Management" in our Proxy Statement is incorporated by reference in response to this Item 12.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Information set forth under the captions "Certain Relationships - Related Person Transactions" and "Board Independence" in our Proxy Statement is incorporated by reference in response to this Item 13.

Item 14. Principal Accountant Fees and Services

Information set forth under the caption "Audit and Other Fees Paid to our Independent Registered Public Accounting Firm" and "Pre-Approval Policies and Procedures" in our Proxy Statement is incorporated by reference in response to this Item 14.

PART IV**Item 15. Exhibit and Financial Statement Schedules**

(a) 1. Financial Statements: See "Index to Consolidated Financial Statements" under Item 8 in this Annual Report.
2. Financial Statement Schedule: See "Schedule II" in this Annual Report.
3. Exhibits

The exhibit numbers succeeded by an asterisk (*) indicate exhibits filed herewith. The exhibit numbers succeeded by two asterisks (**) indicate exhibits furnished herewith that are not deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934 and otherwise are not subject to liability. All other exhibit numbers indicate exhibits filed by incorporation by reference. Exhibit numbers succeeded by a cross (†) are management contracts or compensatory plans or arrangements.

2.1	Agreement and Plan of Merger dated as of December 8, 2010, among Helen of Troy Texas Corporation, KI Acquisition Corp., Kaz, Inc., the Company, and the Kaz, Inc. shareholders party thereto (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on December 9, 2010).
3.1	Memorandum of Association (incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form S-4, File No. 33-73594, filed with the Securities and Exchange Commission on December 30, 1993).
3.2	Amended and Restated Bye-Laws (incorporated by reference to Appendix A to the Company's Definitive Proxy Statement on Schedule 14A, File No. 001-14669, filed with the Securities and Exchange Commission on June 27, 2016).
4.1	Description of the Company's Securities registered pursuant to Section 12 of the Securities and Exchange Act of 1934 (incorporated by reference to Exhibit 4.1 of the Company's Annual Report on Form 10-K for the fiscal year ended February 29, 2020, filed with the Securities and Exchange Commission on April 29, 2020).
10.1†	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.1 of the Company's Annual Report on Form 10-K for the fiscal year ended February 28, 2014, filed with the Securities and Exchange Commission on April 29, 2014).
10.2†	Helen of Troy Limited Amended and Restated 2008 Stock Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on August 25, 2015).
10.3†	Amended and Restated Helen of Troy Limited 2011 Annual Incentive Plan (incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on 10-Q, filed with the Securities and Exchange Commission on October 11, 2016).
10.4†	Helen of Troy Limited 2018 Stock Incentive Plan (incorporated by reference to Annex B of the Company's Definitive Proxy Statement on Schedule 14A, filed with the Securities and Exchange Commission on June 28, 2018 (the "2018 Proxy").
10.5†	Helen of Troy Limited 2018 Employee Stock Purchase Plan (incorporated by reference to Annex C of the 2018 Proxy).
10.6†	Severance Agreement between Helen of Troy Nevada Corporation and Brian Grass, dated September 25, 2023 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on October 4, 2023).
10.7†	Amended and Restated Employment Agreement among Helen of Troy Nevada Corporation, Helen of Troy Limited, a Bermuda company, Helen of Troy Limited, a Barbados company, and Julien Mininberg, effective March 1, 2021 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 10, 2020 (the "December 2020 8-K").
10.8†*	Amended and Restated Severance Agreement between Helen of Troy Nevada Corporation and Tessa Judge, dated March 1, 2024.

10.9†	Employment Agreement among Helen of Troy Nevada Corporation and Noel Geoffroy, dated April 25, 2023 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 26, 2023).
10.10	Credit Agreement dated February 15, 2024, by and among Helen of Troy Texas Corporation, Helen of Troy Limited, Bank of America, N.A., as administrative agent, and the other lenders party thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on February 20, 2024 (the "February 2024 8-K").
10.11	Guaranty dated February 15, 2024, made by Helen of Troy Limited and certain of its subsidiaries in favor of Bank of America, N.A. and other lenders (incorporated by reference to Exhibit 10.2 of the Company's February 2024 8-K).
10.12†*	First Amendment to the Helen of Troy Limited 2018 Stock Incentive Plan dated February 28, 2024
<u>21*</u>	Subsidiaries of the Registrant.
<u>23.1*</u>	Consent of Independent Registered Public Accounting Firm, Grant Thornton LLP.
<u>31.1*</u>	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) or Rule 15d-14(a) pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
<u>31.2*</u>	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) or Rule 15d-14(a) pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
<u>32**</u>	Joint certification of the Chief Executive Officer and the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
<u>97*</u>	Policy Relating to Recovery of Erroneously Awarded Compensation
101.INS*	Inline XBRL Instance Document.
101.SCH*	Inline XBRL Taxonomy Extension Schema.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase.
104	Cover Page Interactive Data File, formatted in iXBRL and contained in Exhibit 101.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Exchange Act, the registrant has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized.

HELEN OF TROY LIMITED

By: /s/ Noel M. Geoffroy

Noel M. Geoffroy
Chief Executive Officer and Director
April 24, 2024

Pursuant to the requirements of the Exchange Act, this Annual Report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ Noel M. Geoffroy

Noel M. Geoffroy
Chief Executive Officer, Director and Principal Executive Officer
April 24, 2024

/s/ Brian L. Grass

Brian L. Grass
Chief Financial Officer, Principal Financial Officer and Principal Accounting Officer
April 24, 2024

/s/ Timothy F. Meeker

Timothy F. Meeker
Director, Chairman of the Board
April 24, 2024

/s/ Tabata L. Gomez

Tabata L. Gomez
Director
April 24, 2024

/s/ Beryl B. Raff

Beryl B. Raff
Director
April 24, 2024

/s/ Krista L. Berry

Krista L. Berry
Director
April 24, 2024

/s/ Darren G. Woody

Darren G. Woody
Director
April 24, 2024

/s/ Thurman K. Case

Thurman K. Case
Director
April 24, 2024

/s/ Vincent D. Carson

Vincent D. Carson
Director
April 24, 2024

/s/ Elena B. Otero

Elena B. Otero
Director
April 24, 2024

**AMENDED AND RESTATED
SEVERANCE AGREEMENT**

March 1, 2024

Helen of Troy Nevada Corporation
1 Helen of Troy Plaza
El Paso, Texas 79912
Attn: Board of Directors

1. **Employment Relationship.** Tessa Judge (“Employee”) is currently employed by Helen of Troy Nevada Corporation, a Nevada corporation (the “Company”) as Chief Legal Officer. Employee and the Company acknowledge that either party may terminate Employee’s employment relationship with the Company and any of its affiliates at any time and for any or no reason, provided that each party complies with the terms of this Amended and Restated Severance Agreement (this “Agreement”). Capitalized terms used but not otherwise defined in this Agreement are defined in Section 5 below.

2. **Release of Claims.** In consideration for and as a condition precedent to receiving the severance benefits outlined in this Agreement, Employee agrees to execute a Release of Claims in the form attached as **Exhibit A** (“Release of Claims”). Employee promises to execute and deliver the Release of Claims to the Company within 21 days (or, if required by applicable law, 45 days) from the last day of Employee’s active employment. Employee shall forfeit the severance benefits outlined in this Agreement in the event that Employee fails to execute and deliver the Release of Claims to the Company in accordance with the timing and other provisions of the preceding sentence or revokes such Release of Claims prior to the “Effective Date” (as such term is defined in the Release of Claims) of the Release of Claims.

3. **Additional Compensation Upon Certain Termination Events.**

3.1 **Termination of Employee’s Employment (Not in Connection with a Change of Control or Retirement Termination of Employment).** In the event of a Termination of Employee’s Employment and contingent upon the Employee’s execution of the Release of Claims without revocation within the time period described in Section 2 above and in compliance with Section 8 and Section 9 of this Agreement, Employee shall be entitled to the following benefits:

(a) an amount equal to (i) twelve (12) months of Employee’s annual base pay at the rate in effect immediately prior to the date of Termination of Employee’s Employment plus (ii) 100% of the target annual incentive for the performance period during which Employee’s employment was terminated, which incentive payment would have been awarded to Employee under the Helen of Troy Limited 2011 Annual Incentive Plan and any successor annual incentive plan or arrangement in which executive officers and employees of Helen of Troy Limited, a Bermuda company (“Helen of Troy”), and its subsidiaries are eligible to participate (as amended, restated or modified from time to time, the “Annual Incentive Plan”);

(b) an amount equal to the pro rata portion (as defined below) of the annual incentive payable under the Annual Incentive Plan for the performance period during which Employee’s employment was terminated had Employee’s employment not been terminated, based upon the actual performance of Helen of Troy at the end of such performance period and payable at the same time that such payment would be made during Employee’s regular employment with the Company. For purposes of this Section 3.1(b), the term “pro rata portion” shall mean a percentage, when expressed as a fraction, the numerator of which

is the number of days during the applicable performance period in which the Employee was an employee of the Company, and the denominator of which is the number of days in such performance period;

(c) the vesting of the pro rata portion (as defined below) of any performance-based compensation that would be vested or otherwise payable to Employee under the Helen of Troy Limited Amended and Restated 2008 Stock Incentive Plan, the Helen of Troy Limited 2018 Stock Incentive Plan and any successor stock or long-term incentive plan in which executive officers and employees of Helen of Troy and its subsidiaries are eligible to participate (as amended, restated or modified from time to time, the “Stock Incentive Plan”) for the performance period(s) during which Employee’s employment with the Company was terminated if Employee’s employment had not been terminated, based upon the actual performance of Helen of Troy at the end of such performance period(s) and payable at the same time that such payment would be made during Employee’s regular employment with the Company. For purposes of this Section 3.1(c), the term “pro rata portion” shall mean a percentage, when expressed as a fraction, the numerator of which is the number of days during the applicable performance period(s) in which the Employee was an employee of the Company, and the denominator of which is the number of days in such performance period(s); and

(d) the immediate vesting of a pro rata portion (as defined below) of any installment of time-vested restricted stock units (“RSUs”), time-vested restricted stock awards (“RSAs”) and time-vested options granted under the Stock Incentive Plan that would have vested as of the anniversary of the date that begins the vesting period applicable to such installment of RSUs, RSAs or options that immediately follows the date of Termination of Employee’s Employment. For purposes of this Section 3.1(d), the term “pro rata portion” shall mean, with respect to any award of time-vested RSUs, time-vested RSAs or time-vested options, a percentage, when expressed as a fraction, the numerator of which is the number of days from and after the date that begins the vesting period applicable to such installment of RSUs, RSAs or options during which Employee was an employee of the Company, and the denominator of which is the total number of days in the vesting period(s) applicable to such installment of RSUs, RSAs or options assuming Employee had been an employee throughout such vesting period and no event or other matter occurred that would accelerate the vesting of such award. Any options that vest pursuant to this Section 3.1(d) shall remain exercisable through the post-termination exercise period set forth in or contemplated by the agreement evidencing the option.

