

REFINITIV

# DELTA REPORT

## 10-Q

PBH - PRESTIGE CONSUMER HEALTHC

10-Q - JUNE 30, 2024 COMPARED TO 10-Q - DECEMBER 31, 2023

The following comparison report has been automatically generated

**TOTAL DELTAS** 686

█ **CHANGES** 237

█ **DELETIONS** 226

█ **ADDITIONS** 223

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

**FORM 10-Q**

**(Mark One)**

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

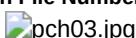
For the quarterly period ended **December 31, 2023** **June 30, 2024**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-32433



**PRESTIGE CONSUMER HEALTHCARE INC.**

(Exact Name of Registrant as Specified in Its Charter)

**Delaware**

**20-1297589**

(State or Other Jurisdiction of  
Incorporation or Organization)

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

**660 White Plains Road  
Tarrytown, New York 10591**

(Address of Principal Executive Offices) (Zip Code)

**(914) 524-6800**

(Registrant's Telephone Number, Including Area Code)

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
<b>Common stock, par value \$0.01 per share</b>	<b>PBH</b>	<b>New York Stock Exchange</b>

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 (S 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 is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

As of **February 2, 2024** **August 2, 2024**, there were **49,649,288** **49,557,371** shares of common stock outstanding.

---

### **Prestige Consumer Healthcare Inc.**

**Form 10-Q**  
**Index**

**PART I.****FINANCIAL INFORMATION**

Item 1.	Financial Statements	
	Condensed Consolidated Statements of Income and Comprehensive Income for the three and nine months ended <b>December 31, 2023</b> <b>June 30, 2024</b> and <b>2022</b> <b>2023</b> (unaudited)	2
	Condensed Consolidated Balance Sheets as of <b>December 31, 2023</b> <b>June 30, 2024</b> and <b>March 31, 2023</b> <b>March 31, 2024</b> (unaudited)	3
	Condensed Consolidated Statements of Changes in Stockholders' Equity for the three and nine months ended <b>December 31, 2023</b> <b>June 30, 2024</b> and <b>2022</b> <b>2023</b> (unaudited)	4
	Condensed Consolidated Statements of Cash Flows for the three and nine months ended <b>December 31, 2023</b> <b>June 30, 2024</b> and <b>2022</b> <b>2023</b> (unaudited)	5
	Notes to Condensed Consolidated Financial Statements (unaudited)	6
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	22
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	23
Item 4.	Controls and Procedures	24

**PART II.****OTHER INFORMATION**

Item 1A.	Risk Factors	25
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	26
Item 5.	Other Information	27
Item 6.	Exhibits	28
	Signatures	29

**TRADEMARKS AND TRADE NAMES**

Trademarks and trade names used in this Quarterly Report on Form 10-Q are the property of Prestige Consumer Healthcare Inc. or its subsidiaries, as the case may be. We have italicized our trademarks and trade names when they appear in this Quarterly Report on Form 10-Q.

-1-

**PART I. FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS**

**Prestige Consumer Healthcare Inc.**  
**Condensed Consolidated Statements of Income and Comprehensive Income**  
*(Unaudited)*

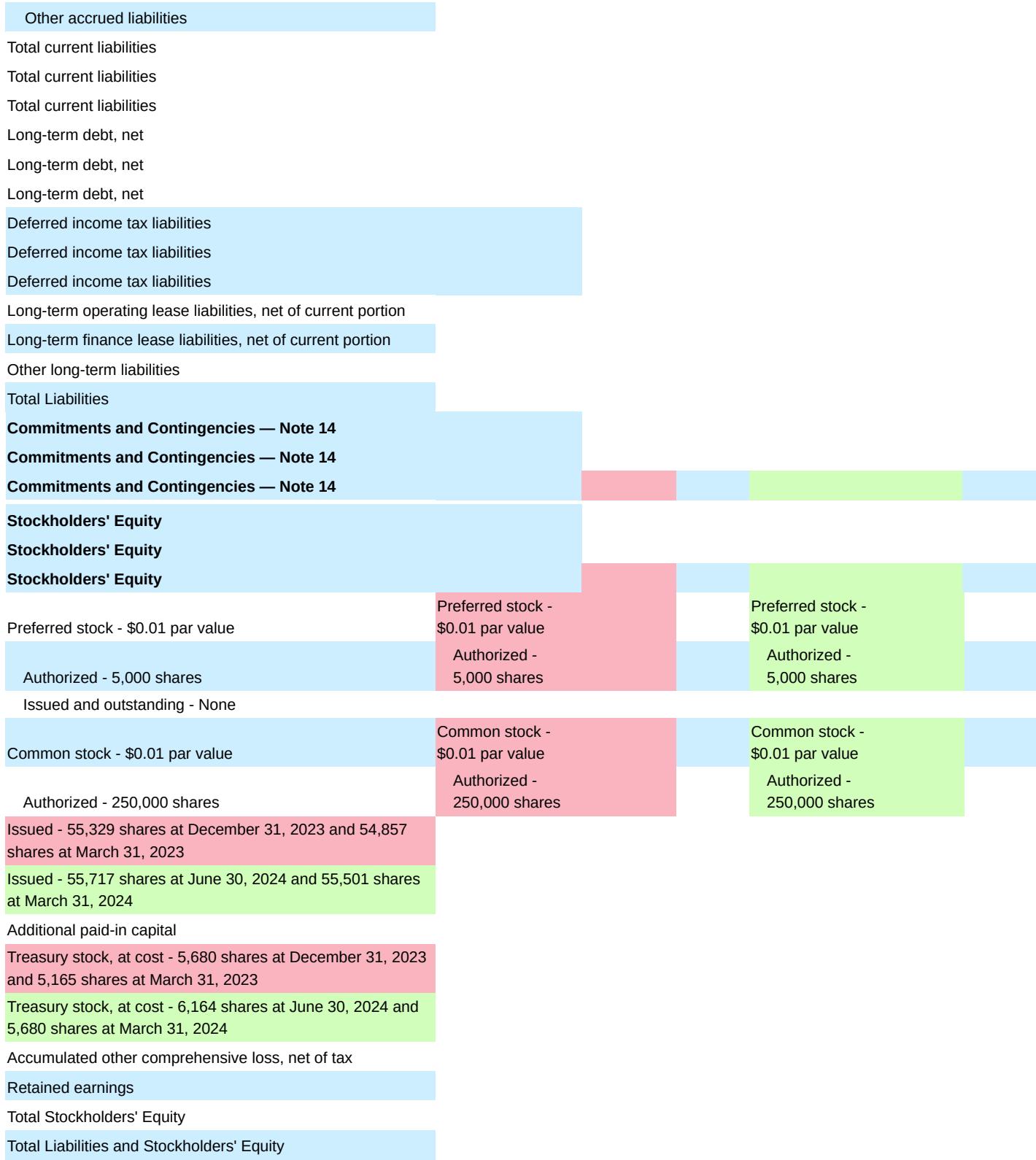
	<b>Three Months Ended December 31,</b>		<b>Nine Months Ended December 31,</b>		<b>Three Months Ended June 30,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2024</b>	<b>2023</b>
<b>(In thousands, except per share data)</b>	<b>(In thousands, except per share data)</b>				<b>(In thousands, except per share data)</b>	
<b>Revenues</b>						
Net sales						
Net sales						
Net sales						
<b>Other revenues</b>						
Total revenues						
<b>Cost of Sales</b>						
<b>Cost of Sales</b>						
<b>Cost of Sales</b>						
Cost of sales excluding depreciation						
Cost of sales depreciation						
<b>Cost of sales</b>						
Gross profit						
<b>Operating Expenses</b>						
<b>Operating Expenses</b>						
<b>Operating Expenses</b>						
Advertising and marketing						
General and administrative						
Depreciation and amortization						
Total operating expenses						
Total operating expenses						
Total operating expenses						
<b>Operating income</b>						
<b>Other expense</b>						
<b>Other expense</b>						
<b>Other expense</b>						
Interest expense, net						
Interest expense, net						
Interest expense, net						
Other expense (income), net						
Other expense (income), net						

Other expense (income), net	
Total other expense, net	
Income before income taxes	
Provision for income taxes	
Net income	
Net income	
Net income	
Earnings per share:	
Earnings per share:	
Earnings per share:	
Basic	
Diluted	
Weighted average shares outstanding:	
Weighted average shares outstanding:	
Weighted average shares outstanding:	
Basic	
Diluted	
Comprehensive income, net of tax:	
Comprehensive income, net of tax:	
Comprehensive income, net of tax:	
Currency translation adjustments	
Currency translation adjustments	
Currency translation adjustments	
Net loss on termination of pension plan	
Net loss on termination of pension plan	
Net loss on termination of pension plan	
Total other comprehensive income (loss)	
Total other comprehensive income (loss)	
Total other comprehensive income (loss)	
Comprehensive income	
See accompanying notes.	

-2-

**Prestige Consumer Healthcare Inc.**  
**Condensed Consolidated Balance Sheets**  
*(Unaudited)*

<u>(In thousands)</u>	<u>(In thousands)</u>	December 31, 2023	March 31, 2023	June 30, 2024 <u>(In thousands)</u>	March 31, 2024
<b>Assets</b>					
Assets					
Assets					
Current assets					
Current assets					
Current assets					
Cash and cash equivalents					
Cash and cash equivalents					
Cash and cash equivalents					
Accounts receivable, net of allowance of \$18,710 and \$20,205, respectively					
Accounts receivable, net of allowance of \$18,684 and \$16,377, respectively					
Inventories					
Prepaid expenses and other current assets					
Prepaid expenses and other current assets					
Prepaid expenses and other current assets					
Total current assets					
Total current assets					
Total current assets					
Property, plant and equipment, net					
Property, plant and equipment, net					
Property, plant and equipment, net					
Operating lease right-of-use assets					
Finance lease right-of-use assets, net					
Goodwill					
Intangible assets, net					
Other long-term assets					
Total Assets					
Total Assets					
Total Assets					
<b>Liabilities and Stockholders' Equity</b>					
<b>Liabilities and Stockholders' Equity</b>					
<b>Liabilities and Stockholders' Equity</b>					
Current liabilities		Current liabilities		Current liabilities	
Accounts payable					
Accounts payable					
Accounts payable					
Accrued interest payable					
Operating lease liabilities, current portion					
Finance lease liabilities, current portion					



See accompanying notes.

-3-

**Prestige Consumer Healthcare Inc.**  
**Condensed Consolidated Statements of Changes in Stockholders' Equity**  
*(Unaudited)*

<i>(In thousands)</i>	Three Months Ended December 31, 2023									
	Common Stock		Additional Paid-in Capital	Treasury Stock		Accumulated Other			Retained Earnings	Totals
	Shares	Par Value		Shares	Amount	Comprehensive Income (Loss)				
Balances at September 30, 2023	55,291	\$ 552	\$ 552,369	5,680	\$ (219,661)	\$ (35,994)	\$ 1,238,693	\$ 1,535,959		
Stock-based compensation	—	—	2,449	—	—	—	—	—	2,449	
Exercise of stock options	38	1	1,634	—	—	—	—	—	1,635	
Treasury share repurchases	—	—	—	—	23	—	—	—	23	
Net income	—	—	—	—	—	—	53,046	53,046		
Comprehensive income	—	—	—	—	—	7,465	—	—	7,465	
Balances at December 31, 2023	55,329	\$ 553	\$ 556,452	5,680	\$ (219,638)	\$ (28,529)	\$ 1,291,739	\$ 1,600,577		

<i>(In thousands)</i>	Three Months Ended June 30, 2024									
	Common Stock		Additional Paid-in Capital	Treasury Stock		Accumulated Other			Retained Earnings	Totals
	Shares	Par Value		Shares	Amount	Comprehensive Income (Loss)				
Balances at March 31, 2024	55,501	\$ 555	\$ 567,448	5,680	\$ (219,621)	\$ (34,495)	\$ 1,341,197	\$ 1,655,084		
Stock-based compensation	—	—	3,425	—	—	—	—	—	3,425	
Exercise of stock options	38	—	1,975	—	—	—	—	—	1,975	
Issuance of shares related to restricted stock	178	2	(2)	—	—	—	—	—	—	
Treasury share repurchases	—	—	—	484	(31,945)	—	—	—	(31,945)	
Net income	—	—	—	—	—	—	49,068	49,068		
Comprehensive income	—	—	—	—	—	3,160	—	—	3,160	
Balances at June 30, 2024	55,717	\$ 557	\$ 572,846	6,164	\$ (251,566)	\$ (31,335)	\$ 1,390,265	\$ 1,680,767		

	Three Months Ended December 31, 2022								
	Common Stock		Additional Paid-in	Treasury Stock		Accumulated Other		Retained Earnings	Totals
	Shares	Par Value		Shares	Amount	Comprehensive Income (Loss)	Retained Earnings	Totals	

<i>(In thousands)</i>	Par		Capital		Comprehensive			
	Shares	Value	Shares	Amount	Income (Loss)			
Balances at September 30, 2022	54,690	\$ 547	524,392	5,164	\$ (189,098)	\$ (36,459)	\$ 1,320,459	\$ 1,619,841
Stock-based compensation	—	—	2,433	—	—	—	—	2,433
Exercise of stock options	161	1	5,683	—	—	—	—	5,684
Issuance of shares related to restricted stock	1	—	—	—	—	—	—	—
Treasury share repurchases	—	—	—	1	(16)	—	—	(16)
Net income	—	—	—	—	—	—	51,951	51,951
Comprehensive income	—	—	—	—	—	6,970	—	6,970
Balances at December 31, 2022	54,852	\$ 548	532,508	5,165	\$ (189,114)	\$ (29,489)	\$ 1,372,410	\$ 1,686,863

-4-

<i>(In thousands)</i>	Nine Months Ended December 31, 2023								
	Common Stock			Treasury Stock			Accumulated Other		
	Shares	Par Value	Additional Capital	Shares	Amount	Comprehensive Income (Loss)	Retained Earnings	Totals	
Balances at March 31, 2023	54,857	\$ 548	\$ 535,356	5,165	\$ (189,114)	\$ (31,564)	\$ 1,131,858	\$ 1,447,084	
Stock-based compensation	—	—	10,283	—	—	—	—	—	10,283
Exercise of stock options	269	3	10,815	—	—	—	—	—	10,818
Issuance of shares related to restricted stock	203	2	(2)	—	—	—	—	—	—
Treasury share repurchases	—	—	—	515	(30,524)	—	—	—	(30,524)
Net income	—	—	—	—	—	—	159,881	159,881	
Comprehensive income	—	—	—	—	—	3,035	—	—	3,035
Balances at December 31, 2023	55,329	\$ 553	\$ 556,452	5,680	\$ (219,638)	\$ (28,529)	\$ 1,291,739	\$ 1,600,577	

Nine Months Ended December

31, 2022

Nine Months Ended December

31, 2022

Nine Months Ended December 31, 2022										Three Months Ended June 30, 2023									
Three Months Ended June 30, 2023										Three Months Ended June 30, 2023									
Three Months Ended June 30, 2023										Three Months Ended June 30, 2023									
Three Months Ended June 30, 2023										Three Months Ended June 30, 2023									
Common Stock	Common Stock	Additional Paid-in Capital	Treasury Stock	Accumulated Other Comprehensive (Loss)	Retained Earnings	Totals	Common Stock	Additional Paid-in Capital	Treasury Stock	Accumulated Other Comprehensive (Loss)	Retained Earnings	Totals	Common Stock	Additional Paid-in Capital	Treasury Stock	Accumulated Other Comprehensive (Loss)	Retained Earnings	Totals	
<b><u>(In thousands)</u></b>																			
Balances at March 31, 2022																			
Balances at March 31, 2022																			
Balances at March 31, 2022																			
Balances at March 31, 2023																			
Balances at March 31, 2023																			
Balances at March 31, 2023																			
Stock-based compensation																			
Stock-based compensation																			
Stock-based compensation																			
Exercise of stock options																			
Issuance of shares related to restricted stock																			
Issuance of shares related to restricted stock																			
Issuance of shares related to restricted stock																			
Treasury share repurchases																			
Net income																			
Net income																			
Net income																			

Comprehensive loss

Comprehensive loss

Comprehensive loss

Balances at December  
31, 2022

Balances at December  
31, 2022

Balances at December  
31, 2022

Balances at June 30,  
2023

Balances at June 30,  
2023

Balances at June 30,  
2023

See accompanying notes.

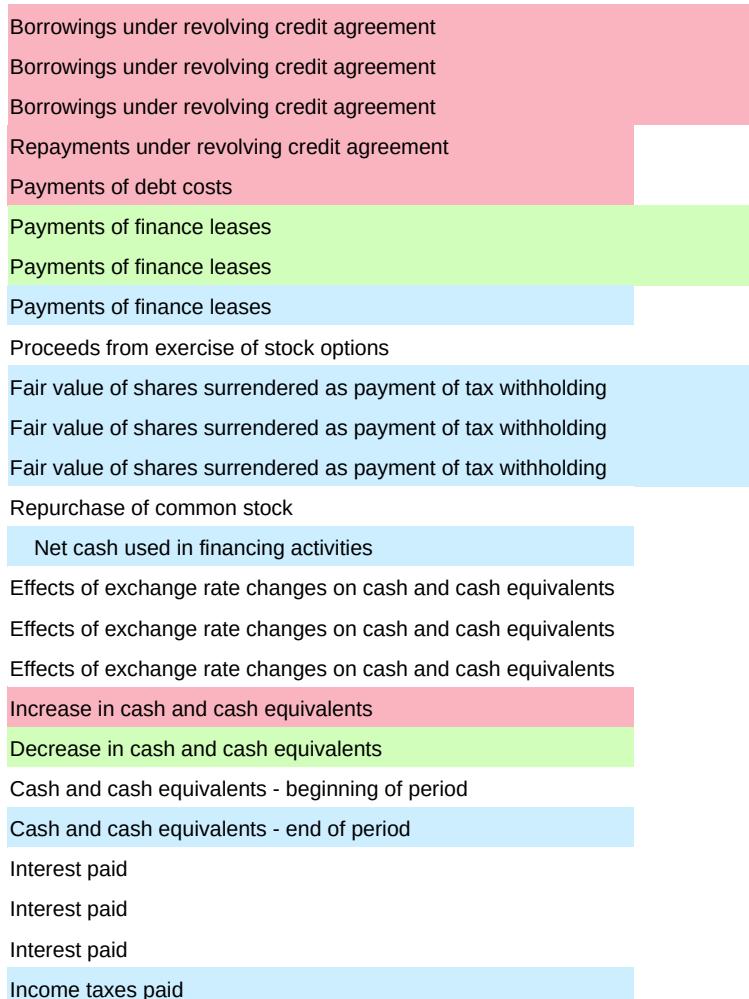
-5- -4-

**Prestige Consumer Healthcare Inc.**  
**Condensed Consolidated Statements of Cash Flows**

*(Unaudited)*

	Nine Months Ended December 31,		Three Months Ended June 30,	
	<i>(In thousands)</i>	2023	<i>(In thousands)</i>	2024
<b>Operating Activities</b>				
Net income				
Net income				
Net income				
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization				
Depreciation and amortization				
Depreciation and amortization				
Loss on disposal of property and equipment				
Loss on disposal of property and equipment				
Loss on disposal of property and equipment				
Deferred income taxes				
Deferred and other income taxes				
Amortization of debt origination costs				





See accompanying notes.

-6- -5-

## Prestige Consumer Healthcare Inc. Notes to Condensed Consolidated Financial Statements (unaudited)

### 1. Business and Basis of Presentation

#### ***Nature of Business***

Prestige Consumer Healthcare Inc. (referred to herein as the "Company" or "we," which reference shall, unless the context requires otherwise, be deemed to refer to Prestige Consumer Healthcare Inc. and all of its direct and indirect 100% owned subsidiaries on a consolidated basis) is engaged in the development, manufacturing, marketing, sales and distribution of over-the-counter ("OTC") healthcare products to mass merchandisers, drug, food, dollar, convenience and club stores and e-commerce channels in North America (the United States and Canada) and in Australia and certain other international markets. Prestige Consumer Healthcare Inc. is a holding company with no operations and is also the parent guarantor of the senior credit facility and the senior notes described in Note 7 to these Condensed Consolidated Financial Statements.

#### ***Economic Environment***

There has been economic uncertainty in the United States and globally due to several factors, including global supply chain constraints, rising interest rates, a high inflationary environment and geopolitical events. We expect economic conditions will continue to be highly volatile and uncertain, put pressure on prices and supply, and could affect demand for our products. We have continued to see changes in the purchasing patterns of our consumers, end customers, including a reduction in the frequency of visits to retailers and a shift in many markets to purchasing our products online.

The volatile environment has impacted the supply of labor and raw materials and exacerbated rising input costs. Although we have not experienced a material disruption to our overall supply chain to date, we have and may continue to experience shortages, delays and backorders for certain ingredients and products, difficulty scheduling shipping for our products, as well as price increases from many of our suppliers for both shipping and product costs. Certain of our third-party manufacturers are currently having, and have had in the past, difficulty meeting demand, which is and has caused shortages of our products, particularly eye care products. These shortages negatively impacted our results of operations in 2024, and we expect further shortages may have a negative impact on our sales. In addition, labor shortages have impacted our manufacturing operations and may could impact our ability to supply certain products to our customers. To date, these global conditions have not had a material negative impact on our operations, supply chain, overall costs or demand for most of our products or resulting aggregate sales and earnings, and, as such, it has also not materially negatively impacted our liquidity position. We continue to generate operating cash flows to meet our short-term liquidity needs. These circumstances could change, however, in this dynamic environment. If conditions cause further disruption in the global supply chain, the availability of labor and materials or otherwise further increase costs, it may materially affect our operations and those of third parties on which we rely, including causing material disruptions in the supply and distribution of our products. The extent to which these conditions impact our results and liquidity will depend on future developments, which are highly uncertain and cannot be predicted, including global supply chain constraints, inflation, global conflicts and instability, and the potential for further outbreaks of severe illnesses. These effects could have a material adverse impact on our business, liquidity, capital resources, and results of operations and those of the third parties on which we rely.

#### ***Basis of Presentation***

The unaudited Condensed Consolidated Financial Statements presented herein have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial reporting and the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. All significant intercompany transactions and balances have been eliminated in consolidation. In the opinion of management, these Condensed Consolidated Financial Statements include all adjustments, consisting of normal recurring adjustments, that are considered necessary for a fair statement of our consolidated financial position, results of operations and cash flows for the interim periods presented. Our fiscal year ends on March 31st of each year. References in these Condensed Consolidated Financial Statements or related notes to a year (e.g., 2024) mean our fiscal year ending or ended on March 31st of that year. Operating results for the nine three months ended December 31, 2023 June 30, 2024 are not necessarily indicative of results that may be expected for the fiscal year ending March 31, 2024 March 31, 2025. These unaudited Condensed Consolidated Financial Statements and related notes should be read in conjunction with our audited Consolidated Financial Statements and notes thereto included in our Annual Report on Form 10-K for the fiscal year ended March 31, 2023 March 31, 2024.

#### ***Use of Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on our knowledge of current events and actions that we may undertake in the future, actual results could differ from those estimates. Our most significant estimates include those made in connection with the valuation of intangible assets, stock-based compensation, fair value of debt, sales returns and allowances, trade promotional allowances, inventory obsolescence, and accounting for income taxes and related uncertain tax positions.

#### ***Recently Adopted Issued Accounting Pronouncements***

In October 2021, December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*. This ASU requires entities to apply Topic 606 to recognize and measure contract assets and liabilities in a business combination. This ASU is effective for fiscal years

beginning after December 15, 2022, including interim periods within those fiscal years. We adopted this standard effective April 1, 2023. The impact of the adoption of this new standard will depend on the magnitude of future acquisitions.

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting* and also issued subsequent amendments to the initial guidance (collectively, "Topic 848"). In December 2022, the FASB issued ASU 2022-06, *Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848*, which extends the period of time preparers can utilize the reference rate reform relief guidance in Topic 848. Topic 848 provides optional guidance for contract modifications and certain hedging relationships associated with the transition from reference rates that are expected to be discontinued. On April 4, 2023, we entered into Amendment No. 8 ("ABL Amendment No. 8") to the Company's asset-based revolving credit facility originally entered into on January 31, 2012 (the "2012 ABL Revolver"). ABL Amendment No. 8 provides for the replacement of LIBOR with Secured Overnight Financing Rate ("SOFR") as our reference rate. On June 12, 2023, we entered into Amendment No. 7 ("Term Loan Amendment No. 7") to the Company's term loan originally entered into on January 31, 2012 (the "2012 Term Loan"), effective July 1, 2023. Term Loan Amendment No. 7 provides for the replacement of LIBOR with SOFR as our reference rate. Effective July 1, 2023, we have transitioned all discontinued reference rates to SOFR. The adoption of Topic 848 did not have a material impact on our Consolidated Financial Statements.

#### ***Recently Issued Accounting Pronouncements***

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The amendments in this update require that

-6-

---

entities disclose, on an annual basis, specific categories in the rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold. The amendments in this update also require disclosure, on an annual basis, of income taxes paid, disaggregated by federal, state and foreign taxes and disaggregated by individual jurisdictions in which income taxes paid are equal to or greater than five percent of total income taxes paid. In addition, the amendments in this update also require that income (or loss) before income taxes be disaggregated between domestic and foreign and income tax expense (or benefit) be disaggregated by federal, state and foreign. This ASU is effective for annual periods beginning after December 15, 2024. We are currently evaluating the impact that this ASU may have on our **consolidated financial statement** **Consolidated Financial Statement** disclosures.

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. The amendments in this update intend to improve reportable segment disclosure requirements primarily through enhanced disclosures about significant segment expenses. This ASU requires disclosure of significant segment expenses that are regularly provided to the chief operating decision maker, the addition of a category for other segment items by reportable segment, that all annual segment disclosures be disclosed in interim periods, and other related segment disclosures. The ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. We are currently evaluating the impact that this ASU may have on our **consolidated financial statement** **Consolidated Financial Statement** disclosures.

## **2. Inventories**

Inventories consist of the following:

<b><i>(In thousands)</i></b>	<b><i>(In thousands)</i></b>	<b><i>December 31, 2023</i></b>	<b><i>March 31, 2023</i></b>	<b><i>(In thousands)</i></b>	<b><i>June 30, 2024</i></b>	<b><i>March 31, 2024</i></b>
<b>Components of Inventories</b>						
Packaging and raw materials						
Packaging and raw materials						
Packaging and raw materials						
Work in process						
Finished goods						

Inventories
Inventories
Inventories

Inventories are carried and depicted above at the lower of cost or net realizable value, which includes a reduction in inventory values of **\$5.8 million** **\$4.6 million** at both December 31, 2023 **June 30, 2024** and **March 31, 2023** **\$4.7 million** at March 31, 2024 related to obsolete and slow-moving inventory.

-8-

### 3. Goodwill

A reconciliation of the activity affecting goodwill by operating segment is as follows:

**(In thousands)**

**(In thousands)**

**(In thousands)**

Balance - March 31, 2023

Balance - March 31, 2024

Goodwill

Goodwill

Goodwill

Accumulated impairment loss

Balance - March 31, 2023

Balance - March 31, 2024

Adjustment related to acquisition

Effects of foreign currency exchange rates

Effects of foreign currency exchange rates

Effects of foreign currency exchange rates

Balance - December 31, 2023

Balance - June 30, 2024

Goodwill

Goodwill

North American OTC Healthcare	International OTC Healthcare	Consolidated	North American OTC Healthcare	International OTC Healthcare	Consolidated
-------------------------------	------------------------------	--------------	-------------------------------	------------------------------	--------------

Goodwill
Accumulated impairment loss
Balance - December
31, 2023

Balance - June 30,
2024

The At February 29, 2024, the date of our annual impairment review, the estimated fair value exceeded the carrying value for all reporting units and accordingly, no impairment charge was February 28, 2023, and we recorded impairment charges to goodwill of \$48.8 million in our March 31, 2023 financial statements. taken. The estimates and assumptions made in assessing the fair value of our reporting units and the valuation of the underlying assets and liabilities are inherently subject to significant uncertainties related to future sales, gross margins, and advertising and marketing expenses, which can be impacted by increases in competition, changing consumer preferences, technical advances, supply chain constraints, labor shortages, and inflation. The discount rate assumption may be influenced by such factors as changes in interest rates and rates of inflation, which can have an impact on the determination of fair value. If these assumptions are adversely affected, we may be required

-7-

---

to record impairment charges in the future. As of December 31, 2023 June 30, 2024, we determined no events have occurred that would indicate potential impairment of goodwill.