Notwithstanding anything to the contrary in this Agreement, if any payments, awards or benefits are owed or required to be settled or delivered to Employee under Section 3.3 hereof, then Employee shall not be entitled to any payment or benefit under this Section 3.1. Notwithstanding anything to the contrary in this Agreement, if any payments, awards or benefits are owed or required to be settled or delivered to Employee under Section 3.1(c) and (d) and Employee has attained Retirement Eligibility, then Employee shall be entitled to the greater of the payment or benefit under Section 3.1(c) and (d), determined on an aggregate basis with respect to the Eligible RSAs, on the one hand, or Section 3.2, determined on an aggregate basis with respect to the Eligible RSAs, on the other hand. Solely for purposes of this paragraph, the determination of the Eligible RSAs shall assume that the date of Retirement Termination of Employment shall be deemed to have occurred as of the date of the termination of his or her employment regardless of whether such termination occurred due to a Termination of Employee’s Employment or a Retirement Termination of Employment.

3.2 Retirement Termination of Employment. In the event of a Retirement Termination of Employment and contingent upon Employee’s execution of the Release of Claims without revocation within the time period described in Section 2 above and in compliance with Section 8 and Section 9 of this Agreement, Employee shall be entitled to the following benefits:

(a) the vesting of any performance-based Eligible RSAs at the same time that such Eligible RSAs would otherwise become eligible to vest if the Compensation Committee of the Board (the “Compensation Committee”), in its reasonable discretion, determines the Eligible RSAs would be vested under the Stock Incentive Plan for the performance period(s) during which Employee’s employment with the Company was terminated had Employee’s employment not been terminated, based upon the actual performance of Helen of Troy at the end of such performance period(s); and

(b) the continued vesting following the date of the Retirement Termination of Employment of all time-vested Eligible RSAs in accordance with the terms and conditions of the applicable award agreement and the Stock Incentive Plan; provided that the number of shares that shall be eligible to continue to vest as of each vesting date of such Eligible RSAs following such date of Retirement Termination of Employment shall be equal to the pro rata portion (as defined below) of any Unvested Tranche applicable to such vesting date assuming no event or other matter occurred that would accelerate the vesting of such award. For purposes of this Section 3.2(b), the term “pro rata portion” shall mean, with respect to each Unvested Tranche of Eligible RSAs, a number of shares equal to the product of (i) a percentage, when expressed as a fraction, which has a numerator equal to the number of days from and including the Grant Date of such Eligible RSAs through and including the date of Retirement Termination of Employment and a denominator equal to the number of days from and including the Grant Date of such Eligible RSAs through and including the vesting date for such Unvested Tranche, multiplied by (ii) the number of shares of the Eligible RSAs subject to such Unvested Tranche. The remaining shares in any Unvested Tranche of time-vested RSAs under the Stock Incentive Plan will be forfeited upon the Retirement Termination of Employment.

3.3 Termination of Employee’s Employment in Connection with a Change of Control. If there is a Change of Control, and if within six months prior to, on, or within eighteen months following the effective date of such Change of Control, there occurs a Termination of Employee’s Employment and contingent upon the Employee’s execution of the Release of Claims without revocation within the time period described in Section 2 above and in compliance with Section 8 and Section 9 of this Agreement, Employee shall be entitled to the following benefits (without duplicating any payment already owed under Section 3.1 or Section 3.2):

(a) an amount equal to (i) eighteen (18) months of Employee’s annual base pay at the rate in effect immediately prior to the date of Termination of Employee’s Employment plus (ii) 150% of the target annual incentive under the Annual Incentive Plan for the performance period during which Employee’s employment was terminated;

(b) the pro rata portion (as defined in Section 3.1(b)) of the target amount of any annual incentive compensation under the Annual Incentive Plan for the performance period during which Employee’s employment with the Company terminated;

(c) immediate vesting of all unvested, time-vested RSUs and unvested, time-vested RSAs granted pursuant to the Stock Incentive Plan that are outstanding as of immediately prior to the date of Termination of Employee’s Employment;

(d) immediate vesting of all unvested, time-vested options granted pursuant to the Stock Incentive Plan that are outstanding as of immediately prior to the date of Termination of Employee’s Employment and an extended exercisability period for options that vest pursuant to this Section 3.3(d) ending on the later of the last date of the post-termination exercise period set forth in the agreement evidencing the option and ninety (90) days following the date of a Change of Control, provided that no option shall be exercisable beyond the original term of the option; provided that the exercise of such options

shall otherwise be subject to the terms and conditions of the Stock Incentive Plan and the award agreement relating to such option; and

(e) immediate vesting based on assumed performance attainment at target levels of all unvested performance-based RSUs and unvested performance-based RSAs issued pursuant to the Stock Incentive Plan that are outstanding as of immediately prior to the date of Termination of Employee's Employment.

Notwithstanding anything to the contrary in this Agreement, if any payments, awards or benefits are owed or required to be settled or delivered to Employee under Section 3.3(c), (d) and (e) and Employee has attained Retirement Eligibility, then Employee shall be awarded the payment or benefit under Section 3.3(c), (d) and (e), and Employee shall not be entitled to any payment or benefit under Section 3.2, except as provided in the immediately following sentence. If, following the end of the relevant performance period(s) for the performance-based RSAs the Employee received under Section 3.3(e), the number of Eligible RSAs that would have vested under Section 3.2(a) is, on an aggregate basis, greater than the number of RSAs that vested under Section 3.3(e) on an aggregate basis, then Employee will also be entitled to the vesting of the number of performance-based Eligible RSAs equivalent to the positive difference thereof, at the time required under Section 3.2(a). Solely for purposes of this paragraph, the determination of the Eligible RSAs shall assume that the date of Retirement Termination of Employment shall be deemed to have occurred as of the date of the termination of his or her employment regardless of whether such termination occurred due to a Termination of Employee's Employment in connection with a Change of Control or a Retirement Termination of Employment.

3.4 The Company shall pay Employee any unpaid base salary or other benefit earned by her up to and including the date of Termination of Employee's Employment or the date of Retirement Termination of Employment, as applicable (including any unpaid cash or equity incentive payment earned under the Annual Incentive Plan or the Stock Incentive Plan and vested prior to the effective date of such termination to the extent such payment would not violate Section 409A of the Code ("Section 409A")). For purposes of this Agreement and any award or award agreement granted under any stock or other incentive plan of Helen of Troy and its subsidiaries, Employee shall not be deemed to be eligible for or to have "earned" any performance-based award under such plan or such award agreement unless the applicable performance period has been fully completed and the applicable performance goals have been achieved. Subject to compliance with Section 13, the amounts described in this Section 3.4, if any, shall be paid on the date Employee would otherwise have received each such payment if his employment had not been terminated, subject to certification of the attainment of any performance goals by the Compensation Committee to the extent required by the Code or any stock or other incentive plan of Helen of Troy and its subsidiaries or any related award agreement.

3.5 In the event of a Termination of Employee's Employment under Section 3.1, a Retirement Termination of Employment under Section 3.2 or a Termination of Employee's Employment under Section 3.3, the Company shall provide, to the extent permitted by benefit plans of Helen of Troy and its subsidiaries, and applicable law, the continuation (by way of Company payment for the entire coverage under COBRA) of health insurance benefits for Employee and his eligible dependents for a maximum of (a) twelve (12) months, in the event of a Termination of Employee's Employment under Section 3.1, or until Employee is covered by another health insurance policy or is eligible for coverage under an employer-sponsored group health plan, if that occurs earlier than twelve months following the Termination of Employee's Employment under Section 3.1 or (b) eighteen (18) months, in the event of a Retirement Termination of Employment under Section 3.2 or a Termination of Employee's Employment under Section 3.3, or until Employee is covered by another health insurance policy or is eligible for coverage under an employer-sponsored group health plan, if that occurs earlier than eighteen months following a Retirement Termination of Employment under Section 3.2 or the Termination of Employee's

Employment under Section 3.3, as applicable. The Company shall pay the Company's COBRA administrator directly on behalf of Employee. Employee acknowledges that the Company's payment for coverage under COBRA may be a taxable benefit to Employee. Accordingly, in order to comply with applicable tax rules and to the extent required, the Company will impute the amount of the premium to Employee as income and report it on Form W-2. Employee and the Company agree that if the COBRA continuation payments provided for in this Section 3.5 are determined to be discriminatory under the Affordable Care Act nondiscrimination provisions applicable to insured group health plans, the parties will renegotiate Section 3.5, as applicable, in good faith to avoid the imposition of any excise tax on Employee or the Company.

3.6 Timing of Payment. Notwithstanding anything to the contrary herein, all payments, awards and benefits due or required to be delivered to Employee under Sections 3.1, 3.2 and 3.3 that are not otherwise required by any rule or regulation issued by any state or federal governmental agency shall be contingent upon execution by Employee of the Release of Claims without revocation within the time period described in Section 2 above. Subject to Employee's compliance with Section 13, and Employee's continuing compliance with Section 9:

(a) The amount, if any, to be paid under Section 3.1(a) shall be payable in twenty-four (24) equal, semi-monthly installments, commencing on the second payroll date following the date that the Release of Claims becomes effective and that is at least 60 but not more than 75 days after the date of Termination of Employee's Employment and continuing on a semi-monthly basis thereafter on the Company's regular payroll dates of each ensuing calendar month.

(b) The amounts, if any, to be paid or required to be delivered under Section 3.1(b) and Section 3.1(c) shall be payable in accordance with the terms and conditions set forth in Section 3.1(b) and Section 3.1(c), respectively, and in any event within two and one-half months following the last day of the Company's fiscal year containing the last day of the applicable performance period.

(c) Payments and benefits owed, if any, under Section 3.1(d) hereof shall be settled or provided within 60 days following the date of Termination of Employee's Employment.