#### 4. Intangible Assets, net

A reconciliation of the activity affecting intangible assets, net is as follows:

( <i>In thousands</i> )	( <i>In thousands</i> )	Indefinite-Lived	Finite-Lived Trademarks and Customer Relationships	Totals	( <i>In thousands</i> )	Indefinite-Lived Trademarks	Finite-Lived Trademarks and Customer Relationships	Totals
Gross Carrying Amounts								
Balance — March 31, 2023								
Balance — March 31, 2023								
Balance — March 31, 2023								
Balance — March 31, 2024								
Balance — March 31, 2024								
Balance — March 31, 2024								
Effects of foreign currency exchange rates								
Effects of foreign currency exchange rates								
Effects of foreign currency exchange rates								
Balance —								
December 31, 2023								

Balance — June 30, 2024		
Accumulated Amortization	Accumulated Amortization	Accumulated Amortization
Balance — March 31, 2023		
Balance — March 31, 2024		
Additions		
Additions		
Additions		
Effects of foreign currency exchange rates		
Effects of foreign currency exchange rates		
Effects of foreign currency exchange rates		
Balance — December 31, 2023		
Balance — June 30, 2024		
Intangible assets, net - December 31, 2023		
Intangible assets, net - December 31, 2023		
Intangible assets, net - December 31, 2023		
Intangible assets, net - June 30, 2024		
Intangible assets, net - June 30, 2024		
Intangible assets, net - June 30, 2024		

Amortization expense was \$4.9 million and \$14.8 million for both the three and nine months ended December 31, 2023, respectively, June 30, 2024 and \$5.6 million and \$16.9 million for the three and nine months ended December 31, 2022, respectively, 2023.

Finite-lived intangible assets are expected to be amortized over their estimated useful life, which ranges from a period of 10 to 25 years, and the estimated amortization expense for each of the five succeeding years and the periods thereafter is as follows (in thousands):

Year Ending March 31,

Year Ending March 31,

Year Ending March 31,

	Amount	Amount
2024 (remaining three months ended March 31, 2024)		
2025		
2025 (remaining nine months ended March 31, 2025)		
2026		
2027		
2028		
2029		
Thereafter		\$

**The** At February 29, 2024, the date of our annual impairment review, **was** February 28, 2023, and we recorded impairment charges to the estimated fair value exceeded the carrying value for all intangible assets **of** \$321.4 million in our March 31, 2023 financial statements. **and**, accordingly, no impairment charge was taken. The assumptions subject to significant uncertainties in the impairment analysis include the discount rate utilized in the analysis, as well as future sales, gross margins, and advertising and marketing expenses. The discount rate assumption may be influenced by such factors as changes in interest rates and rates of inflation, which can have an impact on the determination of fair value. Additionally, should the related fair values of intangible assets be adversely affected as a result of declining sales or margins caused by competition, changing consumer needs or preferences, technological advances, changes in advertising and marketing expenses, or the potential impacts of supply chain constraints, labor shortages, or inflation, we may be required to record impairment charges in the future. As of **December 31, 2023** **June 30, 2024**, no events have occurred that would indicate potential impairment of intangible assets.

-10-

-8-

## 5. Leases

We lease real estate and equipment for use in our operations.

The components of lease expense for the three and nine months ended **December 31, 2023** **June 30, 2024** and **2022** **2023** were as follows:

	Three Months Ended December 31,	Nine Months Ended December 31,
<b>Three Months Ended June 30,</b>		
<b>Three Months Ended June 30,</b>		
<b>Three Months Ended June 30,</b>		
<b>(In thousands)</b>	<b>(In thousands)</b>	<b>(In thousands)</b>
	2023	2022
		2023
		2022

Finance lease cost:
Finance lease cost:
Finance lease cost:
Amortization of right-of-use assets
Amortization of right-of-use assets
Amortization of right-of-use assets
Interest on lease liabilities
Interest on lease liabilities
Interest on lease liabilities
Operating lease cost
Operating lease cost
Operating lease cost
Short term lease cost
Short term lease cost
Short term lease cost
Variable lease cost
Variable lease cost
Variable lease cost
Total net lease cost
Total net lease cost
Total net lease cost

As of **December 31, 2023** **June 30, 2024**, the maturities of lease liabilities were as follows:

**(In thousands)**

**Year Ending March 31,**

**Year Ending March 31,**

**Year Ending March 31,**

2024 (remaining three months ending March 31, 2024)

2025

2025 (remaining nine months ending March 31, 2025)

2026

2027

2028

2029

Thereafter

Total undiscounted lease payments

Less amount of lease payments representing interest

Total present value of lease payments

Operating Leases      Finance Lease      Total

Operating Leases      Finance Lease      Total

The weighted average remaining lease term and weighted average discount rate were as follows:

	December 31, 2023	June 30, 2024
Weighted average remaining lease term (years)		
Operating leases	2.95	4.28
Finance leases	1.03	0.84
Weighted average discount rate		
Operating leases	3.80	4.77 %
Finance leases	2.93	2.89 %

-11--9-

## 6. Other Accrued Liabilities

Other accrued liabilities consist of the following:

(In thousands)	(In thousands)	December 31, 2023	March 31, 2023	(In thousands)	June 30, 2024	March 31, 2024
Accrued marketing costs						
Accrued compensation costs						
Accrued broker commissions						
Income taxes payable						
Accrued professional fees						
Accrued production costs						
Accrued production costs						
Accrued production costs						
Other accrued liabilities						
Other accrued liabilities						
Other accrued liabilities						
	\$					

## 7. Long-Term Debt

Long-term debt consists of the following, as of the dates indicated:

(In thousands, except percentages)	(In thousands, except percentages)	December 31, 2023	(In thousands, except percentages)	March 31, 2023	June 30, 2024	March 31, 2024
2021 Senior Notes bearing interest at 3.750%, with interest payable on April 1 and October 1 of each year. The 2021 Senior Notes mature on April 1, 2031.						
2021 Senior Notes bearing interest at 3.750%, with interest payable on April 1 and October 1 of each year. The 2021 Senior Notes mature on April 1, 2031.						

2021 Senior Notes bearing interest at 3.750%, with interest payable on April 1 and October 1 of each year. The 2021 Senior Notes mature on April 1, 2031.

2019 Senior Notes bearing interest at 5.125%, with interest payable on January 15 and July 15 of each year. The 2019 Senior Notes mature on January 15, 2028.

2012 Term B-5 Loans bearing interest at the Borrower's option at either LIBOR plus a margin of 2.00%, with a LIBOR floor of 0.50%, or an alternate base rate plus a margin of 1.00% per annum (at March 31, 2023) and SOFR plus a margin of 2.00% plus a credit spread adjustment (at December 31, 2023), due on July 1, 2028.

2012 Term B-5 Loans bearing interest at the Borrower's option at either LIBOR plus a margin of 2.00%, with a LIBOR floor of 0.50%, or an alternate base rate plus a margin of 1.00% per annum (at March 31, 2023) and SOFR plus a margin of 2.00% plus a credit spread adjustment (at December 31, 2023), due on July 1, 2028.

2012 Term B-5 Loans bearing interest at the Borrower's option at either LIBOR plus a margin of 2.00%, with a LIBOR floor of 0.50%, or an alternate base rate plus a margin of 1.00% per annum (at March 31, 2023) and SOFR plus a margin of 2.00% plus a credit spread adjustment (at December 31, 2023), due on July 1, 2028.

2012 Term B-5 Loans bearing interest at the Borrower's option at SOFR plus a margin of 2.00% plus a credit spread adjustment, due on July 1, 2028.

2012 Term B-5 Loans bearing interest at the Borrower's option at SOFR plus a margin of 2.00% plus a credit spread adjustment, due on July 1, 2028.

2012 Term B-5 Loans bearing interest at the Borrower's option at SOFR plus a margin of 2.00% plus a credit spread adjustment, due on July 1, 2028.

Long-term debt

Long-term debt

Long-term debt

Less: unamortized debt costs

Long-term debt, net

Long-term debt, net

Long-term debt, net

At December 31, 2023 June 30, 2024, we had no balance outstanding on the 2012 asset-based revolving credit facility originally entered into on January 31, 2012 (the "2012 ABL Revolver") and a borrowing capacity of \$168.9 million \$183.6 million.

On April 4, 2023, we entered into ABL Amendment No. 8. ABL Amendment No. 8 provides for the replacement of LIBOR with SOFR as our reference rate for the 2012 ABL Revolver.

On June 12, 2023, we entered into Term Loan Amendment No. 7, effective July 1, 2023. Term Loan Amendment No. 7 provides for the replacement of LIBOR with SOFR as our reference rate for the 2012 Term Loan.

On December 8, 2023, we entered into Amendment No. 9 ("ABL Amendment No. 9") to the 2012 ABL Revolver. ABL Amendment No. 9 provides for (i) an increase in the aggregate revolving commitment of the facility from \$175.0 million to \$200.0 million, (ii) an extension of the maturity date of the 2012 ABL Revolver to December 8, 2028, and (iii) increased flexibility under the credit agreement governing the 2012 ABL Revolver, including, but not limited to, increased flexibility related to restricted payments, debt incurrence and borrowing base calculations. There were no changes to interest terms as a result of this amendment.

As of December 31, 2023 June 30, 2024, aggregate future principal payments required in accordance with the terms of the 2012 Term B-5 Loans under the 2012 term loan due 2028 originally entered into on January 31, 2012 (the "2012 Term Loan"), the 2012 ABL Revolver and the indentures governing the senior unsecured notes due 2031 (the "2021 Senior Notes") and the senior unsecured notes due 2028 (the "2019 Senior Notes") are as follows:

**(In thousands)**

**Year Ending March 31,**

**Year Ending March 31,**

**Year Ending March 31,**

2024 (remaining three months ending March 31, 2024)

2025

2025 (remaining nine months ending March 31, 2025)

2026

2027

2028

2029

Thereafter

**Amount**

**Amount**

\$

## **8. Fair Value Measurements**

For certain of our financial instruments, including cash, accounts receivable, accounts payable and other current liabilities, the carrying amounts approximate their respective fair values due to the relatively short maturity of these amounts.

FASB Accounting Standards Codification ("ASC") 820, *Fair Value Measurements*, requires fair value to be determined based on the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous

-10-

---

market assuming an orderly transaction between market participants. ASC 820 established market (observable inputs) as the preferred source of fair value, to be followed by our assumptions of fair value based on hypothetical transactions (unobservable inputs) in the absence of observable market inputs. Based upon the above, the following fair value hierarchy was created:

Level 1 - Quoted market prices for identical instruments in active markets;

Level 2 - Quoted prices for similar instruments in active markets, as well as quoted prices for identical or similar instruments in markets that are not considered active; and

Level 3 - Unobservable inputs developed by us using estimates and assumptions reflective of those that would be utilized by a market participant.

The market values have been determined based on market values for similar instruments adjusted for certain factors. As such, the 2021 Senior Notes, the 2019 Senior Notes, and the 2012 Term B-5 Loans and the 2012 ABL Revolver are measured in Level 2 of the above hierarchy. The summary below details the carrying amounts and estimated fair values of these instruments at December 31, 2023 June 30, 2024 and March 31, 2023 March 31, 2024.

December 31,	March 31,
2023	2023

		March 31, June 30, 2024				March 31, 2024			
		Carrying (In Value thousands)	Fair Value	Carrying Value	Fair Value (In thousands)	Carrying Value	Fair Value	Carrying Value	Fair Value
2019 Senior Notes									
2021 Senior Notes									
2012 Term B-5 Loans									
2012 Term B-5 Loans									
2012 Term B-5 Loans									

At December 31, 2023 June 30, 2024 and March 31, 2023 March 31, 2024, we did not have any assets or liabilities measured in Level 1 or 3.

## 9. Stockholders' Equity

We are authorized to issue 250.0 million shares of common stock, \$0.01 par value per share, and 5.0 million shares of preferred stock, \$0.01 par value per share. The Board of Directors may direct the issuance of the undesignated preferred stock in one or more series and determine preferences, privileges and restrictions thereof.

Each share of common stock has the right to one vote on all matters submitted to a vote of stockholders. The holders of common stock are also entitled to receive dividends whenever funds are legally available and when declared by the Board of Directors, subject to prior rights of holders of all classes of outstanding stock having priority rights as to dividends. No dividends have been declared or paid on our common stock through December 31, 2023 June 30, 2024.

-13-

On May 2, 2023 May 6, 2024, the Company's Board of Directors authorized the repurchase of up to \$25.0 million \$300.0 million of the Company's issued and outstanding common stock. Under the authorization, the Company may purchase common stock through May 31, 2024, utilizing open market transactions, transactions structured through investment banking institutions, in privately-negotiated transactions, by direct purchases of common stock or a combination of the foregoing in compliance with the applicable rules and regulations of the U.S. Securities and Exchange Commission. We completed the repurchase in the first quarter of fiscal 2024.