(d) The amount, if any, to be paid under Section 3.3(a) shall be payable in a lump sum cash payment on the second payroll date following the date that the Release of Claims becomes effective and that is at least 60 but not more than 75 days after the later of the date of Termination of Employee's Employment and the date of the Change of Control; provided, however, that if the amounts constitute non-qualified deferred compensation subject to Section 409A and the Change of Control does not constitute a "change in control event" within the meaning of the Treasury Regulations of Section 409A, then the portion of such amount that is equal to the amount that would have been paid under Section 3.1(a) had the termination not been in connection with a Change of Control, and that would have been subject to Section 409A, shall be paid in installments pursuant to the same schedule set forth in Section 3.6(a), and the amount equal to the difference between the amount payable under Section 3.3(a) and the aggregate amount payable under Section 3.1(a) and that is subject to Section 409A shall be paid in a lump sum at the same time that the seventh semi-monthly installment is paid. Payments and benefits owed, if any, under Sections 3.3(b), (c), (d) or (e) hereof shall be paid or provided within 60 days following the later of the date of Termination of Employee's Employment or the occurrence of the event constituting a Change of Control.

Notwithstanding the foregoing, the timing of any amounts, awards or benefits to be paid, provided, delivered or settled under this Section 3.6 is subject to compliance with Section 409A to the extent any of the payments or benefits are considered non-qualified deferred compensation under Section 409A.

3.7 Parachute Payments. In the event that any benefits payable to Employee pursuant to this Agreement, either alone or in conjunction with other compensatory payments, (a) constitute “parachute payments” within the meaning of Section 280G of the Code and (b) but for this Section 3.7 would be subject to the excise tax imposed by Section 4999 of the Code or any comparable successor provisions (the “Excise Tax”), then Employee’s benefits payable hereunder shall be either (x) provided to Employee in full, or (y) provided to Employee to such lesser extent as would result in no portion of such benefits being subject to the Excise Tax, whichever of the foregoing results in the receipt by Employee, on an after-Excise Tax basis, of the larger economic benefit, notwithstanding that all or some portion of such benefits may be taxable under the Excise Tax, in each case, as calculated in the Company’s reasonable judgment. In no event shall the foregoing be interpreted or administered so as to result in an acceleration of payment or further deferral of payment of any amounts (whether under this Agreement or any other arrangement) in violation of Sections 409A. Subject to the immediately preceding sentence, any reduction pursuant to clause (y) shall be made by first reducing any cash payments, next by reducing any non-cash benefits, next by reducing any accelerated performance-based equity grants, and finally by reducing any time-vested equity grants, in each case in the reverse order of payment.

4. Withholding; Subsequent Employment.

4.1 Withholding. All payments and benefits provided for in this Agreement are subject to applicable withholding obligations imposed by federal, state and local laws and regulations.

4.2 Offset. The amount of any payment provided for in this Agreement shall not be reduced, offset or subject to recovery by the Company by reason of any compensation earned by Employee as the result of employment by another employer after Termination of Employee’s Employment or Retirement Termination of Employment.

4.3 No Further Compensation. Notwithstanding any other provision of this Agreement, the Annual Incentive Plan, the Stock Incentive Plan, any severance plan, policy, practice, or arrangement or any other benefit plan, agreement or arrangement of or maintained by Helen of Troy or any its subsidiaries, the provisions of this Agreement exclusively shall govern Employee’s rights to severance benefits upon termination of employment with the Company and its affiliates, and except as expressly set forth in this Agreement, Employee shall have no further right to any compensation or other benefits pertaining to severance. Under no circumstances will any rights or awards of Employee under the Annual Incentive Plan or the Stock Incentive Plan accelerate and vest upon the Termination of Employee’s Employment or Retirement Termination of Employment, except as otherwise provided in this Agreement.

5. Definitions.

5.1 Beneficial Owner or Beneficially Owned has the meaning of such term in Rule 13d-3 under the Exchange Act (or any successor rule thereto).

5.2 Board. “Board” shall mean the Board of Directors of Helen of Troy.

5.3 Cause. “Cause” shall mean:

(a) Employee’s commission of an act of fraud, embezzlement or similar action; Employee’s conviction of, or plea of guilty or no contest to, (i) any felony, (ii) any crime involving fraud or embezzlement or (iii) any defalcation or any crime involving moral turpitude;

(b) Employee’s material breach of any written policy of the Company or Helen of Troy, including but not limited to the Code of Ethics for the Chief Executive Officer and Senior Financial

Officers of Helen of Troy, which, if in the determination of the Board is capable of being cured or corrected, such breach is not cured or corrected by the Employee within thirty (30) days of receiving written notice thereof from the Company;

(c) Employee's commission of any act of dishonesty which is injurious to the business reputation of the Company or Employee's violation of the Company's insider trading policy;

(d) Employee's failure to perform his material duties, including without limitation, the failure to follow the directions of the Board or the Chief Executive Officer of Helen of Troy; or

(e) the breach of any fiduciary duty owed to the Company, Helen of Troy and/or its shareholders, which is deemed to be material in the reasonable judgment of the Board.

5.4 Change of Control. "Change of Control" means the occurrence of any of the following events:

(a) any "person" (as such term is used for purposes of Section 13(d)(3) or 14(d)(2) of the Exchange Act or any successor section thereto) becomes the Beneficial Owner, directly or indirectly, of more than forty percent (40%) of the combined voting power of the Outstanding Helen of Troy Voting Securities; provided, however, that the following acquisitions shall not constitute a Change of Control: (i) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by Helen of Troy or any corporation controlled by Helen of Troy, or (ii) any acquisition by an entity pursuant to a reorganization, merger, amalgamation or consolidation, unless such reorganization, merger, amalgamation or consolidation constitutes a Change of Control under clause (b) of this Section 5.4;

(b) the consummation of a reorganization, merger, amalgamation or consolidation, unless following such reorganization, merger, amalgamation or consolidation sixty percent (60%) or more of the combined voting power of the then issued and outstanding voting securities of the entity resulting from such reorganization, merger, amalgamation or consolidation entitled to vote generally in the election of directors is then Beneficially Owned, directly or indirectly, by all or substantially all of the individuals and entities who were the Beneficial Owners, respectively, of the Outstanding Helen of Troy Voting Securities immediately prior to such reorganization, merger, amalgamation or consolidation;

(c) the (i) approval by the shareholders of Helen of Troy of a complete liquidation or dissolution of Helen of Troy or (ii) sale or other disposition (in one transaction or a series of related transactions) of all or substantially all of the assets of Helen of Troy and its "subsidiaries" (as defined in Section 424(f) of the Code), unless the successor entity existing immediately after such sale or disposition is then Beneficially Owned, directly or indirectly, by all or substantially all of the individuals and entities who were the Beneficial Owners, respectively, of the Outstanding Helen of Troy Voting Securities immediately prior to such sale or disposition; or

(d) during any period of twenty-four months (not including any period prior to the effective date of the Helen of Troy Limited 2018 Stock Incentive Plan), individuals who at the beginning of such period constitute the Board, and any new director (other than (i) a director nominated by a Person who has entered into an agreement with Helen of Troy to effect a transaction described in Sections 5.4(a), (b) or (c) hereof, (ii) a director whose initial assumption of office occurs as a result of either an actual or threatened election contest subject to Rule 14a-11 of Regulation 14A promulgated under the Exchange Act or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board or (iii) a director designated by any Person who is the Beneficial Owner, directly or indirectly, of securities of Helen of Troy representing 10% or more of the Outstanding Helen of Troy Voting Securities) whose election by the Board or nomination for election by Helen of Troy's shareholders was approved in

advance by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof.

Notwithstanding the foregoing, to the extent that an option, RSA or RSU is subject to the terms of the Stock Incentive Plan and the Stock Incentive Plan would not permit the use of the definition of Change of Control set forth herein for the determination, vesting, or any other benefit hereunder, then each reference to a Change of Control herein shall be deemed to be the definition of "Change of Control" (or analogous term) defined in the Stock Incentive Plan applicable to such option, RSA or RSU with respect to such determination, vesting, or any other benefit.

5.5 **Code.** "Code" shall mean the Internal Revenue Code of 1986, as amended.

5.6 **Disability.** "Disability" shall mean that Employee would qualify to receive benefit payments under the long-term disability plan or policy, as it may be amended from time to time, of the Company or the affiliate or subsidiary of the Company to which Employee provides services regardless of whether Employee is covered by such plan or policy. If the Company or the affiliate or subsidiary of the Company to which Employee provides services does not have a long-term disability policy, "Disability" shall mean that Employee is unable to carry out the responsibilities and functions of the position held by Employee by reason of any medically determined physical or mental impairment for a period of not less than ninety (90) consecutive days or one-hundred eighty (180) non-consecutive days in any twelve month period. An Employee shall not be considered to have incurred a Disability unless he or she furnishes proof of such impairment sufficient to satisfy the Compensation Committee of the Board (or any successor thereto or other committee designated by the Board to assume the obligations of the Compensation Committee of the Board under the terms of the Stock Incentive Plan, or if no committee shall be designated or in office, the Board) in its sole discretion.

5.7 **Eligible RSAs.** "Eligible RSAs" shall mean, with respect to each award of RSAs granted under the terms and conditions of the Stock Incentive Plan that is not fully vested, each unvested RSA that has a Grant Date that is at least six months (measured from and including the Grant Date) before the date of the Retirement Termination of Employment; provided that Eligible RSAs shall not include RSAs for which, under the terms of the applicable award agreement, the vesting of the RSAs shall not accelerate or be eligible for acceleration under any agreements, plans, policies, arrangements or programs by reason of Employee's termination of service with the Company or its affiliates due to retirement, age and/or total years of service with the Company or its affiliates (or any combination thereof).

5.8 **Exchange Act.** "Exchange Act" means the Securities Exchange Act of 1934, as amended, or any successor thereto.

5.9 **Good Reason.** "Good Reason" shall mean any of the following if such event occurs without the consent of the Employee:

(a) Employee shall fail to be vested by the Company or Helen of Troy with the powers and authority of the Chief Legal Officer or a significant change by the Company or Helen of Troy in Employee's functions, duties or responsibilities which would cause Employee's position with the Company or Helen of Troy to become of less responsibility or scope from the position and attributes thereof described in Section 1 above;

(b) a material reduction by the Company in Employee's base salary;

(c) the Company requires Employee to move his residence more than fifty miles from El Paso, Texas; or

(d) the refusal of any successor to assume this Agreement in accordance with the terms and conditions of Section 6.

Notwithstanding anything to the contrary contained herein, no termination for Good Reason shall occur unless (i) Employee delivers written notice to the Company of the occurrence of the event described in this Section 5.9 that constitutes Good Reason within ninety (90) days of Employee learning of the initial existence of the event, (ii) the Company or Helen of Troy, as applicable, fails to remedy the event within thirty (30) days of the delivery of such notice and (iii) Employee terminates his employment no later than thirty (30) days following the end of such cure period.

5.10 Grant Date. “Grant Date” means (a) with respect to any option, RSA or RSU, the date expressly stated as the “Grant Date” or “Date of Grant” or analogous term in the applicable award agreement or (b) if no such date is specified in the applicable award agreement, the date on which the Compensation Committee resolves to grant an option, RSA or RSU, as the case may be.

5.11 Outstanding Helen of Troy Voting Securities. “Outstanding Helen of Troy Voting Securities” means the then issued and outstanding voting securities of Helen of Troy entitled to vote generally in the election of directors.

5.12 Retirement Eligibility. “Retirement Eligibility” means any time after the date (a) the sum of the Employee’s age and number of years of service of employment with the Company or any of its affiliates or subsidiaries is sixty-five (65) and (b) the Employee attains ten (10) consecutive years of employment with the Company or any of its affiliates or subsidiaries.

5.13 Retirement Termination of Employment. “Retirement Termination of Employment” means that Employee, by written notice to the Company, has voluntarily terminated his employment with the Company (including any affiliate or subsidiary of the Company) for any reason other than for Cause, death or Good Reason on or after the date Employee attains Retirement Eligibility.

5.14 Termination of Employee’s Employment. “Termination of Employee’s Employment” means that (a) the Company has terminated Employee’s employment with the Company (including any affiliate or subsidiary of the Company) other than for Cause, death, Disability or a Retirement Termination of Employment, or (b) Employee, by written notice to the Company, has terminated his employment with the Company (including any affiliate or subsidiary of the Company) for Good Reason other than due to a Retirement Termination of Employment. A Termination of Employee’s Employment is intended to mean a termination of employment which constitutes a “separation from service” under the Code for purposes of non-qualified deferred compensation payable hereunder on or by reference to the Employee’s separation from service.

5.15 Unvested Tranche. “Unvested Tranche” means, for any applicable period of determination, the period (a) between the Grant Date and the first vesting date of such Eligible RSA, if no portion of the Eligible RSA has vested as of such determination, and (b) between each vesting date under any Eligible RSA.

6. Successors; Binding Agreement. The rights and obligations of the Company under this Agreement shall inure to the benefit of, and shall be binding on, the Company and its successors and assigns, and the rights and obligations of Employee under this Agreement shall inure to the benefit of, and shall be binding upon, Employee and (other than obligations to perform services and to refrain from disparagement)

his heirs, personal representatives and assigns; provided that Employee may not assign any of his rights, interests or obligations hereunder without the prior written consent of the Company or Helen of Troy. The Company will require, and will cause Helen of Troy to require, any successor (whether direct or indirect, by purchase, merger, acquisition of assets, consolidation or otherwise) to all or substantially all of the business and/or assets of Helen of Troy to assume and agree to perform the duties and obligations of Helen of Troy and the Company, as the case may be, under this Agreement in the same manner and to the same extent that Helen of Troy and the Company would be required to perform if no such succession had taken place.

7. Entire Agreement; Conflicts with Other Agreements. With respect to the matters covered by this Agreement, this Agreement contains the entire understanding relating to the subject matter hereof and supersedes, amends and restates any prior written or oral agreements, representations, and understandings, whether written or not, if any, between the Company or any predecessor of the Company and Employee with respect to the subject matter hereto, including that certain Severance Agreement dated March 1, 2023 between Employee and the Company ("Prior Agreement"). As of the date hereof, this Agreement supersedes and replaces any and all severance pay plans, policies, practices, arrangements or programs, written or unwritten, that Helen of Troy or any of its subsidiaries may have had in effect for Employee from time to time prior to the date hereof including the Prior Agreement. In the event of any conflict or inconsistency between the terms of any other agreement between the Company, Helen of Troy, or any of their respective subsidiaries and Employee or any plan of Helen of Troy or its subsidiaries and the terms hereof, the terms of this Agreement shall govern.

8. Resignation of Corporate Offices. Employee will resign Employee's office, if any, as a director, officer, trustee or other position of the Company, its subsidiaries or affiliates and of any other corporation, partnership, trust or other entity of which Employee serves as such at the request of the Company or its affiliates, effective as of the date of Termination of Employee's Employment or the date of the Retirement Termination of Employment, as applicable. Employee agrees to provide the Company such written resignation(s) upon request and that no severance pay or other benefits will be paid until after such resignation(s) are provided. Employee agrees to execute all documents and take such further steps as may be required to effectuate such resignation(s).

9. No Disparagement.

(a) Employee agrees, other than with regard to employees in the good faith performance of Employee's duties with the Company while employed by the Company, both during the term of Employee's employment and after Employee's employment with the Company terminates, not to knowingly disparage the Company or its officers, directors, employees or agents in any manner likely to be harmful to it or them or its or their business, business reputation or personal reputation. This Section 9(a) shall not be violated by statements from Employee which are truthful, complete and made in good faith in required response to legal process or governmental inquiry.

(b) Employee agrees that any breach of this Section 9 by Employee shall be deemed a material breach of this Agreement. Employee agrees and understands that the remedy at law for any breach by her of this Section 9 would be inadequate and that the damages flowing from such breach are not readily susceptible to being measured in monetary terms. Accordingly, it is acknowledged that, upon Employee's violation of this Section 9, Helen of Troy or its subsidiaries may be entitled to immediate injunctive relief and may obtain temporary orders or other injunctive or provisional relief restraining any further breach in a court of competent jurisdiction. Nothing in this Section 9 shall be deemed to limit the Company, Helen of Troy or any of its subsidiaries' remedies at law or in equity for any breach by Employee of any of the provisions of this Section 9 which may be pursued or availed of by the Company, Helen of Troy or any of its subsidiaries.

10. **Governing Law and Venue.** This Agreement, including all matters related to its validity, enforceability, construction, interpretation and performance, all aspects of the relationship between the parties contemplated hereby and any disputes or controversies arising therefrom or related thereto, will be governed by, construed and enforced in accordance with the laws of the State of Texas (without regard to its conflicts-of-law provisions or principles). The Company and Employee hereby irrevocably and unconditionally (a) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the state and federal courts of El Paso County, Texas (the “Texas Court”), and not in any other state or federal court in the United States of America or any court in any other country, (b) consent to submit to the exclusive jurisdiction of the Texas Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (c) waive any objection to the laying of venue of any such action or proceeding in the Texas Court, and (d) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Texas Court has been brought in an improper or inconvenient forum.

11. **Amendment.** No provision of this Agreement may be modified unless such modification is agreed to in writing signed by Employee and the Company.

12. **Severability.** If any of the provisions or terms of this Agreement shall for any reason be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other terms of this Agreement, and this Agreement shall be construed as if such unenforceable term had never been contained in this Agreement.

13. **Deferred Compensation.**

(a) It is the intention that no payment or entitlement pursuant to this Agreement will give rise to any adverse tax consequences under Section 409A or Section 457A of the Code (“Section 457A”) and that such payments or entitlements to which Employee is or could become entitled to under this Agreement are intended to be exempt from or comply with Section 409A and exempt from Section 457A, with the payments intended to be exempt under the “short-term deferral” and “separation pay” exceptions to the maximum extent permitted under Section 409A, and this Agreement shall be interpreted and administered in a manner consistent with such intent. Further, no effect shall be given to any provision herein in a manner reasonably could be expected to give rise to adverse tax consequences under Section 409A or Section 457A. The Company and Employee agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition prior to actual payment to Employee under Section 409A or Section 457A. If Employee or the Company believes, at any time, that any benefit or right provided by this Agreement does not comply with Section 409A or Section 457A, it shall promptly advise the other and shall negotiate reasonably and in good faith to amend the terms of such benefits and rights such that they comply with Section 409A and Section 457A (with the most limited possible economic effect on Employee and on the Company). For purposes of Section 409A, each installment payment provided under this Agreement shall be treated as a separate and distinct payment. Nothing in this Agreement shall provide a basis for any person to take action against the Company or any affiliate thereof based on matters covered by Section 409A or Section 457A, including the tax treatment of any amount paid under this Agreement, and neither the Company nor any of its affiliates shall under any circumstances have any liability to Employee or his estate or any other party for any taxes, penalties or interest due on amounts paid or payable under this Agreement, including taxes, penalties or interest imposed under Section 409A.

(b) Without limiting the generality of the foregoing and anything in this Agreement to the contrary notwithstanding, if amounts or benefits payable by reference to the timing of Employee’s termination of employment constitute non-qualified deferred compensation subject to Section 409A, as

determined in the Company's sole discretion, (i) such amounts or benefits shall not be paid unless Employee experiences a "separation from service" (within the meaning of Section 409A), (ii) to the extent that any payment period conditioned on Employee's execution of a release commences in one calendar year and ends in the subsequent calendar year, such amounts or benefits shall be paid in the second calendar year; and (iii) if Employee is a "specified employee" (within the meaning of Section 409A) as of the date of Employee's separation from service, such amounts or benefits shall not be paid until the date that is six months and one day following the date of Employee's separation from service, or if earlier, the date of Employee's death.

14. **Notices.** All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, (b) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed, (c) mailed by reputable overnight courier and receipted for by the party to whom said notice or other communication shall have been directed or (d) sent by facsimile transmission, with receipt of oral confirmation that such transmission has been received:

- (i) If to Employee, at such address as Employee shall provide to the Company.
- (ii) If to the Company to:

Helen of Troy Nevada Corporation
1 Helen of Troy Plaza
El Paso, Texas 79912
Attn: Board of Directors

With a copy to:

Office of General Counsel
1 Helen of Troy Plaza
El Paso, Texas 79912

or to any other address as may have been furnished to Employee by the Company.