During the three and nine months ended December 31, 2023 June 30, 2024 and 2022, 2023, we repurchased shares of our common stock and recorded them as treasury stock. Our share repurchases consisted of the following:

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2023	2022	2023	2022
Shares repurchased pursuant to the provisions of the various employee restricted stock awards:				
Number of shares	—	303	88,953	99,522
Average price per share	\$ —	\$50.63	\$61.92	\$54.92
Total amount repurchased	\$ —	\$0.02 million	\$5.5 million	\$5.5 million
Shares repurchased pursuant to the provisions of the various employee restricted stock awards:				
Shares repurchased in conjunction with our share repurchase program:			82,673	88,953
Average price per share	—	—	\$70.16	\$61.92
Number of shares	—	—	426,479	914,236

Total amount repurchased	\$	—	\$	—	\$5.8 million	\$5.5 million
Total amount repurchased	\$	—	\$	—	\$25.0 million	\$50.0 million
Shares repurchased in conjunction with our share repurchase program:		-11-				
Number of shares					401,111	426,479
Average price per share					\$64.76	\$58.62
Total amount repurchased					\$26.0 million	\$25.0 million

## 10. Accumulated Other Comprehensive Loss

Accumulated other comprehensive loss consisted of the following at December 31, 2023 June 30, 2024 and March 31, 2023 March 31, 2024:

(In thousands)	December 31, 2023	March 31, 2023	(In thousands)	June 30, 2024	March 31, 2024
<b>Components of Accumulated Other Comprehensive Loss</b>					
Cumulative translation adjustment					
Cumulative translation adjustment					
Cumulative translation adjustment					
Unrecognized net gain on pension plans, net of tax of \$(214) and \$(214), respectively					
Unrecognized net gain on pension plans, net of tax of \$(214) and \$(214), respectively					
Unrecognized net gain on pension plans, net of tax of \$(214) and \$(214), respectively					
Unrecognized net gain on pension plans, net of tax of \$(217) and \$(217), respectively					
Unrecognized net gain on pension plans, net of tax of \$(217) and \$(217), respectively					
Unrecognized net gain on pension plans, net of tax of \$(217) and \$(217), respectively					
Accumulated other comprehensive loss, net of tax					

As of December 31, 2023 June 30, 2024 and March 31, 2023 March 31, 2024, no amounts were reclassified from accumulated other comprehensive loss into earnings.

-14-

## 11. Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share:

		Three Months Ended December 31,	Nine Months Ended December 31,
	Three Months Ended June 30,	Three Months Ended June 30,	Three Months Ended June 30,
	( <i>in thousands, except per share data</i> )	2023	2022
<b>(<i>in thousands, except per share data</i>)</b>			
<b>Numerator</b>			
Net income			
Net income			
Net income			
<b>Denominator</b>			
<b>Denominator</b>			
<b>Denominator</b>			
Denominator for basic earnings per share — weighted average shares outstanding			
Denominator for basic earnings per share — weighted average shares outstanding			
Denominator for basic earnings per share — weighted average shares outstanding			
Dilutive effect of unvested restricted stock units and options issued to employees and directors			
Denominator for diluted earnings per share			
<b>Earnings per Common Share:</b>			
<b>Earnings per Common Share:</b>			
<b>Earnings per Common Share:</b>			
Basic earnings per share			
Basic earnings per share			
Basic earnings per share			
Diluted earnings per share			
Diluted earnings per share			
Diluted earnings per share			

For the three months ended December 31, 2023 June 30, 2024 and 2022, there were 0.3 million and 0.2 million shares, respectively, attributable to outstanding stock-based awards that were excluded from the calculation of diluted earnings per share because their inclusion would have been anti-dilutive. For the nine months ended December 31, 2023 and 2022, 2023, there were 0.3 million and 0.4 million shares, respectively, attributable to outstanding stock-based awards that were excluded from the calculation of diluted earnings per share because their inclusion would have been anti-dilutive.

## 12. Stock-Based Compensation

In connection with our initial public offering, the Board of Directors adopted the 2005 Long-Term Equity Incentive Plan (the "2005 Plan"), which provided for grants of up to a maximum of 5.0 million shares of restricted stock, stock options, restricted stock units ("RSUs") and other equity-based awards. In June 2014, the Board of Directors approved, and in July 2014, our stockholders ratified, an increase of an additional 1.8 million shares of our common stock for issuance under the 2005 Plan, among other changes.

On June 23, 2020, the Board of Directors adopted the Prestige Consumer Healthcare Inc. 2020 Long-Term Incentive Plan (the "2020 Plan"). The 2020 Plan became effective on August 4, 2020, upon the approval of the 2020 Plan by our stockholders. On June 23, 2020, a total of 2,827,210 shares were available for issuance under the 2020 Plan (comprised of 2,000,000 new shares plus 827,210 shares that were unissued under the 2005 Plan). Since the 2020 Plan became effective, all equity awards have been made from the 2020 Plan, and the Company will not grant any additional awards under the 2005 Plan.

-15- At June 30, 2024, there were 1.6 million shares available for issuance under the 2020 Plan.

The following table provides information regarding our stock-based compensation:

	Nine Months	
	Three Months Ended December 31,	Ended December 31,
	Three Months Ended June 30,	Three Months Ended June 30,
	Three Months Ended June 30,	Three Months Ended June 30,
( <i>in thousands</i> )	( <i>in thousands</i> )	2023
Pre-tax stock-based compensation costs charged against income		2022
Income tax benefit recognized on compensation costs		2023
Total fair value of options and RSUs vested during the period		( <i>in thousands</i> )
Cash received from the exercise of stock options		2024
Tax benefits realized from tax deductions resulting from RSU issuances and stock option exercises		2023

At December 31, 2023 June 30, 2024, there were \$3.1 million \$4.5 million of unrecognized compensation costs related to unvested stock options under the 2005 Plan and the 2020 Plan, excluding an estimate for forfeitures which may occur. We expect to recognize such costs over a weighted average period of 1.9 2.4 years. At December 31, 2023 June 30, 2024, there were \$12.9 million \$15.9 million of unrecognized compensation costs related to unvested RSUs and performance stock units ("PSUs") under the 2005 Plan and the 2020 Plan, excluding an estimate for forfeitures which may occur. We expect to recognize such costs over a weighted average period of 1.7 2.3 years.

At December 31, 2023, there were 1.9 million shares available for issuance under the 2020 Plan.

#### Restricted Stock Units

The fair value of the RSUs is determined using the closing price of our common stock on the date of the grant. A summary of the RSUs granted under the 2005 Plan and the 2020 Plan is presented below:

RSUs	-16--13-	Shares (in thousands)	Weighted Average Grant-Date Fair Value	
			Shares (in thousands)	Fair Value
<b>Nine Months Ended December 31, 2022</b>				
Unvested at March 31, 2022		440.9	\$	38.45
Granted		151.0		55.03
Incremental performance shares		42.4	Weighted Average	—
Vested		(223.4)	32.09	
Forfeited		Shares (1.9)	Grant-Date	9.51
<b>RSUs</b>		<b>(in thousands)</b>	<b>Fair Value</b>	<b>47.17</b>
<b>Unvested at December 31, 2022</b>		<b>409.0</b>		
<b>Three Months Ended June 30, 2023</b>				
Vested at December 31, 2022		108.5		36.54
Unvested at March 31, 2023		409.0	\$	47.17
Granted		142.8		61.73
<b>Nine Months Ended December 31, 2023</b>				
Incremental performance shares		41.3	Weighted Average	—
Unvested at March 31, 2023		409.0	\$	47.17
Vested		(189.3)	41.81	
Granted		157.1	62.06	
Forfeited		(4.2)	54.92	
Incremental performance shares		11.1	—	
Unvested at June 30, 2023		399.6	54.18	
Vested		(205.0)	43.17	
Vested at June 30, 2023		108.5	56.54	
Forfeited		(10.6)	52.88	
Unvested at December 31, 2023		391.9		54.43
<b>Three Months Ended June 30, 2024</b>				
Vested at December 31, 2023		110.2		38.77
Unvested at March 31, 2024		391.9	\$	54.43
Granted		131.9		69.87
Incremental performance shares		41.1	Weighted Average	—
Vested		(177.7)	46.19	
Forfeited		(3.2)	58.16	
Unvested at June 30, 2024		384.0		62.43
Vested at June 30, 2024		110.2		38.77

#### Options

The fair value of each option award is estimated on the date of grant using the Black-Scholes Option Pricing Model that uses the assumptions presented below:

	Expected volatility	Nine Months Ended December 31,				Three Months Ended June 30,	
		2023		2022		2024	2023
		30.2% - 31.6%	30.8% - 30.9%	30.4% - 30.8%	30.2% - 31.6%		
Expected volatility	Expected volatility						
Expected dividends							
Expected term in years	Expected term in years		6.0 to 7.0	6.0 to 7.0 years		6.0 to 7.0	6.0 to 7.0
Risk-free rate	Risk-free rate	3.6% to 4.1%	2.8% to 2.9%	Risk-free rate		4.5%	3.6%
Weighted average grant date fair value of options granted							

-14-

A summary of option activity under the 2005 Plan and the 2020 Plan is as follows:

Options	Options	Shares (in thousands)	Weighted Average Exercise Price	Weighted Remaining Contractual Term (years)	Weighted Aggregate Intrinsic Value (in thousands)	Options		Shares (in thousands)	Weighted Average Exercise Price	Weighted Remaining Contractual Term (years)	Weighted Aggregate Intrinsic Value (in thousands)									
						Options	Shares (in thousands)													
<b><u>Nine Months Ended</u></b>																				
<b><u>December 31, 2022</u></b>																				
Outstanding at March 31, 2022																				
Outstanding at March 31, 2022																				
Outstanding at March 31, 2022																				
Granted																				
Granted																				
Granted																				
Exercised																				
Exercised																				
Exercised																				
Forfeited																				
Forfeited																				
Forfeited																				
Expired																				
Expired																				
Expired																				
Outstanding at December 31, 2022																				
Outstanding at December 31, 2022																				
Outstanding at December 31, 2022																				

Vested at December 31, 2022	
<b><u>Nine Months Ended December 31, 2023</u></b>	
<b><u>Nine Months Ended December 31, 2023</u></b>	
<b><u>Nine Months Ended December 31, 2023</u></b>	
<b><u>Three Months Ended June 30, 2023</u></b>	
Outstanding at March 31, 2023	
Outstanding at March 31, 2023	
Outstanding at March 31, 2023	
Granted	
Granted	
Granted	
Exercised	
Exercised	
Exercised	
Forfeited	
Forfeited	
Forfeited	
Expired	
Expired	
Expired	
Outstanding at December 31, 2023	
Outstanding at December 31, 2023	
Outstanding at December 31, 2023	
Vested at December 31, 2023	
Outstanding at June 30, 2023	
Outstanding at June 30, 2023	
Outstanding at June 30, 2023	
Vested at June 30, 2023	
<b><u>Three Months Ended June 30, 2024</u></b>	
<b><u>Three Months Ended June 30, 2024</u></b>	
<b><u>Three Months Ended June 30, 2024</u></b>	
Outstanding at March 31, 2024	
Granted	

Granted	
Granted	
Exercised	
Exercised	
Exercised	
Forfeited	
Forfeited	
Forfeited	
Outstanding at June 30, 2024	
Outstanding at June 30, 2024	
Outstanding at June 30, 2024	
Vested at June 30, 2024	

The aggregate intrinsic value of options exercised during the **nine** **three** months ended **December 31, 2023** **June 30, 2024** was **\$5.4 million** **\$0.5 million**.

### 13. Income Taxes

Numerous countries have agreed to a statement in support of the Organization for Economic Cooperation and Development ("OECD") model rules that propose a global minimum tax rate of 15%. Certain countries have enacted legislation incorporating the agreed upon global minimum tax effective in 2024. This legislation has not and is not expected to have a material impact on our Consolidated Financial Statements.

Income taxes are recorded in our quarterly financial statements based on our estimated annual effective income tax rate, subject to adjustments for discrete events, should they occur. The effective tax rates used in the calculation of income taxes were **23.8%** **16.0%** and **23.7%** **22.5%** for the three months ended **December 31, 2023** **June 30, 2024** and **2022**, **2023**, respectively. The effective tax rates used in the calculation of income taxes were **23.4%** and **23.0%** for the nine months ended December 31, 2023 and 2022, respectively. The increase decrease in the effective tax rate for the three months ended December 31, 2023, **June 30, 2024** compared to the three months ended December 31, 2022, **June 30, 2023** was due to discrete items, primarily pertaining to stock-based compensation. The increase in the effective release of a reserve for uncertain tax rate for the nine months ended December 31, 2023, compared positions due to the nine months ended December 31, 2022, was due to discrete items primarily pertaining to stock-based compensation and state tax rate legislative changes, statute of limitations expiring.

### 14. Commitments and Contingencies

We are involved from time to time in legal matters and other claims incidental to our business. We review outstanding claims and proceedings internally and with external counsel as necessary to assess the probability and amount of a potential loss. These assessments are re-evaluated at each reporting period and as new information becomes available to determine

-17-

---

whether a **reserve** **contingency accrual** should be established or if any existing **reserve** **contingency accrual** should be adjusted. The actual cost of resolving a claim or proceeding ultimately may be substantially different than the amount of the recorded **reserve** **contingency accrual**. In addition, because it is not permissible under GAAP to establish a litigation **reserve** **contingency accrual** until the loss is both probable and estimable, in some cases there may be insufficient time to establish a **reserve** **contingency accrual** prior to the actual incurrence of the loss (upon verdict and judgment at trial, for example, or in the case of a quickly negotiated settlement). We believe the reasonably possible losses from resolution of routine legal matters and other claims incidental to our business will not have a material effect on our financial statements.

### 15. Concentrations of Risk

Our revenues are concentrated in the area of OTC Healthcare. We sell our products to mass merchandisers, drug, food, dollar, convenience and club stores and e-commerce channels. During the three and nine months ended December 31, 2023, June 30, 2024 and 2023, approximately 37.0% 40% and 37.8%, respectively, of our gross revenues were derived from our five top selling brands. During the three and nine months ended December 31, 2022, approximately 36.9% and 38.7% 41%, respectively, of our gross revenues were derived from our five top selling brands. Walmart accounted for

-15-

---

approximately 19.0% 20% and 19.6% 21%, respectively, of our gross revenues for the three and nine months ended December 31, 2023. Walmart accounted for approximately 19.9% June 30, 2024 and 19.8%, respectively, of our gross revenues for the three and nine months ended December 31, 2022, 2023. Amazon accounted for approximately 10.7% 13% and 10.4% 11%, respectively, of gross revenues for the three and nine months ended December 31, 2023, June 30, 2024 and 2023.