15. **Clawback Policy.** Notwithstanding any other provision of this Agreement or any other agreement between Employee, on the one hand, and the Company, Helen of Troy, or the respective affiliates, on the other hand (including any award or similar agreement granted to Employee under the Annual Incentive Plan or the Stock Incentive Plan) (collectively, the "Other Employee Agreements"), to the contrary, any compensation pursuant to this Agreement and/or the other Employee Agreements (including any common shares issued thereunder, and/or any amount received with respect to any sale of any such common shares), shall be subject to potential cancellation, recoupment, rescission, payback or other action in accordance with (a) Section 304 of the Sarbanes Oxley Act of 2002, (b) Rule 10D-1 of the Exchange Act and any rules and/or regulations issued pursuant to the Dodd-Frank Act of 2010, and (c) any clawback policy in effect, adopted or implemented by the Company on or after the date hereof with respect to or pursuant to Sarbanes Oxley Act of 2002, the Exchange Act, Dodd-Frank Act of 2010, in each case as amended, any rules and/or regulations issued pursuant to or promulgated thereunder and any rules, standards or regulations of any stock exchange or market or quotation system on which the common shares of Helen of Troy are traded or applicable Helen of Troy (as such policy may be amended from time to time, the "Policy"). The Employee agrees and consents to the Company's and its affiliates application, implementation and enforcement of (a) the Policy or any similar policy established by the Company or its affiliates that may apply to the Employee and (b) any provision of applicable law relating to cancellation,

rescission, payback or recoupment of compensation, and expressly agrees that the Company and its affiliates may take such actions as are necessary to effectuate the Policy, any similar policy (as applicable to the Employee) or applicable law without further consent or action being required by the Employee.

[Signature page follows.]

IN WITNESS WHEREOF, this Agreement has been executed on the date and year first written above.

HELEN OF TROY NEVADA CORPORATION EMPLOYEE:

By: /s/ Brian L. Grass
Name: Brian L. Grass
Title: Chief Financial Officer

/s/ Tessa Judge
Tessa Judge

The obligations of Helen of Troy Nevada Corporation to Employee hereunder are hereby guaranteed by Helen of Troy Limited, a Bermuda company.

HELEN OF TROY LIMITED,
a Bermuda company

By: /s/ Noel M. Geoffroy
Name: Noel M. Geoffroy
Title: Chief Executive Officer

EXHIBIT A
RELEASE OF CLAIMS

1. Parties.

The parties to Release of Claims (hereinafter “Release”) are Tessa Judge and Helen of Troy Nevada Corporation, a Nevada corporation, as hereinafter defined.

1.1 Employee and Releasing Parties.

For the purposes of this Release, “Employee” means Tessa Judge, and “Releasing Parties” means Employee and his attorneys, heirs, legatees, personal representatives, executors, administrators, assigns, and spouse.

1.2 The Company and the Released Parties.

For the purposes of this Release, the “Company” means Helen of Troy Nevada Corporation, a Nevada corporation, and “Released Parties” means the Company and its predecessors and successors, affiliates, and all of each such entity’s officers, directors, employees, insurers, agents, attorneys or assigns, in their individual and representative capacities.

2. Background and Purpose.

Employee was employed by the Company. Employee’s employment is ending effective _____ under the conditions described in Section 3.1,3.2 or 3.3, as applicable, of the Severance Agreement (“Agreement”) by and between Employee and the Company dated [_____ , ____].

The purpose of this Release is to settle, and the parties hereby settle, fully and finally, any and all claims the Releasing Parties may have against the Released Parties, whether asserted or not, known or unknown, including, but not limited to, claims arising out of or related to Employee’s employment, separation of employment, any claim for reemployment, or any other claims whether asserted or not, known or unknown, past or future, that relate to Employee’s employment, separation of employment, reemployment, or application for reemployment (in each case except as set forth below).

3. Release.

In consideration for the payments and benefits set forth in Section 3 of the Agreement and other promises by the Company all of which constitute good and sufficient consideration, Employee, for and on behalf of the Releasing Parties, waives, acquires and forever discharges the Released Parties from any obligations the Released Parties have and all claims the Releasing Parties may have as of the Effective Date (as defined in Section 4 below) of this Release, including but not limited to, obligations and/or claims arising from the Agreement (other than any claim Employee may have against the Company after the date hereof with respect to nonperformance of the payment obligations of the Company set forth in Section 3 of the Agreement) or any other document or oral agreement relating to employment, separation of employment, compensation, benefits, severance or post-employment issues. Employee, for and on behalf of the Releasing Parties, hereby releases the Released Parties from any and all claims, demands, actions, or causes of action, in law or equity, whether known or unknown, arising from or related in any way to any employment of or past failure or refusal to employ Employee by the Company, or any other past claim that relates in any way to Employee’s employment, separation of employment, compensation, benefits,

reemployment, or application for employment, with the exception of any claim Employee may have against the Company for enforcement of the Agreement. The matters released include, but are not limited to, any claims under federal, state or local laws, including the Age Discrimination in Employment Act (“ADEA”) as amended by the Older Workers’ Benefit Protection Act (“OWBPA”), any common law tort, contract or statutory claims, and any claims for liquidated damages, compensatory or putative damages and for attorneys’ fees and costs. Further, Employee, for and on behalf of the Releasing Parties, waives and releases the Released Parties from any claims that this Release was procured by fraud or signed under duress or coercion so as to make the Release not binding. Employee is not relying upon any representations by the Company’s legal counsel in deciding to enter into this Release. **Employee understands and agrees that by signing this Release, Employee, for and on behalf of the Releasing Parties, is giving up the right to pursue any legal claims that Employee or the Releasing Parties may have against the Released Parties with respect to the claims released hereby.** Provided, nothing in this provision of this Release shall be construed to prohibit Employee from challenging the validity of the ADEA release in this Section of the Release or from filing a charge or complaint with the Equal Employment Opportunity Commission or any state agency or from participating in any investigation or proceeding conducted by the Equal Employment Opportunity Commission or state agency. However, the Released Parties will assert all such claims have been released in a final binding settlement.

Employee should consult with an attorney regarding the terms of this Release before signing the Release. Employee understands and agrees that this Release extinguishes all released claims, whether known or unknown, foreseen or unforeseen. Employee fully understands that, if any fact with respect to any matter covered by this Release is found hereafter to be other than or different from the facts now believed by Employee to be true, Employee expressly accepts and assumes that this Release shall be and remain effective, notwithstanding such difference in the facts.

3.1 IMPORTANT INFORMATION REGARDING RELEASE OF AGE DISCRIMINATION CLAIMS.

Employee understands and agrees that:

- a. Also included among the claims knowingly and voluntarily waived and released by Employee in Section 3 are any age discrimination, retaliation, harassment, or related claims under the Age Discrimination in Employment Act (“ADEA”), the Texas Commission on Human Rights Act, the Older Workers Benefit Protection Act (“OWBPA”), or any other federal, state, or local law;
- b. this Release is worded in an understandable way;
- c. claims under ADEA that may arise after the date Employee signs this Release are not waived;
- d. the rights and claims waived in this Release are in exchange for additional consideration over and above any consideration to which Employee was already undisputedly entitled;
- e. Employee has been advised to consult with an attorney prior to executing this Release and has had sufficient time and opportunity to do so;
- f. Employee has been given a period of time of 21 days (or, if required by applicable law, 45 days) (the “Statutory Period”), if desired, to consider this Release before signing it, and that if Employee signs this Release in less time than the full Statutory Period, then by doing so she voluntarily agreed to waive his right to the full Statutory Period;

- g. Employee may revoke his waiver and release of any ADEA claims covered by this Release within seven (7) days from the date Employee executes this Release. Notice of revocation must be in writing and received by _____ Attention: _____ within seven (7) days after Employee signs this Release; and
- h. any changes made to this Release, whether material or immaterial, will not restart the running of the Statutory Period.

3.2 Reservations of Rights.

This Release shall not affect any rights which Employee may have under any medical insurance, disability plan, workers' compensation, unemployment compensation, indemnifications, applicable company stock incentive plan(s) that survive termination of employment, or the 401(k) plan maintained by the Company, or any other entitlement to benefits in which Employee already is vested.

3.3 No Admission of Liability.

It is understood and agreed that the acts done and evidenced hereby and the release granted hereunder is not an admission of liability on the part of Employee or the Company or the Released Parties, by whom liability has been and is expressly denied.

4. Effective Date.

The "Effective Date" of this Release shall be the eighth calendar day after it is signed and not revoked by Employee.

5. Confidentiality, Proprietary, Trade Secret and Related Information

(a) Employee acknowledges the duty and agrees not to make unauthorized use or disclosure of any confidential, proprietary or trade secret information learned as an employee about the Company, its products, customers and suppliers, and covenants not to breach that duty. This provision is in addition to, and not in lieu of: (a) the protections afforded trade secrets and confidential information under applicable law; and (b) notwithstanding the restrictions on use or disclosure of trade secrets, confidential information, or proprietary information under any other confidentiality agreement between the Company and Employee. Moreover, Employee acknowledges that, subject to the enforcement limitations of applicable law, the Company reserves the right to enforce the terms of any offer letter, employment agreement, confidentiality agreement, or any other agreement between Employee and the Company and any section(s) therein. Should Employee, Employee's attorney or agents be requested in any judicial, administrative, or other proceeding to disclose confidential, proprietary or trade secret information Employee learned as an employee of the Company, Employee shall promptly notify the Company of such request by the most expeditious means in order to enable the Company to take any reasonable and appropriate action to limit such disclosure.

(b) For the avoidance of doubt, nothing in this Agreement (including this Section 5) is intended to impede, prohibit or restrict Employee (or an attorney acting on Employee's behalf) from filing a charge or complaint, initiating communications directly with, or responding to any inquiry from, or providing testimony before, or otherwise participating or cooperating with any investigation or proceeding with the U.S. Securities and Exchange Commission, Commodity Futures Trading Commission, Financial Industry Regulatory Authority (FINRA), or any other state or federal regulatory authority or self-regulatory organization regarding this Agreement or its underlying facts or circumstances, or about a possible violation of securities laws (or recovering any remuneration for doing so), the Commodities Exchange Act, or employment laws, or exercising rights under the federal Defend Trade Secrets Act ("DTSA") which DTSA

provides that an individual shall not be held criminally or civilly liable for the disclosure of a trade secret that is made (i) in confidence to a government official or to an attorney and solely for the purpose of reporting or investigating a suspected violation of law; or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Employee may provide confidential information in accordance with the immediately preceding sentence of this Section 5(a) without the risk of financial penalties to the Employee. This Section 5(b) does not, however, authorize Employee to disclose information Employee obtains through a communication that is subject to the attorney-client privilege or the work product doctrine.

6. Scope of Release.

The provisions of this Release shall be deemed to obligate, extend to, and inure to the benefit of the parties; the Company's parents, subsidiaries, affiliates, successors, predecessors, assigns, directors, officers, and employees; and each party's insurers, transferees, grantees, legatees, agents, personal representatives and heirs, including those who may assume any and all of the above-described capacities subsequent to the execution and Effective Date of this Release.

7. Entire Release.

This Release and the Agreement signed by Employee contain the entire agreement and understanding between the parties with respect to the subject matter hereto and, except as reserved in Sections 3 and 5 of this Release, supersede and replace all prior agreements, written or oral, prior negotiations and proposed agreements, written or oral. Employee and the Company acknowledge that no other party, nor agent nor attorney of any other party, has made any promise, representation, or warranty, express or implied, not contained in this Release concerning the subject matter of this Release to induce this Release, and Employee and the Company acknowledge that they have not executed this Release in reliance upon any such promise, representation, or warranty not contained in this Release.

8. Severability.

Every provision of this Release is intended to be severable. In the event any term or provision of this Release is declared to be illegal or invalid for any reason whatsoever by a court of competent jurisdiction or by final and unappealed order of an administrative agency of competent jurisdiction, such illegality or invalidity should not affect the balance of the terms and provisions of this Release, which terms and provisions shall remain binding and enforceable.

9. Mutual Drafting.

The parties each acknowledge that each party has reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement. The language of this Agreement shall, in all cases, be construed as a whole, according to its fair meaning, and not strictly for, or against, either of the parties.

10. References.

The Company agrees to follow the applicable policies regarding release of employment reference information.

11. Parties May Enforce Release.

Nothing in this Release shall operate to release or discharge any parties to this Release or their successors, assigns, legatees, heirs, or personal representatives from any rights, claims, or causes of action arising out of, relating to, or connected with a breach of any obligation of any party contained in this Release.

12. **Governing Law and Venue.**

This Release, including all matters related to its validity, enforceability, construction, interpretation and performance, all aspects of the relationship between the parties contemplated hereby and any disputes or controversies arising therefrom or related thereto, will be governed by, construed and enforced in accordance with the laws of the State of Texas (without regard to its conflicts-of-law provisions or principles). The Company and Employee hereby irrevocably and unconditionally (a) agree that any action or proceeding arising out of or in connection with this Release shall be brought only in the state and federal courts of El Paso County, Texas (the "Texas Court"), and not in any other state or federal court in the United States of America or any court in any other country, (b) consent to submit to the exclusive jurisdiction of the Texas Court for purposes of any action or proceeding arising out of or in connection with this Release, (c) waive any objection to the laying of venue of any such action or proceeding in the Texas Court, and (d) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Texas Court has been brought in an improper or inconvenient forum.

13. Acknowledgments.

Employee acknowledges that the Company is not undertaking to advise Employee with respect to any tax or other consequences of this Release and that Employee is solely responsible for determining those consequences. Employee has read this Release and understands its terms. Employee has been provided with a full and fair opportunity to consult with an attorney of his choosing and to obtain any and all advice deemed appropriate with respect to this Release. Employee acknowledges that nothing in this Release shall limit Employee's ability to confer with legal counsel, to testify truthfully under subpoena or court order, or to initiate, provide truthful information for, or cooperate with an investigation by a municipal, state, or federal agency for enforcement of laws. This Release has been entered into with the understanding that there are no unresolved claims of any nature that Employee has against the Company. Employee acknowledges and agrees that except for the payment and benefits set forth in Section 3 of the Agreement, all compensation, benefits, and other obligations due Employee by the Company, whether by contract or by law, have been paid or satisfied in full. Employee further agrees that the representations and understandings set forth in this paragraph have been relied on by the Company and constitute consideration for the Company's execution of this Release. In light of the foregoing, Employee is satisfied with the terms of this Release and agrees that its terms are binding on her.

Tessa Judge

Dated: _____, _____;

STATE OF _____)
County of _____)

Personally appeared the above named Tessa Judge and acknowledged the foregoing instrument to be his voluntary act and deed.

Before me:

NOTARY PUBLIC -

My commission expires: _____

HELEN OF TROY NEVADA CORPORATION

By: _____
Name: _____
Title: _____

Dated: _____

**AMENDMENT NO. 1
TO THE
HELEN OF TROY LIMITED AMENDED AND RESTATED
2018 STOCK INCENTIVE PLAN**

WHEREAS, Helen of Troy Limited (“Company”) maintains the Helen of Troy Limited Amended and Restated 2018 Stock Incentive Plan (the “Plan”);

WHEREAS, pursuant to Section 15 of the Plan, the Company may amend the Plan; and

WHEREAS, the Company wishes to amend the Plan, effective as of February 28, 2024 as specified herein;

NOW, THEREFORE, the Plan is hereby amended as follows:

1. Section 11 of the Plan is hereby amended by deleting such Section in its entirety and substituting the following in lieu thereof:

“11. Confidentiality and Non-Competition

By accepting an Award under the Plan and as a condition to the exercise or settlement of Options, Stock Appreciation Rights or Restricted Stock Units and the enjoyment of any of the benefits of the Plan and the applicable Award Agreement, each Participant agrees as follows:

(a) Confidentiality. During the period that each Participant provides Services for the Company or any Subsidiary or Affiliate and thereafter, for a period of eighteen (18) months (the “Restricted Period”), such Participant shall treat and safeguard as confidential and secret all Confidential Information received by such Participant at any time. Without the prior written consent of the Company, except as required by law, such Participant will not disclose or reveal any Confidential Information to any third party whatsoever or use the same in any manner except in connection with the businesses of the Company and its Affiliates or Subsidiaries. In the event that a Participant is requested or required (by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or other process) to disclose (i) any Confidential Information or (ii) any information relating to his opinion, judgment or recommendations concerning the Company or its Affiliates or Subsidiaries as developed from the Confidential Information, each Participant will provide the Company with prompt written notice of any such request or requirement so that the Company may seek an appropriate protective order or waive compliance with the provisions contained herein. If, failing the entry of a protective order or the receipt of a waiver hereunder, such Participant is, in the reasonable opinion of his or her counsel, compelled to disclose Confidential Information, such Participant shall disclose only that portion and will exercise best efforts to obtain assurances that confidential treatment will be accorded such Confidential Information. For the avoidance of doubt, nothing herein is intended to impede, prohibit or restrict a Participant (or an attorney acting on a Participant’s behalf) from initiating communications directly with, or responding to any inquiry from, or providing testimony before, the U.S. Securities and Exchange Commission, Commodity Futures Trading Commission, FINRA, or any other state or federal regulatory authority or self-regulatory organization regarding this agreement or its underlying facts or circumstances, or about a possible violation of securities laws (or recovering any remuneration for doing so), the Commodities Exchange Act, or employment laws, or exercising rights under the federal Defend Trade Secrets Act which provides that an individual shall not be held criminally or civilly liable for the disclosure of a trade secret that is made (A) in confidence to a government official or to an attorney and solely

for the purpose of reporting or investigating a suspected violation of law; or (B) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. This Section 11(a) does not, however, authorize a Participant to disclose information such Participant obtains through a communication that is subject to the attorney-client privilege or the work product doctrine.

(b) Non-Competition.

(i) During the Restricted Period , each Participant shall not, without prior written consent of the Committee, do, directly or indirectly, any of the following:

(A) be engaged by or employed with, in a position involving functionally or substantially the same duties such Participant performed for the Company or any of its Affiliates or Subsidiaries at the time of Participant's separation from employment from the Company, or own, manage or control, any other corporation, partnership, proprietorship, firm, association or other business entity, which competes with the business of the Company or any of its Affiliates or Subsidiaries (as such business is conducted during the term such Participant provides Services to the Company or Affiliates or its Subsidiaries) anywhere in the geographic regions or countries in which such Participant provides Services to or supports the Company or any of its Affiliates or Subsidiaries; provided, however, that the ownership of a maximum of one percent of the outstanding stock of any publicly traded corporation shall not violate this covenant. To the extent such Participant's job duties, at the time of such Participant's separation from employment with the Company, was substantially focused on a particular brand or product line of the Company or its Affiliates or Subsidiaries, the restrictions in this Section 11(b)(i)(A) shall apply only to a business that competes with the business of the Company or its Affiliates or Subsidiaries in the particular brand or product line in which such Participant provides Services to or is supported by such Participant at the time of such Participant's separation from employment. Such Participant recognizes and acknowledges that the business of the Company and its Affiliates and Subsidiaries is worldwide in scope and that such Participant's job duties may involve global and/or national operations, marketing, or other functions of the Company or its Affiliates or Subsidiaries. For this reason, such Participant agrees and acknowledges that the geographic restrictions in this Section 11(b)(i)(A) are reasonable and necessary to protect the legitimate business interests of the Company or its Affiliates and Subsidiaries. The Company and such Participant agree that the restrictions set forth in this Section 11(b)(i)(A) do not apply as to such Participant's employment in California, or any other State or jurisdiction in which such restrictions are prohibited by law at the time of such Participant's separation from employment;

(B) solicit, or attempt to solicit, on behalf of any corporation, partnership, proprietorship, firm, association or other business entity which competes with the business of the Company or any of its Affiliates or Subsidiaries , any customer, supplier, licensee, or business relation of the Company or its Affiliates or Subsidiaries, or in any way interfere with the relationship between any customer, supplier, licensee or business relation of the Company or its Affiliates or Subsidiaries; or

(C) employ, solicit for employment or assist in employing or soliciting for employment any present, former or future employee, officer or agent of the Company or any of its Affiliates or Subsidiaries.

(ii) In the event any court of competent jurisdictions should determine that the foregoing covenant of non-competition is not enforceable because of the extent of the geographical area or the duration thereof, then the Company and the affected Participant hereby petition such court to modify the foregoing covenant to the extent, but only to the extent, necessary to create a covenant which is enforceable in the opinion of such court, with the intention of the parties that the Company shall be afforded the maximum enforceable covenant of non-competition which may be available under the circumstances and applicable law.

(c) Failure to Comply. Each Participant acknowledges that remedies at law for any breach by him of this Section 11 may be inadequate and that the damages resulting from any such breach are not readily susceptible to being measured in monetary terms. Accordingly, subject to the terms of Section 11(a), each Participant acknowledges that upon his or her violation of any provision of this Section 11, the Company will be entitled to immediate injunctive relief and may obtain an order restraining any threatened or future breach. Each Participant further agrees, subject to the proviso at the end of this sentence, that if he or she violates any provisions of this Section 11, such Participant shall immediately forfeit any rights and benefits under the Plan and shall return to the Company any unexercised Options and forfeit the rights under any other Awards and shall return any Shares held by such Participant received upon exercise of any Option or the vesting of Shares underlying an Award granted hereunder, together with any proceeds from sales of any Shares received upon exercise of such Options or the vesting of Shares underlying an Award; provided, however, that upon violation of subsection (b) of this Section 11, the forfeiture, repurchase and return provisions contained in this sentence shall apply only to (i) the Award if the Shares have not yet become exercisable or vested or that become vested during the two-year period immediately prior to such Participant's Termination of Service, and in any such case the gross proceeds from sales of the Award or underlying Shares, and (ii) without duplication of the amounts described in clause (i) above, any gross proceeds of sales from the sale of the Award or underlying Shares, during the two year period immediately prior to such Participant's Termination of Service. Nothing in this Section 11 will be deemed to limit, in any way, the remedies at law or in equity of the Company, for a breach by a Participant of any of the provisions of this Section 11.