Our product distribution in the United States is managed by a third party through one primary distribution center in Clayton, Indiana. In addition, we We also operate one manufacturing facility for certain of our products located in Lynchburg, Virginia, which manufactures many certain of the our Fleet, Monistat and Summer's Eve products and a manufacturing facility in Victoria, Australia which manufactures some of our Fleet Hydralyte products. A natural disaster, such as tornado, earthquake, flood, or fire, at our distribution center or our own or a third-party manufacturing facility could damage our inventory and/or materially impair our ability to distribute our products to customers in a timely manner or at a reasonable cost. In addition, a serious disruption caused by performance or contractual issues with our third-party distribution manager, or labor shortages or contagious disease outbreaks or other public health emergencies at our distribution center or manufacturing facility facilities could also materially impact our product distribution. Any disruption could result in increased costs, expense and/or shipping times, and could harm our reputation and cause us to incur customer fees and penalties. We could also incur significantly higher costs and experience longer lead times if should we need be required to replace our distribution center, the third-party distribution manager or the manufacturing facility facilities. As a result, any serious disruption could have a material adverse effect on our business, financial condition and results of operations.

At December 31, 2023 June 30, 2024, we had relationships with 129 113 third-party manufacturers. Of those, we had long-term contracts with 29 manufacturers that produced items that accounted for approximately 78% of gross sales for the three months ended June 30, 2024. At June 30, 2023, we had relationships with 135 third-party manufacturers. Of those, we had long-term contracts with 27 manufacturers that produced items that accounted for approximately 72.1% 75% of gross sales for the nine three months ended December 31, 2023 June 30, 2023. At December 31, 2022, One of our suppliers, a privately owned pharmaceutical manufacturer with whom we had relationships with 133 third-party manufacturers. Of those, we had have a long-term contracts with 27 manufacturers that supply agreement, produced items products that accounted for approximately 70.5% more than 10% of our gross sales revenues for the nine three months ended December 31, 2022 June 30, 2024 and 2023. At June 30, 2024, this manufacturer accounted for approximately 23% of our gross revenues, while we accounted for a significant portion of their gross revenues over that time period. At June 30, 2023, this manufacturer accounted for approximately 22% of our gross revenues, while we accounted for a significant portion of their gross revenues over that time period. No other single third-party supplier produces products that account for 10% or more of our gross revenues. The fact that we do not have long-term contracts with certain manufacturers means that they could cease manufacturing our products at any time and for any reason or initiate arbitrary and costly price increases, which could have a material adverse effect on our business and results of operations. Although we are continually in the process of negotiating long-term contracts with certain key manufacturers, we may not be able to reach a timely agreement, which could have a material adverse effect on our business and results of operations.

## 16. Business Segments

Our current reportable segments consist of (i) North American OTC Healthcare and (ii) International OTC Healthcare. We evaluate the performance of our operating segments and allocate resources to these segments based primarily on contribution margin, which we define as gross profit less advertising and marketing expenses.

The tables below summarize information about our reportable segments.

-18-

---

<b>(In thousands)</b>	<b>Three Months Ended December 31, 2023</b>		
	<b>North American</b>		
	<b>OTC</b>	<b>International OTC</b>	<b>Consolidated</b>
	<b>Healthcare</b>	<b>Healthcare</b>	
Total segment revenues*	\$ 236,565	\$ 46,176	\$ 282,741
Cost of sales	106,090	18,713	124,803
Gross profit	130,475	27,463	157,938
Advertising and marketing	33,917	5,549	39,466
Contribution margin	\$ 96,558	\$ 21,914	\$ 118,472
Other operating expenses			31,640
Operating income			\$ 86,832

\* Intersegment revenues of \$0.5 million were eliminated from the North American OTC Healthcare segment.

<b>(In thousands)</b>	<b>Nine Months Ended December 31, 2023</b>			<b>Three Months Ended June 30, 2024</b>		
	<b>North American</b>		<b>International</b>	<b>North American OTC</b>		<b>International</b>
	<b>OTC</b>	<b>Healthcare</b>		<b>OTC</b>	<b>Healthcare</b>	
Total segment revenues*						
Cost of sales						
Gross profit						
Advertising and marketing						
Contribution margin						
Other operating expenses						
Operating income						

\* Intersegment revenues of \$2.5 million were eliminated from the North American OTC Healthcare segment.

\* Intersegment revenues of \$0.7 million were eliminated from the North American OTC Healthcare segment.

<b>(In thousands)</b>	<b>Three Months Ended December 31, 2022</b>		
	<b>North American OTC</b>		<b>International OTC</b>
	<b>Healthcare</b>	<b>Healthcare</b>	
Total segment revenues*	\$ 236,884	\$ 38,640	\$ 275,524
Cost of sales	110,554	14,568	125,122
Gross profit	126,330	24,072	150,402
Advertising and marketing	24,831	5,592	30,423
Contribution margin	\$ 101,499	\$ 18,480	\$ 119,979

Other operating expenses		32,795
Operating income	\$	87,184

\* Intersegment revenues of \$1.1 million were eliminated from the North American OTC Healthcare segment.

-19- -16-

(In thousands)	Nine Months Ended December 31, 2022			Three Months Ended June 30, 2023			International OTC Healthcare Consolidated
	North American (In thousands)	OTC Healthcare	International OTC Healthcare	Consolidated	North American OTC Healthcare (In thousands)	North American OTC Healthcare	
Total segment revenues*							
Cost of sales							
Gross profit							
Advertising and marketing							
Contribution margin							
Other operating expenses							
Operating income							

\* Intersegment revenues of \$2.8 million were eliminated from the North American OTC Healthcare segment. \* Intersegment revenues of \$1.4 million were eliminated from the North American OTC Healthcare segment.

The tables below summarize information about our segment revenues from similar product groups.

(In thousands)	Three Months Ended December 31, 2023			
	North American			
	OTC Healthcare	International OTC Healthcare	Consolidated	
Analgesics	\$ 28,680	\$ 1,586	\$ 30,266	
Cough & Cold	27,359	5,814	33,173	
Women's Health	53,076	5,190	58,266	
Gastrointestinal	38,919	22,707	61,626	
Eye & Ear Care	38,503	6,569	45,072	
Dermatologicals	26,603	1,165	27,768	
Oral Care	20,362	3,100	23,462	
Other OTC	3,063	45	3,108	

Total segment revenues	\$ 236,565	\$ 46,176	\$ 282,741
------------------------	------------	-----------	------------

	Nine Months Ended December 31, 2023				Nine Months Ended December 31, 2023				Nine Months Ended December 31, 2023		
	Three Months Ended June 30, 2024				Three Months Ended June 30, 2024				Three Months Ended June 30, 2024		
	North American OTC Healthcare	International OTC Healthcare	Consolidated		North American OTC Healthcare	International OTC Healthcare	Consolidated		North American OTC Healthcare	International OTC Healthcare	Consolidated
(In thousands)	(In thousands)				(In thousands)				(In thousands)		
Analgesics											
Cough & Cold											
Women's Health											
Gastrointestinal											
Eye & Ear Care											
Dermatologicals											
Oral Care											
Other OTC											
Total segment revenues											
Total segment revenues											
Total segment revenues											

-20-

(In thousands)	Three Months Ended December 31, 2022			
	North American OTC Healthcare		International OTC Healthcare	
		Consolidated		Consolidated
Analgesics	\$ 29,396	\$ 648	\$ 30,044	
Cough & Cold	31,246	6,336	37,582	
Women's Health	53,918	4,138	58,056	
Gastrointestinal	38,194	18,555	56,749	

Eye & Ear Care	32,653	5,229	37,882
Dermatologicals	27,223	978	28,201
Oral Care	21,371	2,738	24,109
Other OTC	2,883	18	2,901
Total segment revenues	<u>\$ 236,884</u>	<u>\$ 38,640</u>	<u>\$ 275,524</u>

	North American (In thousands)	International (In thousands)		North American (In thousands)	International (In thousands)
Analgesics					
Cough & Cold					
Women's Health					
Gastrointestinal					
Eye & Ear Care					
Dermatologicals					
Oral Care					
Other OTC					
Total segment revenues					
Total segment revenues					
Total segment revenues					

-21-

-17-

## 17. Subsequent Event

### Director Equity Grants

Pursuant to the 2020 Plan, one of the independent members of the Board of Directors received a grant of 555 RSUs on August 5, 2024. The RSUs fully vest one year after receipt of the award, subject to the continued service of the director on such vesting date, and will be settled by delivery to the director of one share of our common stock for each vested RSU either (a) at the election of the director prior to the grant date, immediately upon vesting, or (b) promptly following the earliest of (i) such director's death, (ii) such director's separation from service or (iii) a change in control of the Company.

Pursuant to the 2020 Plan, each of the independent members of the Board of Directors received a grant of 2,202 RSUs on August 6, 2024. The RSUs fully vest one year after receipt of the award, subject to the continued service of the director on such vesting date, and will be settled by delivery to each director of one share of our common stock for each vested RSU either (a) at the election of the director prior to the grant date, immediately upon vesting, or (b) promptly following the earliest of (i) such director's death, (ii) such director's separation from service or (iii) a change in control of the Company.

-18-

---

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read together with the Condensed Consolidated Financial Statements and the related notes included in this Quarterly Report on Form 10-Q, as well as our Annual Report on Form 10-K for the fiscal year ended **March 31, 2023** **March 31, 2024**. This discussion and analysis may contain forward-looking statements that involve certain risks, assumptions and uncertainties. Future results could differ materially from the discussion that follows for many reasons, including the factors described in Part I, Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended **March 31, 2023** **March 31, 2024** and in future reports filed with the U.S. Securities and Exchange Commission ("SEC").

See also "Cautionary Statement Regarding Forward-Looking Statements" on page **31** **26** of this Quarterly Report on Form 10-Q.

*Unless otherwise indicated by the context, all references in this Quarterly Report on Form 10-Q to "we," "us," "our," the "Company" or "Prestige" refer to Prestige Consumer Healthcare Inc. and our subsidiaries. Similarly, references to a year (e.g., **2024**) **2025**) refers to our fiscal year ended March 31 of that year.*

### General

We are engaged in the development, manufacturing, marketing, sales and distribution of well-recognized, brand name, over-the-counter ("OTC") **healthcare** **health** and personal care products to mass merchandisers, drug, food, dollar, convenience, and club stores and e-commerce channels in North America (the United States and Canada) and in Australia and certain other international markets. We use the strength of our brands, our established retail distribution network, a low-cost operating model and our experienced management team to our competitive advantage.

We have grown our brand portfolio both organically and through acquisitions. We develop our existing brands by investing in new product lines, brand extensions and strong advertising support. Acquisitions of **OTC** **consumer health and personal care** brands have also been an important part of our growth strategy. We have acquired well-recognized brands from consumer products and pharmaceutical companies and private equity firms. While many of these brands have long histories of brand development and investment, we believe that, at the time we acquired them, most were considered "non-core" by their previous owners. As a result, these acquired brands did not benefit from adequate management focus and marketing support during the period prior to their acquisition, which created opportunities for us to reinvigorate these brands and improve their performance post-acquisition. After adding a core brand to our portfolio, we seek to increase its sales, market share and distribution in both existing and new channels through our established retail distribution network. We pursue this growth through increased spending on advertising and marketing support, new sales and marketing strategies, improved packaging and formulations, and innovative development of brand extensions.

### Economic Environment

There has been economic uncertainty in the United States and globally due to several factors, including global supply chain constraints, rising interest rates, a high inflationary environment and geopolitical events. We expect economic conditions will continue to be highly volatile and uncertain, put pressure on prices and supply, and could affect demand for our products. We have continued to see changes in the purchasing patterns of our **consumers**, **end customers**, including a reduction in the frequency of visits to retailers and a shift in many markets to purchasing our products online.

The volatile environment has impacted the supply of labor and raw materials and exacerbated rising input costs. Although we have not experienced a material disruption to our overall supply chain to date, we have and may continue to experience shortages, delays and backorders for certain ingredients and products, difficulty scheduling shipping for our products, as well as price increases from many of our suppliers for both shipping and product costs. Certain of our third-party manufacturers are currently having, and have had in the past, difficulty meeting demand, which is and has caused shortages of our products, particularly eye care products. These shortages negatively impacted our results of operations in 2024, and we expect further shortages may have a negative impact on our sales. In addition, labor shortages have impacted our manufacturing operations and may could impact our ability to supply certain products to our customers. To date, these global conditions have not had a material negative impact on our operations, supply chain, overall costs or demand for most of our products or resulting aggregate sales and earnings, and, as such, it has also not materially negatively impacted our liquidity position. We continue to generate operating cash flows to meet our short-term liquidity needs. These circumstances could change, however, in this dynamic environment. If conditions cause further disruption in the global supply chain, the availability of labor and materials or otherwise further increase costs, it may materially affect our operations and those of third parties on which we rely, including causing material disruptions in the supply and distribution of our products. The extent to which these conditions impact our results and liquidity will depend on future developments, which are highly uncertain and cannot be predicted, including global supply chain constraints, inflation, global conflicts and instability, and the potential for further outbreaks of severe illnesses. These effects could have a material adverse impact on our business, liquidity, capital resources, and results of operations and those of the third parties on which we rely.

-22-

-19-

#### Global Minimum Tax

Numerous countries have agreed to a statement in support of the Organization for Economic Cooperation and Development ("OECD") model rules that propose a global minimum tax rate of 15%. Certain countries have enacted legislation incorporating the agreed upon global minimum tax effective in 2024. This legislation has not and is not expected to have a material impact on our Consolidated Financial Statements. As legislation becomes effective in more countries in which we do business, our taxes could increase and negatively impact our provision for income taxes. We will continue to monitor pending legislation and implementation by countries and evaluate the potential impact on our business in future periods.