(d) Notice. Each Participant agrees to provide written notice of the provisions of this Section 11 to any future employer of such Participant, and the Company expressly reserves the right to provide such notice to such Participant's future employer(s).

(e) Severability. If any provisions or part of any provision of this Section 11 is held for any reason to be unenforceable, (i) the remainder of this Section 11 shall nevertheless remain in full force and effect and (ii) such provision or part shall be deemed to be amended in such manner as to render such provision enforceable.

2. Section 15 of the Plan is hereby amended by deleting such Section in its entirety and substituting the following in lieu thereof:

15. Amendments or Termination

(a) The Board or the Committee may terminate or discontinue the Plan at any time. The Board or the Committee may amend, modify or alter the Plan at any time, but no amendment, modification or alteration shall be made which, (i) without the approval of the shareholders of the Company, would (except as is provided in Section 10 of the Plan), increase the total number of

Shares reserved for the purposes of the Plan, change the maximum number of Shares for which Awards may be granted to any Participant or modify the Plan in any other way to the extent shareholder approval is required by the rules of any stock exchange or market or quotation system on which the Shares are traded, listed or quoted, (ii) without the consent of a Participant, except to the extent as may be required by or desirable to facilitate compliance with Applicable Laws, as determined in the sole discretion of the Committee, would impair any of the rights or obligations under any Award theretofore granted to such Participant under the Plan or affect adversely, in any material way, any Award previously granted pursuant to the Plan, or (iii) for which shareholder approval is required in order for the Plan and Awards awarded under the Plan to continue to comply with Sections 421 and 422 of the Code. Notwithstanding anything to the contrary herein, neither the Committee nor the Board may amend, alter or discontinue the provisions relating to Section 10(b) of the Plan after the occurrence of a Change of Control.

(b) Except as provided in Section 10 of the Plan or expressly provided under the Plan, any amendment, modification, termination or discontinuance of the Plan shall not affect Awards previously granted, and such Awards shall remain in full force and effect as if the Plan had not been amended, modified, terminated or discontinued, unless such amendment, modification, termination or discontinuance (i) may be required or desirable to facilitate compliance with Applicable Laws, as determined in the sole discretion of the Committee, (ii) would not impair any of the rights or obligations under any Award theretofore granted to such Participant under the Plan, (iii) would not affect, in any material respect, any of the rights or obligations under any Award or (iv) unless mutually agreed otherwise between the Participant and the Company, which agreement shall be in writing and signed by the Participant and the Company.

IN ALL RESPECTS NOT AMENDED HEREIN, the Plan shall remain in full force and effect.

IN WITNESS WHEREOF, THIS AMENDMENT is executed and effective of this 28 day of February 2024 and as otherwise specified herein.

HELEN OF TROY LIMITED

By: /s/ Tessa Judge
Name: Tessa Judge
Title: CLO

SUBSIDIARIES OF THE REGISTRANT

The following subsidiaries of Helen of Troy Limited are as of February 29, 2024 and are all, directly or indirectly, wholly-owned by Helen of Troy Limited.

Name	Incorporation	Doing Business as
B&W Enterprises Limited	British Virgin Islands	Same Name
Drybar Products LLC	Delaware	Same Name
Helen of Troy Canada, Inc.	Nevada	Same Name
Helen of Troy (Cayman) Limited	Cayman Islands	Same Name
Helen of Troy Chile S.A.	Chile	Same Name
Helen of Troy Consulting (Shenzhen) Company Limited	China	Same Name
Helen of Troy Consulting Vietnam	Vietnam	Same Name
Helen of Troy de Mexico S. de R.L. de C.V.	Mexico	Same Name
Helen of Troy Holding B.V.	Netherlands	Same Name
Helen of Troy Insurance Limited	Cayman Islands	Same Name
Helen of Troy Limited	Barbados	Same Name
Helen of Troy L.P.	Texas	Same Name and Belson Products
Helen of Troy Macao Limited	Macau	Same Name
Helen of Troy Middle East Services FZ – LLC	Dubai	Same Name
Helen of Troy Nevada Corporation	Nevada	Same Name
Helen of Troy Services Limited	Hong Kong	Same Name
Helen of Troy Texas Corporation	Texas	Same Name
H.O.T. Cayman Holding	Cayman Islands	Same Name
HOT (Jamaica) Limited	Jamaica	Same Name
HOT Latin America, LLC	Nevada	Same Name
HOT Nevada, Inc.	Nevada	Same Name
HOT Switzerland Services Sarl	Switzerland	Same Name
HOT (UK) Limited	England & Wales	Same Name
Idelle Labs, Ltd.	Texas	Same Name
Kaz Canada, Inc.	Massachusetts	Same Name
Kaz Europe Sarl	Switzerland	Same Name
Kaz (Far East) Limited	Hong Kong	Same Name
Kaz France SAS	France	Same Name
Kaz Hausgeraete GesmbH	Austria	Same Name
Kaz Hausgeraete GmbH	Germany	Same Name
Kaz Home Appliance Technology (Shenzhen) Co., Ltd.	China	Same Name
Kaz, Inc.	New York	Same Name
Kaz USA, Inc.	Massachusetts	Same Name
Osprey Child Safety Products, LLC	Colorado	Same Name
Osprey Europe B.V.	Netherlands	Same Name
Osprey Europe Limited	England and Wales	Same Name
Osprey Packs, Inc.	Colorado	Same Name
Osprey Packs Vietnam Company Limited	Vietnam	Same Name
Osprey Properties, LLC	Colorado	Same Name

Osprey Properties II, LLC	Colorado	Same Name
OXO International, Inc.	Nevada	Same Name
OXO International, Ltd.	Texas	Same Name
Pur Water Purification Products, Inc.	Nevada	Same Name
Recipe Products Ltd	England and Wales	Same Name and Curlsmith
Recipe Products Ltd USA	Delaware	Same Name
Steel Technology, LLC	Oregon	Same Name and Hydro Flask

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our reports dated April 24, 2024, with respect to the consolidated financial statements, schedule, and internal control over financial reporting included in the Annual Report of Helen of Troy Limited on Form 10-K for the year ended February 29, 2024. We consent to the incorporation by reference of said reports in the Registration Statements of Helen of Troy Limited on Forms S-8 (File No. 333-154526; File No. 333-178217; File No. 333-227074; and File No. 333-227075).

/s/ GRANT THORNTON LLP

Dallas, Texas
April 24, 2024

CERTIFICATION

I, Noel M. Geoffroy, certify that:

1. I have reviewed this annual report on Form 10-K of Helen of Troy Limited;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects, the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 24, 2024

/s/ Noel M. Geoffroy
Noel M. Geoffroy
Chief Executive Officer,
Director and Principal Executive Officer

CERTIFICATION

I, Brian L. Grass, certify that:

1. I have reviewed this annual report on Form 10-K of Helen of Troy Limited;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects, the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 24, 2024

/s/ Brian L. Grass

Brian L. Grass
Chief Financial Officer,
Principal Financial Officer and
Principal Accounting Officer

CERTIFICATION

In connection with the Annual Report of Helen of Troy Limited (the "Company") on Form 10-K for the fiscal year ended February 29, 2024, as filed with the Securities and Exchange Commission (the "Report"), and pursuant to 18 U.S.C., Chapter 63, Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, each of the undersigned, the Chief Executive Officer and Chief Financial Officer of the Company, hereby certifies that to the best of their knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: April 24, 2024

/s/ Noel M. Geoffroy

Noel M. Geoffroy
Chief Executive Officer,
Director and Principal Executive Officer

/s/ Brian L. Grass

Brian L. Grass
Chief Financial Officer,
Principal Financial Officer and
Principal Accounting Officer

This certification is not deemed to be "filed" for purposes of section 18 of the Securities Exchange Act, or otherwise subject to the liability of that section. This certification is not deemed to be incorporated by reference into any filing under the Securities Act of 1933 or Securities Exchange Act of 1934, except to the extent that the Company specifically incorporates it by reference.

POLICY FOR RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION TO EXECUTIVE OFFICERS

Purpose

The Board of Directors (the “**Board**”) of Helen of Troy Limited, a Bermuda company (the “**Company**”), has adopted this policy (this “**Policy**”) which requires the recovery of certain executive compensation in the event that the Company is required to prepare an Accounting Restatement. References herein to the Company also include all of its consolidated direct and indirect subsidiaries. This Policy is designed to comply with Section 10D of the Exchange Act, Rule 10D-1 thereunder and Nasdaq Listing Rule 5608 (“**Rule 5608**”) and will be interpreted and applied accordingly. All capitalized terms used and not otherwise defined herein shall have the meanings set forth in the last section of this Policy.

Covered Persons

This Policy applies to the Company’s current and former executive officers, as determined pursuant to Rule 16a-1(f) promulgated under the Exchange Act and including executive officers identified under Item 401(b) of Regulation S-K (“**Executive Officers**,” and together with any former Executive Officer, the “**Covered Persons**”). If directed by the Board or the Compensation Committee of the Board (the “**Compensation Committee**”), each Executive Officer shall be required to sign and return to the Company the Acknowledgement Form attached hereto as Exhibit A pursuant to which such Executive Officer will agree to be bound by the terms and comply with this Policy.

Recoupment of Erroneously Awarded Compensation upon an Accounting Restatement

If the Company is required to prepare an Accounting Restatement, the Company will recover reasonably promptly all Erroneously Awarded Compensation from each Covered Person, unless the Compensation Committee determines in accordance with the terms of this Policy that such recovery is impracticable.

Recoupment of Erroneously Awarded Compensation pursuant to this Policy is made on a “no fault” basis, without regard to whether any misconduct occurred or whether any Covered Person has responsibility for the noncompliance that resulted in the Accounting Restatement.