-20-

#### Results of Operations

Three Months Ended December 31, 2023 June 30, 2024 compared to the Three Months Ended December 31, 2022 June 30, 2023

##### Total Segment Revenues

The following table represents total revenue by segment, including product groups, for the three months ended December 31, 2023 June 30, 2024 and 2022, 2023.

	Three Months Ended December 31,
	Three Months Ended December 31,
	Three Months Ended December 31,
	Three Months Ended June 30,
	Three Months Ended June 30,
	Three Months Ended June 30,
	Increase (Decrease)
	Increase (Decrease)

---

Increase (Decrease)

*(In thousands)*

*(In thousands)*

*(In thousands)*

**North American OTC Healthcare**

**North American OTC Healthcare**

**North American OTC Healthcare**

Analgesics

Analgesics

Analgesics

Cough & Cold

Cough & Cold

Cough & Cold

Women's Health

Women's Health

Women's Health

Gastrointestinal

Gastrointestinal

Gastrointestinal

Eye & Ear Care

Eye & Ear Care

Eye & Ear Care

Dermatologicals

Dermatologicals

Dermatologicals

Oral Care

Oral Care

Oral Care

Other OTC

Other OTC

Other OTC

Total North American OTC Healthcare

Total North American OTC Healthcare

Total North American OTC Healthcare

**International OTC Healthcare**

**International OTC Healthcare**

**International OTC Healthcare**

Analgesics

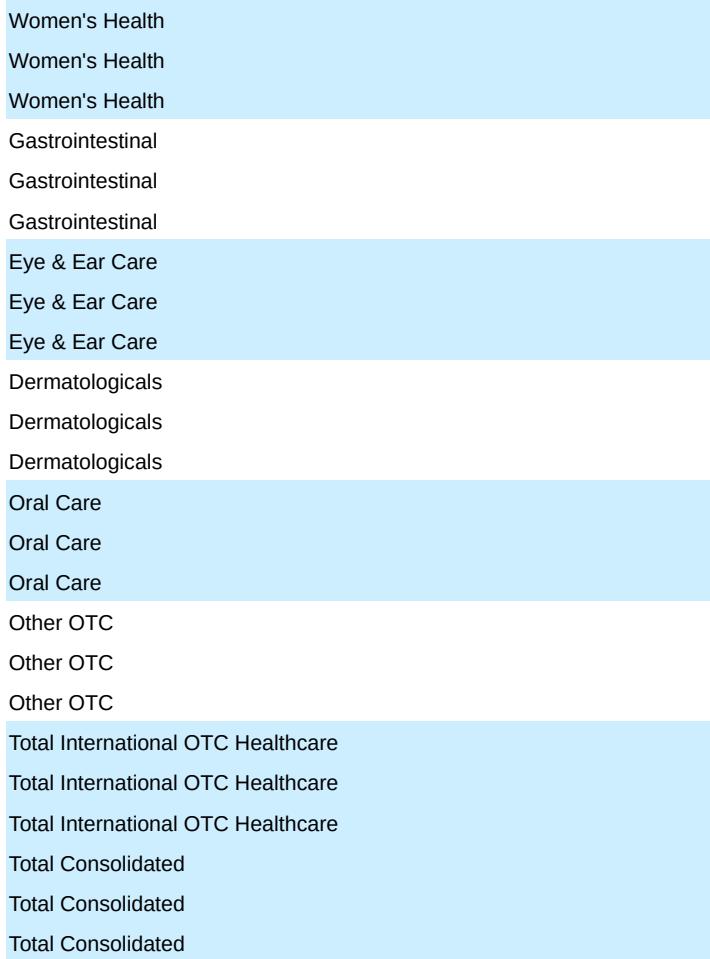
Analgesics

Analgesics

Cough & Cold

Cough & Cold

Cough & Cold



Total revenues for the three months ended December 31, 2023 June 30, 2024 were \$282.7 million \$267.1 million, an increase a decrease of \$7.2 million \$12.2 million, or 2.6% 4.4%, versus the three months ended December 31, 2022 June 30, 2023.

#### **North American OTC Healthcare Segment**

Revenues for the North American OTC Healthcare segment decreased \$0.3 million \$13.8 million, or 0.1% 5.6%, during the three months ended December 31, 2023 June 30, 2024 versus the three months ended December 31, 2022 June 30, 2023. The \$0.3 million \$13.8 million decrease was primarily attributable to a decline decrease in sales in the Cough & Cold and Oral Care Women's Health categories, partly offset by an increase in sales in the Eye & Ear Care category.

#### **International OTC Healthcare Segment**

Revenues for the International OTC Healthcare segment increased \$7.5 million \$1.7 million, or 19.5% 5.0%, during the three months ended December 31, 2023 June 30, 2024 versus the three months ended December 31, 2022 June 30, 2023. The \$7.5 million \$1.7 million increase was primarily mainly attributable to an increase in sales in the Gastrointestinal and Eye & Ear Care and categories, partly offset by a decrease in sales in the Women's Health categories.

category.

-23- -21-

### Gross Profit

The following table presents our gross profit and gross profit as a percentage of total segment revenues, by segment for each of the periods presented.

<u>(In thousands)</u>	Three Months Ended December 31,					Three Months Ended June 30,					<u>Increase (Decrease)</u>	
	<u>(In thousands)</u>			Increase (Decrease)		<u>(In thousands)</u>			Increase (Decrease)			
	Gross Profit	2023	%	2022	%	Amount	Gross Profit	2024	%	2023	Amount	%
North American OTC Healthcare												
International OTC Healthcare												

Gross profit for the three months ended December 31, 2023 increased \$7.5 million June 30, 2024 decreased \$8.7 million, or 5.0% 5.6%, when compared with the three months ended December 31, 2022 June 30, 2023. As a percentage of total revenues, gross profit increased decreased to 55.9% 54.7% during the three months ended December 31, 2023 June 30, 2024, from 54.6% 55.4% during the three months ended December 31, 2022 June 30, 2023, primarily due to reduced logistics costs the decrease in our North American OTC Healthcare segment revenue and increased supply chain costs.

### North American OTC Healthcare Segment

Gross profit for the North American OTC Healthcare segment increased \$4.1 million decreased \$9.3 million, or 3.3% 6.8%, during the three months ended December 31, 2023 June 30, 2024 versus the three months ended December 31, 2022 June 30, 2023. As a percentage of North American OTC Healthcare revenues, gross profit increased decreased to 55.2% 54.6% during the three months ended December 31, 2023 June 30, 2024 from 53.3% 55.3% during the three months ended December 31, 2022 June 30, 2023, primarily due to reduced logistics costs. the decrease in revenue and increased supply chain costs, partly offset by pricing actions.

### International OTC Healthcare Segment

Gross profit for the International OTC Healthcare segment increased \$3.4 million \$0.7 million, or 14.1% 3.5%, during the three months ended December 31, 2023 June 30, 2024 versus the three months ended December 31, 2022 June 30, 2023. As a percentage of International OTC Healthcare revenues, gross profit decreased to 59.5% 55.3% during the three months ended December 31, 2023 June 30, 2024 from 62.3% 56.1% during the three months ended December 31, 2022 June 30, 2023, primarily due to increased supply chain costs and product mix.

### Contribution Margin

Contribution margin is our segment measure of profitability. It is defined as gross profit less advertising and marketing expenses.

The following table presents our contribution margin and contribution margin as a percentage of total segment revenues, by segment for each of the periods presented.

<u>(In thousands)</u>	Three Months Ended December 31,						<u>Increase (Decrease)</u>	
	2023			2022				
	Contribution Margin	%	Amount	Contribution Margin	%	Amount		
North American OTC Healthcare	\$ 96,558	40.8	\$ (4,941)	\$ 101,499	42.8	\$ (4,941)	(4.9)	
International OTC Healthcare	21,914	47.5	3,434	18,480	47.8	3,434	18.6	
	<u>\$ 118,472</u>	<u>41.9</u>	<u>\$ (1,507)</u>	<u>\$ 119,979</u>	<u>43.5</u>	<u>\$ (1,507)</u>	<u>(1.3)</u>	

#### **North American OTC Healthcare Segment**

Contribution margin for the North American OTC Healthcare segment decreased \$4.9 million, or 4.9%, during the three months ended December 31, 2023 versus the three months ended December 31, 2022. As a percentage of North American OTC Healthcare revenues, contribution margin decreased to 40.8% during the three months ended December 31, 2023 from 42.8% during the three months ended December 31, 2022. The contribution margin decrease as a percentage of revenues was primarily due to an increase in advertising and marketing spend in the three months ended December 31, 2023, partly offset by the increase in gross profit margin noted above.

#### **International OTC Healthcare Segment**

Contribution margin for the International OTC Healthcare segment increased \$3.4 million, or 18.6%, during the three months ended December 31, 2023 versus the three months ended December 31, 2022. As a percentage of International OTC Healthcare revenues, contribution margin decreased to 47.5% during the three months ended December 31, 2023 from 47.8% during the three months ended December 31, 2022. The contribution margin decrease as a percentage of revenues was primarily due to the decrease in gross profit margin noted above.

-24-

#### **General and Administrative**

General and administrative expenses were \$26.0 million for the three months ended December 31, 2023 and \$26.5 million for the three months ended December 31, 2022.

#### **Depreciation and Amortization**

Depreciation and amortization expenses decreased to \$5.6 million for the three months ended December 31, 2023 from \$6.3 million for the three months ended December 31, 2022. The decrease in depreciation and amortization expenses was primarily attributable to a decrease in amortization expense due to impairment charges taken on finite-lived brands in fiscal 2023.

#### **Interest Expense, Net**

Interest expense, net was \$16.6 million during the three months ended December 31, 2023 versus \$17.9 million during the three months ended December 31, 2022. The average indebtedness decreased to \$1.3 billion during the three months ended December 31, 2023 from \$1.4 billion during the three months ended December 31, 2022. The average cost of borrowing increased to 5.4% for the three months ended December 31, 2023 from 5.0% for the three months ended December 31, 2022.

#### **Income Taxes**

The provision for income taxes during the three months ended December 31, 2023 was \$16.5 million versus \$16.2 million during the three months ended December 31, 2022. The effective tax rate during the three months ended December 31, 2023 was 23.8% versus 23.7% during the three months ended December 31, 2022. The increase in the effective tax rate for the three months ended December 31, 2023 was due to the impact of discrete items primarily pertaining to stock-based compensation.

-25-

#### **Results of Operations**

##### **Nine Months Ended December 31, 2023 compared to the Nine Months Ended December 31, 2022**

#### **Total Segment Revenues**

The following table represents total revenue by segment, including product groups, for the nine months ended December 31, 2023 and 2022.

<u>(In thousands)</u>	Nine Months Ended December 31,						Increase (Decrease)	
	2023	%	2022	%	Amount	%		
<b>North American OTC Healthcare</b>								
Analgesics	\$ 85,838	10.1	\$ 89,943	10.7	\$ (4,105)	(4.6)		
Cough & Cold	73,703	8.7	76,896	9.1	(3,193)	(4.2)		
Women's Health	163,031	19.3	174,481	20.7	(11,450)	(6.6)		
Gastrointestinal	122,303	14.4	119,533	14.2	2,770	2.3		
Eye & Ear Care	117,719	13.9	109,225	13.0	8,494	7.8		
Dermatologicals	94,299	11.1	89,550	10.6	4,749	5.3		
Oral Care	61,400	7.2	63,597	7.6	(2,197)	(3.5)		
Other OTC	8,838	1.0	8,231	1.0	607	7.4		
<b>Total North American OTC Healthcare</b>	<b>727,131</b>	<b>85.7</b>	<b>731,456</b>	<b>86.9</b>	<b>(4,325)</b>	<b>(0.6)</b>		
<b>International OTC Healthcare</b>								
Analgesics	\$ 3,814	0.4	\$ 1,642	0.2	2,172	132.3		
Cough & Cold	19,129	2.3	19,775	2.4	(646)	(3.3)		
Women's Health	17,218	2.0	13,750	1.6	3,468	25.2		
Gastrointestinal	49,678	5.9	48,619	5.8	1,059	2.2		
Eye & Ear Care	17,715	2.1	14,699	1.7	3,016	20.5		
Dermatologicals	3,972	0.5	2,886	0.3	1,086	37.6		
Oral Care	9,591	1.1	8,988	1.1	603	6.7		
Other OTC	118	—	41	—	77	187.8		
<b>Total International OTC Healthcare</b>	<b>121,235</b>	<b>14.3</b>	<b>110,400</b>	<b>13.1</b>	<b>10,835</b>	<b>9.8</b>		
<b>Total Consolidated</b>	<b>\$ 848,366</b>	<b>100.0</b>	<b>\$ 841,856</b>	<b>100.0</b>	<b>\$ 6,510</b>	<b>0.8</b>		

Total revenues for the nine months ended December 31, 2023 were \$848.4 million, an increase of \$6.5 million, or 0.8%, versus the nine months ended December 31, 2022.

#### **North American OTC Healthcare Segment**

Revenues for the North American OTC Healthcare segment decreased \$4.3 million, or 0.6%, during the nine months ended December 31, 2023 versus the nine months ended December 31, 2022. The \$4.3 million decrease was primarily attributable to a decrease in sales in the Women's Health, Analgesics and Cough & Cold categories, partly offset by an increase in sales in the Eye & Ear Care, Dermatologicals, and Gastrointestinal categories.

#### **International OTC Healthcare Segment**

Revenues for the International OTC Healthcare segment increased \$10.8 million, or 9.8%, during the nine months ended December 31, 2023 versus the nine months ended December 31, 2022. The \$10.8 million increase was mainly attributable to an increase in sales in the Women's Health, Eye & Ear Care and Analgesics categories.

## Gross Profit

The following table presents our gross profit and gross profit as a percentage of total segment revenues, by segment for each of the periods presented.