Method of Recoupment

The Compensation Committee will determine, in its sole discretion, the method for recouping Erroneously Awarded Compensation hereunder, which may include any of the following:

- Requiring reimbursement of cash Incentive Compensation previously paid;
- Seeking recovery of any gain realized on or since the vesting, exercise, settlement, sale, transfer, or other disposition of any equity-based awards;
- Offsetting the recouped amount from any compensation otherwise owed by the Company to the Covered Person (including any severance otherwise payable by the Company to the Covered Person);
- Making a deduction from the Covered Person’s salary;

- Requiring the Covered Person to transfer back to the Company any shares he or she received pursuant to an equity award;
- Surrendering to the Company any shares being held pursuant to stock ownership guidelines;
- Cancelling, or reducing the number of shares subject to, or the value of, outstanding vested or unvested equity awards; and/or
- Taking any other remedial and recovery action permitted by law, as determined by the Compensation Committee.

The Compensation Committee will consider Section 409A of the U.S. Internal Revenue Code of 1986, as amended, prior to offsetting recouped amounts against future payments of deferred compensation. In addition, the Compensation Committee may, in its sole discretion, determine whether and to what extent additional action is appropriate to address the circumstances surrounding the noncompliance so as to minimize the likelihood of any recurrence.

Impracticability

The Compensation Committee will recover any Erroneously Awarded Compensation in accordance with this Policy unless the Compensation Committee determines that such recovery would be impracticable because:

- The direct expense paid to a third party to assist in enforcing the Policy would exceed the amount to be recovered;
- Recovery would violate an applicable home country law adopted prior to November 28, 2022; or
- Recovery would likely cause an otherwise tax-qualified, broad-based retirement plan of the Company to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

Before concluding that it would be impracticable to recover any Erroneously Awarded Compensation based on the expense of enforcement, the Company shall make a reasonable attempt to recover such Erroneously Awarded Compensation, and the Company Secretary or such other officer designated by the Compensation Committee, on behalf of the Compensation Committee, shall document such reasonable attempt(s) to recover and provide that documentation to Nasdaq when required. Before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on violation of law, the Compensation Committee shall, to the extent required by the SEC rules and regulations and Rule 5608, engage legal counsel experienced and qualified to practice law in the applicable jurisdiction (if such counsel is acceptable to Nasdaq) to render an opinion that recovery would result in a violation of law and shall provide such opinion to Nasdaq. The Company shall provide funding for the fees and expenses of such legal counsel as approved by the Compensation Committee.

Other Recoupment Rights

The Board intends that this Policy will be applied to the fullest extent of the law. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company (i) under applicable law, regulation or rule, (ii) pursuant to the terms of any similar policy or recoupment provision in any employment agreement, severance agreement, equity award agreement, compensation plan, bonus plan, stock incentive plan or similar agreement or plan or any other program or agreement under which any compensation has been granted, awarded, earned or paid or similar agreement or plan, and (iii) any other legal remedies available to the Company. Further, the provisions of this Policy are in addition to (and not in lieu of) any rights to repayment the Company may have under Section 304 of the Sarbanes-Oxley Act of 2002.

No Indemnification or Insurance

Neither the Company nor any of its subsidiaries or affiliates shall indemnify any Covered Person against the loss of any Erroneously Awarded Compensation. Further, neither the Company nor any of its subsidiaries or affiliates shall pay or reimburse any Covered Person for any insurance policy entered into by a Covered Person that provides for full or partial coverage of any recoupment obligation under this Policy.

Successors

This Policy shall be binding and enforceable against all Covered Persons and their beneficiaries, heirs, executors, administrators, or other legal or personal representatives.

Disclosure

The Company shall file all disclosures with respect to this Policy required by applicable SEC rules and regulations and by Nasdaq.

Change of Listing

In the event that the Company lists its securities on any national securities exchange or national securities association other than Nasdaq, all references to Nasdaq in this Policy shall mean each national securities exchange or national securities association upon which the Company has a class of securities then listed.

Administration

The Compensation Committee will be responsible for monitoring the application of this Policy. The Compensation Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. Any determinations made by the Compensation Committee will be final and binding on all affected individuals and need not be uniform with respect to each individual covered by the Policy. In the administration of this Policy, the Compensation Committee is authorized and directed to consult with the full Board or such other committees of the Board as may be necessary or appropriate as to matters within the scope of such other committee's responsibility and authority. Subject to any limitation at applicable law, the Compensation Committee may authorize and empower any officer or employee of the Company to take any and all actions necessary or appropriate to carry out the purpose and intent of this Policy (other than with respect to any recovery under this Policy involving such officer or employee).

Amendment

This Policy may be amended upon the approval of the Board or the Compensation Committee of the Board in its discretion in any manner consistent with applicable law and regulation. The Board or Compensation Committee may terminate this Policy at any time when the Company does not have a class of securities listed on a national securities exchange or a national securities association.

Construction

Unless the express context otherwise requires: (i) all pronouns and any variations thereof refer to the masculine, feminine or neuter, singular or plural, as the context may require; (ii) all terms defined in this Policy in their singular or plural forms have correlative meanings when used herein in their plural or singular forms respectively; (iii) unless otherwise expressly provided, the words “include,” “includes” and “including” do not limit the preceding words or terms and shall be deemed to be followed by the words “without limitation”; (iv) the words “hereof,” “herein,” and “hereunder” and words of similar import, when used in this Policy, shall refer to this Policy as a whole and not to any particular provision of this Policy; (v) references herein to any person shall include such person’s successors and assigns, beneficiaries, heirs, executors, administrators, or other legal or personal representatives; and (vi) references herein to any law, rule or regulation mean such law, rule or regulation as amended, modified, codified, reenacted, supplemented or superseded in whole or in part, and in effect from time to time, and all rules and regulations promulgated thereunder, unless the context requires otherwise. In the event of any inconsistency or conflict between this Policy and the terms of any employment agreement, severance agreement, equity award agreement or similar agreement to which a Covered Person is a party, or the terms of any compensation plan, bonus plan, stock incentive plan or similar agreement or plan or any other program or agreement under which any compensation has been granted, awarded, earned or paid or similar agreement or plan, the terms of this Policy shall govern.

Definitions

For purposes of this Policy, the following capitalized terms shall have the meanings set forth below:

- **“Accounting Restatement”** means an accounting restatement of any of the Company's financial statements due to the Company's material noncompliance with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or to correct an error that is not material to previously issued financial statements, but would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period, within the meaning of Rule 10D-1 and Rule 5608. For the avoidance of doubt, an Accounting Restatement will not be deemed to occur in the event of a restatement of the Company's financial statements due to an out-of-period adjustment or due to a retrospective (i) application of a change in accounting principles; (ii) revision to reportable segment information due to a change in the structure of the Company's internal organization; (iii) reclassification due to a discontinued operation; (iv) application of a change in reporting entity, such as from a reorganization of entities under common control; or (v) revision for stock splits, reverse stock splits, stock dividends, or other changes in capital structure.
- **“Covered Incentive Compensation”** means Incentive Compensation Received on or after October 2, 2023 by a person: (i) after beginning service as an Executive Officer, (ii) who served as an Executive Officer at any time during the performance period for that Incentive Compensation, and (iii) while the Company has a class of securities listed on a national securities exchange or a national securities association, and (iv) during the three completed fiscal years immediately preceding the date that the Company is required to prepare the Accounting Restatement (or such longer period as required under Rule 5608 in the event the Company changes its fiscal year). The date that the Company is required to prepare the Accounting Restatement will be the earlier of (x) the date the Board concluded or reasonably should have concluded that the Accounting Restatement is required, and (y) the date a court, regulator or other authorized body directs the Company to prepare the Accounting Restatement.

- **“Erroneously Awarded Compensation”** means the amount of Covered Incentive Compensation that was Received by each Covered Person in excess of the Covered Incentive Compensation that would have been Received by the Covered Person had such Covered Incentive Compensation been determined based on the restated Financial Reporting Measure following an Accounting Restatement, computed without regard to taxes paid. For this purpose, if the amount of Covered Incentive Compensation that is Received by a Covered Person was based on the Company's stock price or total shareholder return and is not subject to mathematical recalculation directly from the Accounting Restatement, the amount to be recovered as Erroneously Awarded Compensation shall be based on a reasonable estimate of the effect of the Accounting Restatement on the Financial Reporting Measure upon which the Covered Incentive Compensation was Received. The Company's Corporate Secretary shall, on behalf of the Compensation Committee, obtain and maintain all documentation of the determination of any such reasonable estimate and provide such documentation to Nasdaq when required.
- **“Exchange Act”** means the Securities Exchange Act of 1934, as amended.
- **“Financial Reporting Measure”** means (i) any measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements and any measure that is derived wholly or in part from any such measure, and (ii) the Company's stock price and the total stockholder return of the Company. A measure, however, need not be presented within the financial statements or included in a filing with the SEC to constitute a Financial Reporting Measure.
- **“Incentive Compensation”** means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure. For the avoidance of doubt, Incentive Compensation shall also be deemed to include any amounts which were determined based on (or were otherwise calculated by reference to) Incentive Compensation (including any amounts under any long-term disability, life insurance or supplemental retirement plan or any notional account that is based on Incentive Compensation, as well as any earnings accrued thereon).
- **“Nasdaq”** means Nasdaq Stock Market.
- **“Received”** - Incentive Compensation is deemed “Received” in the Company's fiscal period during which the Financial Reporting Measure specified in such Incentive Compensation is attained.
- **“SEC”** means the U.S. Securities and Exchange Commission.

Adopted: November 8, 2023

Exhibit A

Helen of Troy Limited Policy for Recovery of Erroneously Awarded Compensation to Executive Officers Acknowledgment Form

By signing below, the undersigned acknowledges and confirms that the undersigned has received and reviewed a copy of the Helen of Troy Limited Policy for Recovery of Erroneously Awarded Compensation to Executive Officers (the “**Policy**”). Capitalized terms used but not otherwise defined in this Acknowledgement Form (this “**Acknowledgement Form**”) shall have the meanings ascribed to such terms in the Policy. By signing this Acknowledgement Form, the undersigned acknowledges and agrees that the undersigned is and will continue to be subject to the Policy and that the Policy will apply both during and after the undersigned’s employment with the Company. Further, by signing below, the undersigned agrees to abide by the terms of the Policy, including, without limitation, by returning any Erroneously Awarded Compensation to the Company to the extent required by, and in a manner permitted by, the Policy. In the event of any inconsistency or conflict between the Policy and the terms of any employment agreement, severance agreement, equity award agreement or similar agreement to which I am a party, or the terms of any compensation plan, bonus plan, stock incentive plan or similar agreement or plan or any other program or agreement under which any compensation has been granted, awarded, earned or paid or similar agreement or plan, the terms of the Policy shall govern.

Signature

Print Name

Date