<u>(In thousands)</u>	Nine Months Ended December 31,						<u>Increase (Decrease)</u>
	2023	%	2022	%	Amount	%	
North American OTC Healthcare	\$ 403,499	55.5	\$ 404,448	55.3	\$ (949)	(0.2)	
International OTC Healthcare	69,132	57.0	67,082	60.8	2,050	3.1	
	<u>\$ 472,631</u>	<u>55.7</u>	<u>\$ 471,530</u>	<u>56.0</u>	<u>\$ 1,101</u>	<u>0.2</u>	

Gross profit for the nine months ended December 31, 2023 increased \$1.1 million, or 0.2%, when compared with the nine months ended December 31, 2022. As a percentage of total revenues, gross profit decreased to 55.7% during the nine months ended December 31, 2023, from 56.0% during the nine months ended December 31, 2022, primarily due to increased supply chain costs and product mix, partly offset by pricing actions.

### North American OTC Healthcare Segment

Gross profit for the North American OTC Healthcare segment decreased \$0.9 million, or 0.2%, during the nine months ended December 31, 2023 versus the nine months ended December 31, 2022. As a percentage of North American OTC Healthcare revenues, gross profit increased to 55.5% during the nine months ended December 31, 2023 from 55.3% during the nine months ended December 31, 2022, primarily due to product mix and pricing actions, partly offset by increased supply chain costs.

### International OTC Healthcare Segment

Gross profit for the International OTC Healthcare segment increased \$2.1 million, or 3.1%, during the nine months ended December 31, 2023 versus the nine months ended December 31, 2022. As a percentage of International OTC Healthcare revenues, gross profit decreased to 57.0% during the nine months ended December 31, 2023 from 60.8% during the nine months ended December 31, 2022, primarily due to increased supply chain costs and product mix.

## Contribution Margin

Contribution margin is our segment measure of profitability. It is defined as gross profit less advertising and marketing expenses.

The following table presents our contribution margin and contribution margin as a percentage of total segment revenues, by segment for each of the periods presented.

<u>(In thousands)</u>	Nine Months Ended						<u>Increase (Decrease)</u>	
	December 31,			Three Months Ended June 30,				
	<u>(In thousands)</u>	Contribution Margin	2023 %	Contribution Margin	2024 %	Contribution Margin	2023 %	Amount %
North American OTC Healthcare								
International OTC Healthcare								

### North American OTC Healthcare Segment

Contribution margin for the North American OTC Healthcare segment for the nine three months ended December 31, 2023 June 30, 2024 decreased \$2.1 million \$11.7 million, or 0.7% 11.1%, when compared with the nine three months ended December 31, 2022 June 30, 2023. As a percentage of North American OTC Healthcare revenues, contribution margin decreased slightly to 41.6% 40.0% during the nine three months ended December 31, 2023 June 30, 2024 from 41.7% 42.5% during the nine three months ended December 31, 2022 June 30, 2023, primarily due to a slight decrease in gross profit margin noted above and an increase in advertising and marketing spend during the nine months ended December 31, 2023 quarter.

### International OTC Healthcare Segment

Contribution margin for the International OTC Healthcare segment increased \$1.6 million decreased \$0.1 million, or 3.0% 0.9%, during the nine three months ended December 31, 2023 June 30, 2024 versus the nine three months ended December 31, 2022 June 30, 2023. As a percentage of International OTC Healthcare revenues, contribution margin decreased to 44.6% 39.2% during the nine three months ended December 31, 2023 June 30, 2024 from 47.5% 41.5% during the nine three months ended December 31, 2022 June 30, 2023. The contribution margin decrease as a percentage of revenues was primarily due to the decrease in gross profit margin noted above, revenue and the increase in advertising and marketing spend during the quarter.

-27- -22-

#### General and Administrative

General and administrative expenses remained flat at \$79.7 million were \$28.9 million for the nine three months ended December 31, 2023 June 30, 2024 and nine \$27.7 million for the three months ended December 31, 2022 June 30, 2023. The increase in general and administrative expenses was primarily due to an increase in professional fees and compensation costs.

#### Depreciation and Amortization

Depreciation and amortization expenses were \$16.9 million \$5.7 million for the nine three months ended December 31, 2023 June 30, 2024 and \$19.1 million \$5.6 million for the nine three months ended December 31, 2022 June 30, 2023. The decrease in depreciation and amortization expenses was primarily attributable to a decrease in amortization expense due to impairment charges taken on finite-lived brands in fiscal 2023.

#### Interest Expense, Net

Interest expense, net was \$51.9 million \$13.1 million during the nine three months ended December 31, 2023 June 30, 2024 versus \$50.2 million \$17.7 million during the nine three months ended December 31, 2022 June 30, 2023. The average indebtedness decreased to \$1.3 billion \$1.1 billion during the nine three months ended December 31, 2023 June 30, 2024 from \$1.5 billion \$1.4 billion during the nine three months ended December 31, 2022 June 30, 2023. The average cost of borrowing increased decreased to 5.4% 4.8% for the nine three months ended December 31, 2023 June 30, 2024 compared to 4.5% 5.3% for the nine three months ended December 31, 2022 June 30, 2023.

#### Income Taxes

The provision for income taxes during the nine three months ended December 31, 2023 June 30, 2024 was \$48.8 million \$9.3 million versus \$47.4 million \$15.4 million during the nine three months ended December 31, 2022 June 30, 2023. The effective tax rate during the nine three months ended December 31, 2023 June 30, 2024 was 23.4% 16.0% versus 23.0% 22.5% during the nine three months ended December 31, 2022 June 30, 2023. The increase decrease in the effective tax rate for the nine three months ended December 31, 2023 June 30, 2024 compared to the nine three months ended December 31, 2022 June 30, 2023 was due to the impact of discrete items primarily pertaining to stock-based compensation and state the release of a reserve for uncertain tax rate legislative changes, positions due to the statute of limitations expiring.

#### Liquidity and Capital Resources

##### Liquidity

Our primary source of cash comes from our cash flow from operations. In the past, we have supplemented this source of cash with various debt facilities, primarily in connection with acquisitions. We have financed our operations, and expect to continue to finance our operations for the next twelve months and the foreseeable future, with a combination of funds generated from operations and borrowings. Our principal uses of cash are for operating expenses, debt service, share repurchases, capital expenditures, and acquisitions. Based on our current levels of operations and anticipated growth, excluding acquisitions, we believe that our cash generated from operations and our existing credit facilities will be adequate to finance our working capital and capital expenditures through the next twelve months. See "Economic Environment" above.

As of December 31, 2023 June 30, 2024, we had cash and cash equivalents of \$63.6 million \$34.3 million, an increase a decrease of \$5.1 million \$12.2 million from March 31, 2023 March 31, 2024. The following table summarizes the change:

	Nine Months Ended December 31,		Three Months Ended June 30,	
	<i>(In thousands)</i>	2023	\$ <i>(In thousands)</i>	2024 2023 Change

Cash provided by (used in):
Operating Activities
Operating Activities
Operating Activities
Investing Activities
Financing Activities
Effects of exchange rate changes on cash and cash equivalents
Net change in cash and cash equivalents

#### **Operating Activities**

Net cash provided by operating activities was \$182.0 million \$54.8 million for the nine three months ended December 31, 2023 June 30, 2024, compared to \$170.7 million \$48.1 million for the nine three months ended December 31, 2022 June 30, 2023. The \$11.3 million \$6.7 million increase was primarily due to decreased working capital, partly offset by a decrease in net income before non-cash items.

#### **Investing Activities**

Net cash used in investing activities was \$5.1 million \$2.1 million for the nine three months ended December 31, 2023 June 30, 2024, compared to \$5.2 million net cash provided by investing activities of \$2.3 million for the nine three months ended December 31, 2022 June 30, 2023. The increase in cash used for investing activities of \$4.5 million was primarily attributable to changes in a short term loan receivable.

-28- -23-

#### **Financing Activities**

Net cash used in financing activities was \$172.6 million \$65.5 million for the nine three months ended December 31, 2023 June 30, 2024, compared to \$105.4 million \$54.2 million for the nine three months ended December 31, 2022 June 30, 2023. The \$67.2 million \$11.3 million increase was primarily due to net an increase in term loan repayments of \$95.0 million compared to the prior year nine month period, partly offset by \$5.0 million, a decrease in the repurchase proceeds from the exercise of stock options of \$5.0 million and an increase in the purchase of shares of our common stock in conjunction with our share repurchase program of \$25.0 million in the nine months ended December 31, 2023 \$1.0 million.

#### **Capital Resources**

As of December 31, 2023 June 30, 2024, we had an aggregate of \$1.2 billion \$1.1 billion of outstanding indebtedness, which consisted of the following:

- \$400.0 million of 5.125% 2019 senior unsecured notes, which mature on January 15, 2028 (the "2019 Senior Notes");
- \$600.0 million of 3.750% 2021 senior unsecured notes, which mature on April 1, 2031 (the "2021 Senior Notes"); and
- \$210.0 100.0 million of borrowings under the Term B-5 Loans under our term loan originally entered into on January 31, 2012 (the "2012 Term Loan") due July 1, 2028.

As of December 31, 2023 June 30, 2024, we had no outstanding balance on our asset-based revolving credit facility originally entered into on January 31, 2012 (the "2012 ABL Revolver") and a borrowing capacity of \$168.9 million \$183.6 million.

On December 8, 2023, we entered into Amendment No. 9 ("ABL Amendment No. 9") to the 2012 ABL Revolver. ABL Amendment No. 9 provides for (i) an increase in the aggregate revolving commitment of the facility from \$175.0 million to \$200.0 million, (ii) an extension of the maturity date of the 2012 ABL Revolver to December 8, 2028, and (iii) increased flexibility under the credit agreement governing the 2012 ABL Revolver, including, but not limited to, increased flexibility related to restricted payments, debt incurrence and borrowing base calculations. There were no changes to interest terms as a result of this amendment.

Since we have made optional payments that exceed all of our required quarterly payments, we will not be required to make another payment on the 2012 Term Loan until maturity.

**Maturities:**

**(In thousands)**

**Year Ending March 31,**

**Year Ending March 31,**

**Year Ending March 31,**

2024 (remaining three months ending March 31, 2024)

2025

2025 (remaining nine months ending March 31, 2025)

2026

2027

2028

2029

Thereafter

Amount

Amount

\$

**Covenants:**

Our debt facilities contain various financial covenants, including provisions that require us to maintain certain leverage, interest coverage and fixed charge ratios. The credit agreement governing the 2012 Term Loan and the 2012 ABL Revolver and the indentures governing the 2021 Senior Notes and 2019 Senior Notes contain provisions that accelerate our indebtedness on certain changes in control and restrict us from undertaking specified corporate actions, including asset dispositions, acquisitions, payments of dividends and other specified payments, repurchasing our equity securities in the public markets, incurrence of indebtedness, creation of liens, making loans and investments and transactions with affiliates. Specifically, we must:

- Have a leverage ratio of less than 6.50 to 1.0 for the quarter ended **December 31, 2023** **June 30, 2024** and thereafter (defined as, with certain adjustments, the ratio of our consolidated total net debt as of the last day of the fiscal quarter to our trailing twelve month consolidated net income before interest, taxes, depreciation, amortization, non-cash charges and certain other items ("EBITDA"));
- Have an interest coverage ratio of greater than 2.25 to 1.0 for the quarter ended **December 31, 2023** **June 30, 2024** and thereafter (defined as, with certain adjustments, the ratio of our consolidated EBITDA to our trailing twelve month consolidated cash interest expense); and

-29-

- Have a fixed charge ratio of greater than 1.0 to 1.0 for the quarter ended **December 31, 2023** **June 30, 2024** (defined as, with certain adjustments, the ratio of our consolidated EBITDA minus capital expenditures to our trailing twelve month consolidated interest paid, taxes paid and other specified payments). Our fixed charge requirement remains level throughout the term of the debt facilities.

At **December 31, 2023** **June 30, 2024**, we were in compliance with the applicable financial and restrictive covenants under the 2012 Term Loan and the 2012 ABL Revolver and the indentures governing the 2021 Senior Notes and the 2019 Senior Notes. Management

-24-

anticipates that in the normal course of operations, we will be in compliance with the financial and restrictive covenants during the next twelve months.

#### **Critical Accounting Policies and Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on our knowledge of current events and actions that we may undertake in the future, actual results could differ from those estimates. A summary of our critical accounting policies is presented in our Annual Report on Form 10-K for the fiscal year ended **March 31, 2023** **March 31, 2024**. There were no material changes to our critical accounting policies during the **nine****three** months ended **December 31, 2023** **June 30, 2024**.

#### **Recent Accounting Pronouncements**

A description of recently issued **and recently adopted** accounting pronouncements is included in the notes to the unaudited Condensed Consolidated Financial Statements in Part I, Item I, Note 1 of this Quarterly Report on Form 10-Q.

**-30- -25-**

---

#### **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 (the "PSLRA"), including, without limitation, information within Management's Discussion and Analysis of Financial Condition and Results of Operations. The following cautionary statements are being made pursuant to the provisions of the PSLRA and with the intention of obtaining the benefits of the "safe harbor" provisions of the PSLRA.

Forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q. Except as required under federal securities laws and the rules and regulations of the SEC, we do not intend to update any forward-looking statements to reflect events or circumstances arising after the date of this Quarterly Report on Form 10-Q, whether as a result of new information, future events or otherwise. As a result of **these****the** risks and uncertainties described **below**, readers are cautioned not to place undue reliance on forward-looking statements included in this Quarterly Report on Form 10-Q or that may be made elsewhere from time to time by, or on behalf of, us. All forward-looking statements attributable to us are expressly qualified by these cautionary statements.

These forward-looking statements generally can be identified by the use of words or phrases such as "believe," "anticipate," "expect," "estimate," "plan," "project," "intend," "strategy," "goal," "objective," "future," "seek," "may," "might," "should," "would," "will," "will be," or other similar words and phrases. Forward-looking statements are based on current expectations and assumptions that are subject to a number of risks and uncertainties that could cause actual results to differ materially from those anticipated, including, without limitation:

- Disruptions of supply of sourced goods or components;
- Our dependence on third-party manufacturers to produce many of the products we sell and our ability to transfer production to our own facilities or other third-party suppliers;
- Price increases for raw materials, labor, energy and transportation costs, and for other input costs;
- Disruptions of supply of sourced goods or components;
- The impact of geopolitical events and severe illness outbreaks on global economic conditions, consumer demand, retailer product availability, and business operations including manufacturing, supply chain and distribution;
- The high level of competition in our industry and markets;
- The level of success of new product introductions, line extensions, increased spending on advertising and marketing support, and other new sales and marketing strategies;
- Our dependence on a limited number of customers for a large portion of our sales;

- Our inability to successfully identify, negotiate, complete and integrate suitable acquisition candidates and to obtain necessary financing;
- Changes by retailers in inventory management practices, delivery requirements, and demands for marketing and promotional spending in order to retain or increase shelf space or online share;
- Our inability to grow our international sales;
- General economic conditions and incidence levels affecting sales of our products and their respective markets;
- Financial factors, such as increases in interest rates and currency exchange rate fluctuations;
- Changing consumer trends, additional store brand or branded competition, accelerating shifts to online shopping or pricing pressures;
- Our dependence on third-party manufacturers to produce many of the products we sell and our ability to transfer production to our own facilities or other third-party suppliers;
- Our dependence on third-party logistics providers to distribute our products to customers;
- Disruptions in our distribution center or manufacturing facility, facilities;
- Potential changes in export/import and trade laws, regulations and policies including any increased trade restrictions or tariffs;
- Acquisitions, dispositions or other strategic transactions diverting managerial resources and creating additional liabilities;
- Actions of government agencies in connection with our manufacturing plant, plants, products, advertising or regulatory matters;
- Product liability claims, product recalls and related negative publicity;
- Our inability to protect our intellectual property rights;
- Our dependence on third parties for intellectual property relating to some of the products we sell;
- Our inability to protect our information technology systems from threats or disruptions;
- Our dependence on third-party information technology service providers and their ability to protect against security threats and disruptions;
- Our assets being comprised virtually entirely of goodwill and intangibles and possible changes in their value based on adverse operating results and/or changes in the discount rate used to value our brands;
- Our dependence on key personnel;
- The costs associated with any claims in litigation or arbitration and any adverse judgments rendered in such litigation or arbitration;

-26-

- Our level of indebtedness and possible inability to service our debt or to obtain additional financing;

-31-

- The restrictions imposed by our financing agreements on our operations; and
- Changes in federal, state and other geographic tax laws.

For more information, see Part I, Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended **March 31, 2023** **March 31, 2024**.

-32- -27-

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

#### **Interest Rate Risk**

We are exposed to changes in interest rates because our 2012 Term Loan and 2012 ABL Revolver are variable rate debt. At **December 31, 2023** **June 30, 2024**, approximately **\$210.0 million** **\$100.0 million** of our debt carries a variable rate of interest.

Holding other variables constant, including levels of indebtedness, a 1.0% increase in interest rates on our variable rate debt for the three months ended **June 30, 2024** would have an adverse impact of **\$0.3 million** on pre-tax earnings and **\$0.3 million** on cash flows for the three and nine months ended December 31, 2023 of approximately **\$0.7 million** and **\$2.3 million**, respectively, flows.

#### Foreign Currency Exchange Rate Risk

During the three and nine months ended **December 31, 2023**, **June 30, 2024** and **2023**, approximately **17.0%** **13.6%** and **14.1%**, respectively, of our gross revenues were denominated in currencies other than the U.S. Dollar. During the three and nine months ended December 31, 2022, approximately **14.9%** and **13.8%** **10.6%**, respectively, of our gross revenues were denominated in currencies other than the U.S. Dollar. As such, we are exposed to transactions that are sensitive to foreign currency exchange rates. These transactions are primarily with respect to the Canadian and Australian Dollars.

We performed a sensitivity analysis with respect to exchange rates for the three and nine months ended **December 31, 2023** **June 30, 2024** and **2022**, **2023**. Holding all other variables constant, and assuming a hypothetical 10.0% adverse change in foreign currency exchange rates, this analysis resulted in a less than 5.0% impact on pre-tax income of approximately **\$2.7 million** **\$2.0 million** for the three months ended **December 31, 2023** **June 30, 2024** and approximately **\$6.8 million** for the nine months ended December 31, 2023. It represented a less than 5.0% impact on pre-tax income of approximately **\$2.3 million** **\$1.7 million** for the three months ended **December 31, 2022** and **\$7.1 million** for the nine months ended **December 31, 2022** **June 30, 2023**.

#### ITEM 4. CONTROLS AND PROCEDURES

##### Disclosure Controls and Procedures

The Company's management, with the participation of its Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures, as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934 (the "Exchange Act"), as of **December 31, 2023** **June 30, 2024**. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of **December 31, 2023** **June 30, 2024**, the Company's disclosure controls and procedures were effective to ensure that information required to be disclosed by the Company in the reports the Company files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

##### Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting that occurred during the quarter ended **December 31, 2023** **June 30, 2024** that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

#### PART II. OTHER INFORMATION

##### ITEM 1A. RISK FACTORS

You should carefully consider the risk factors discussed in Part I, Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the year ended **March 31, 2023** **March 31, 2024**, which could materially affect our business, financial condition or results of operations. The risk factors described in our Annual Report on Form 10-K have not materially changed in the period covered by this Quarterly Report on Form 10-Q, but such risks are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and results of operations.

Our quarterly operating results and revenues may fluctuate as a result of any of these or other factors. Accordingly, results for any one quarter are not necessarily indicative of results to be expected for any other quarter or for any year, and revenues for

any particular future period may decrease. In the future, operating results may fall below the expectations of securities analysts and investors. In that event, the market price of our outstanding securities could be adversely impacted.

-34- -28-

**ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**  
**ISSUER PURCHASES OF EQUITY SECURITIES**

Period	Total Number of Shares Purchased (a)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs
April 1 to April 30, 2024	—	\$ —	—	\$ —
May 1 to May 31, 2024	238,559	\$ 66.36	156,117	\$ 289,955
June 1 to June 30, 2024	245,225	\$ 65.02	244,994	\$ 274,024
<b>Total</b>	<b>483,784</b>	<b>\$ 65.68</b>	<b>401,111</b>	

(a) The majority of these shares (401,111 shares) were made pursuant to our share repurchase program which was announced in May 2024 and permits the repurchase of up to \$300.0 million of our common stock. The remaining repurchases (82,673 shares) were made pursuant to our 2005 Long-Term Equity Incentive Plan and our 2020 Long-Term Incentive Plan, which allow for the indirect purchase of shares through a net-settlement feature upon the vesting of shares in order to satisfy minimum statutory tax-withholding requirements.

**ITEM 5. OTHER INFORMATION**

**Submission of Matters to a Vote of Security Holders.**

The 2024 Annual Meeting of Stockholders of the Company was held on August 6, 2024. The stockholders of the Company voted upon four proposals at the Annual Meeting, with the following results:

**Item 1 – Election of seven directors nominated by the Board of Directors to serve until the 2025 Annual Meeting of Stockholders.**

Director Nominee	For	Withheld	Broker Non-Votes
Ronald M. Lombardi	44,848,094	1,376,949	564,676
John E. Byom	45,144,046	1,080,997	564,676
Celeste A. Clark	44,967,909	1,257,134	564,676
James C. D'Arecca	46,065,688	159,355	564,676
Sheila A. Hopkins	46,105,159	119,884	564,676
John F. Kelly	46,112,065	112,978	564,676
Dawn M. Zier	45,721,225	503,818	564,676

**Item 2 – Ratification of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the fiscal year ending March 31, 2025.**

<u>For</u>	<u>Against</u>	<u>Abstentions</u>
45,611,774	1,161,386	16,559

**Item 3 – Non-binding resolution to approve the compensation of the Company's named executive officers as disclosed in the Company's proxy statement.**

<u>For</u>	<u>Against</u>	<u>Abstentions</u>	<u>Broker Non-Votes</u>
45,329,756	878,293	16,994	564,676

**Item 4 - Vote for the approval of the Amendment to our Amended and Restated Certificate of Incorporation.**

<u>For</u>	<u>Against</u>	<u>Abstentions</u>	<u>Broker Non-Votes</u>
41,479,094	4,727,812	18,137	564,676

-29-

---

**ITEM 6. EXHIBITS**

3.1 [Amended and Restated Certificate of Incorporation of Prestige Consumer Healthcare Inc. \(filed as Exhibit 3.1 to the Company's Form S-1/A filed with the SEC on February 8, 2005\).\\*](#)

3.1.1 [Amendment to Amended and Restated Certificate of Incorporation of Prestige Consumer Healthcare Inc. \(filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on August 2, 2018\).\\*](#)

3.1.2 [Amendment to Amended and Restated Certificate of Incorporation of Prestige Consumer Healthcare Inc.](#)

3.2 [Amended and Restated Bylaws of Prestige Consumer Healthcare Inc., as amended, effective October 29, 2018 \(filed as Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q filed with the SEC on February 7, 2019\).\\*](#)

10.1 [Amendment No. 9, dated as of December 8, 2023, to the ABL Credit Agreement, originally dated as of January 31, 2012, among the Company, Prestige Brands, Inc., the other guarantors from time to time party thereto, the lenders from time to time party thereto and Citibank, N.A., as administrative agent, L/C issuer and swing line lender \(filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on December 13, 2023\).\\*](#)

31.1 [Certification of Principal Executive Officer of Prestige Consumer Healthcare Inc. pursuant to Rule 13a-14\(a\) of the Securities Exchange Act of 1934.](#)

31.2 [Certification of Principal Financial Officer of Prestige Consumer Healthcare Inc. pursuant to Rule 13a-14\(a\) of the Securities Exchange Act of 1934.](#)

32.1 [Certification of Principal Executive Officer of Prestige Consumer Healthcare Inc. pursuant to Rule 13a-14\(b\) and Section 1350 of Chapter 63 of Title 18 of the United States Code.](#)

32.2 [Certification of Principal Financial Officer of Prestige Consumer Healthcare Inc. pursuant to Rule 13a-14\(b\) and Section 1350 of Chapter 63 of Title 18 of the United States Code.](#)

\* Incorporated herein by reference.

101.INS Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

101.SCH Inline XBRL Taxonomy Extension Schema Document

101.CAL Inline XBRL Taxonomy Extension Calculation Linkbase Document

101.DEF Inline XBRL Taxonomy Extension Definition Linkbase Document

101.LAB Inline XBRL Taxonomy Extension Label Linkbase Document

101.PRE Inline XBRL Taxonomy Extension Presentation Linkbase Document

104 Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)

-35- -30-

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PRESTIGE CONSUMER HEALTHCARE INC.

Date: **February** August 8, 2024

By:

**/s/ Christine Sacco**

Christine Sacco

Chief Financial Officer

(Principal Financial Officer and Duly  
Authorized Officer)

-36- -31-

**Exhibit 31.1**

**CERTIFICATIONS**

I, Ronald M. Lombardi, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Prestige Consumer Healthcare Inc.;
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(s) 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(s) 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):

- 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
- 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: **February** **August** 8, 2024

**/s/ Ronald M. Lombardi**

Ronald M. Lombardi  
Chief Executive Officer  
(Principal Executive Officer)

**Exhibit 31.2**

**CERTIFICATIONS**

I, Christine Sacco, certify that:

- I have reviewed this Quarterly Report on Form 10-Q of Prestige Consumer Healthcare Inc.;
- 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;
- 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;
- The registrant's other certifying officer(s) 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:
  - 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;
  - 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(s) 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: **February** **August** 8, 2024

**/s/ Christine Sacco**

Christine Sacco  
Chief Financial Officer  
(Principal Financial Officer)

**EXHIBIT 32.1**

**CERTIFICATION  
PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Ronald M. Lombardi, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Prestige Consumer Healthcare Inc. on Form 10-Q for the quarter ended **December 31, 2023** **June 30, 2024**, fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of Prestige Consumer Healthcare Inc.

**/s/ Ronald M. Lombardi**

Name: Ronald M. Lombardi  
Title: *Chief Executive Officer*  
(Principal Executive Officer)

Date: **February 8, 2024** **August 8, 2024**

**CERTIFICATION  
PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Christine Sacco, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Prestige Consumer Healthcare Inc. on Form 10-Q for the quarter ended December 31, 2023 June 30, 2024, fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of Prestige Consumer Healthcare Inc.

*/s/ Christine Sacco*

Name: Christine Sacco

Title: *Chief Financial Officer*

(Principal Financial Officer)

Date: February 8, 2024 August 8, 2024

Exhibit 3.1.2

**CERTIFICATE OF AMENDMENT  
TO THE  
AMENDED AND RESTATED CERTIFICATE OF INCORPORATION  
OF  
PRESTIGE CONSUMER HEALTHCARE INC.**

Prestige Consumer Healthcare Inc., a corporation organized and existing under the General Corporation Law of the State of Delaware (the "**Corporation**"), hereby certifies that:

1. This Certificate of Amendment (the "**Certificate of Amendment**") amends certain provisions of the Corporation's Amended and Restated Certificate of Incorporation filed with the Secretary of State on February 3, 2005 (the "**Certificate of Incorporation**").

2. Article Seven of the Certificate of Incorporation is hereby amended and restated in its entirety as follows:

To the fullest extent permitted by the Delaware General Corporation Law as it now exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than permitted prior thereto), no director or officer of the Corporation shall be liable to the Corporation or its stockholders for monetary damages arising from a breach of fiduciary duty owed to the Corporation or

its stockholders. Any repeal or modification of the foregoing paragraph by the stockholders of the Corporation shall not adversely affect any right or protection of a director or officer of the Corporation existing at the time of such repeal or modification.

3. Article Ten of the Certificate of Incorporation is hereby deleted in its entirety and replaced with the word "[Reserved]."

4. This Certificate of Amendment was duly adopted by the directors and stockholders of the Corporation in accordance with Section 242 of the General Corporation Law of the State of Delaware.

[Remainder of Page Intentionally Left Blank]

---

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Amendment on this 6th day of August, 2024.

PRESTIGE CONSUMER HEALTHCARE INC.

/s/ Ronald M. Lombardi

By: Ronald M. Lombardi

Its: Chief Executive Officer

## DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2024, Refinitiv. All rights reserved. Patents Pending.