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 September 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
Common stock, par value $0.01 per share	**PBH**	**New York Stock Exchange**

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).
Yes ☒ No ☐

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

Large Accelerated Filer	☒	Accelerated Filer	☐
Non-Accelerated Filer	☐	Smaller Reporting Company	☐
		Emerging Growth Company	☐

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 November 1, 2024, there were 49,405,454 shares of common stock outstanding.

Prestige Consumer Healthcare Inc.
Form 10-Q
Index

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.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

(In thousands, except per share data)	**Three Months Ended September 30, 2024**	**Three Months Ended September 30, 2023**	**Six Months Ended September 30, 2024**	**Six Months Ended September 30, 2023**
Revenues				
Net sales	$ 283,548	$ 286,307	$ 550,383	$ 565,606
Other revenues	237	9	544	19
Total revenues	283,785	286,316	550,927	565,625
Cost of Sales				
Cost of sales excluding depreciation	124,041	124,324	242,738	246,978
Cost of sales depreciation	2,362	1,972	4,785	3,954
Cost of sales	126,403	126,296	247,523	250,932
Gross profit	157,382	160,020	303,404	314,693
Operating Expenses				
Advertising and marketing	41,409	40,102	80,774	76,333
General and administrative	26,067	25,997	54,977	53,684
Depreciation and amortization	5,567	5,671	11,268	11,232
Total operating expenses	73,043	71,770	147,019	141,249
Operating income	84,339	88,250	156,385	173,444
Other expense				
Interest expense, net	12,281	17,606	25,418	35,325
Other expense (income), net	395	229	891	(1,009)
Total other expense, net	12,676	17,835	26,309	34,316
Income before income taxes	71,663	70,415	130,076	139,128
Provision for income taxes	17,286	16,856	26,631	32,293
Net income	$ 54,377	$ 53,559	$ 103,445	$ 106,835
Earnings per share:				
Basic	$ 1.10	$ 1.08	$ 2.08	$ 2.15
Diluted	$ 1.09	$ 1.07	$ 2.06	$ 2.13
Weighted average shares outstanding:				
Basic	49,652	49,687	49,768	49,727
Diluted	49,998	50,081	50,132	50,138
Comprehensive income, net of tax:				
Currency translation adjustments	4,799	(3,784)	7,959	(4,430)
Total other comprehensive income (loss)	4,799	(3,784)	7,959	(4,430)
Comprehensive income	$ 59,176	$ 49,775	$ 111,404	$ 102,405

See accompanying notes.

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

(In thousands)	September 30, 2024	March 31, 2024
Assets		
Current assets		
Cash and cash equivalents	$ 51,540	$ 46,469
Accounts receivable, net of allowance of $18,179 and $16,377, respectively	163,547	176,775
Inventories	156,225	138,717
Prepaid expenses and other current assets	9,396	13,082
Total current assets	380,708	375,043
Property, plant and equipment, net	74,920	76,507
Operating lease right-of-use assets	8,551	11,285
Finance lease right-of-use assets, net	212	1,541
Goodwill	529,225	527,733
Intangible assets, net	2,316,542	2,320,583
Other long-term assets	6,727	5,725
Total Assets	$ 3,316,885	$ 3,318,417
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	31,172	38,979
Accrued interest payable	15,708	15,763
Operating lease liabilities, current portion	2,560	4,658
Finance lease liabilities, current portion	91	1,494
Other accrued liabilities	57,375	56,154
Total current liabilities	106,906	117,048
Long-term debt, net	1,051,586	1,125,804
Deferred income tax liabilities	414,865	403,596
Long-term operating lease liabilities, net of current portion	6,517	7,528
Long-term finance lease liabilities, net of current portion	126	172
Other long-term liabilities	5,124	9,185
Total Liabilities	1,585,124	1,663,333
Commitments and Contingencies — Note 14		
Stockholders' Equity		
Preferred stock - $0.01 par value		
Authorized - 5,000 shares		
Issued and outstanding - None	—	—
Common stock - $0.01 par value		
Authorized - 250,000 shares		
Issued - 55,769 shares at September 30, 2024 and 55,501 shares at March 31, 2024	557	555
Additional paid-in capital	576,596	567,448
Treasury stock, at cost - 6,329 shares at September 30, 2024 and 5,680 shares at March 31, 2024	(263,498)	(219,621)
Accumulated other comprehensive loss, net of tax	(26,536)	(34,495)
Retained earnings	1,444,642	1,341,197
Total Stockholders' Equity	1,731,761	1,655,084
Total Liabilities and Stockholders' Equity	$ 3,316,885	$ 3,318,417

See accompanying notes.

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

	Three Months Ended September 30, 2024							
	Common Stock			Treasury Stock				
(In thousands)	**Shares**	**Par Value**	**Additional Paid-in Capital**	**Shares**	**Amount**	**Accumulated Other Comprehensive Income (Loss)**	**Retained Earnings**	**Totals**
Balances at June 30, 2024	55,717	$ 557	$ 572,846	6,164	$ (251,566)	$ (31,335)	$ 1,390,265	$ 1,680,767
Stock-based compensation	—	—	2,134	—	—	—	—	2,134
Exercise of stock options	35	1	1,616	—	—	—	—	1,617
Issuance of shares related to restricted stock	17	(1)	—	—	—	—	—	(1)
Treasury share repurchases	—	—	—	165	(11,932)	—	—	(11,932)
Net income	—	—	—	—	—	—	54,377	54,377
Comprehensive income	—	—	—	—	—	4,799	—	4,799
Balances at September 30, 2024	55,769	$ 557	$ 576,596	6,329	$ (263,498)	$ (26,536)	$ 1,444,642	$ 1,731,761

	Three Months Ended September 30, 2023							
	Common Stock			Treasury Stock				
(In thousands)	**Shares**	**Par Value**	**Additional Paid-in Capital**	**Shares**	**Amount**	**Accumulated Other Comprehensive Loss**	**Retained Earnings**	**Totals**
Balances at June 30, 2023	55,220	$ 552	$ 546,526	5,680	$ (219,707)	$ (32,210)	$ 1,185,134	$ 1,480,295
Stock-based compensation	—	—	3,688	—	—	—	—	3,688
Exercise of stock options	58	—	2,155	—	—	—	—	2,155
Issuance of shares related to restricted stock	13	—	—	—	—	—	—	—
Treasury share repurchases	—	—	—	—	46	—	—	46
Net income	—	—	—	—	—	—	53,559	53,559
Comprehensive loss	—	—	—	—	—	(3,784)	—	(3,784)
Balances at September 30, 2023	55,291	$ 552	$ 552,369	5,680	$ (219,661)	$ (35,994)	$ 1,238,693	$ 1,535,959

	Six Months Ended September 30, 2024							
	Common Stock			Treasury Stock				
(In thousands)	Shares	Par Value	Additional Paid-in Capital	Shares	Amount	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Totals
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	—	—	5,559	—	—	—	—	5,559
Exercise of stock options	73	1	3,591	—	—	—	—	3,592
Issuance of shares related to restricted stock	195	1	(2)	—	—	—	—	(1)
Treasury share repurchases	—	—	—	649	(43,877)	—	—	(43,877)
Net income	—	—	—	—	—	—	103,445	103,445
Comprehensive income	—	—	—	—	—	7,959	—	7,959
Balances at September 30, 2024	55,769	$ 557	$ 576,596	6,329	$ (263,498)	$ (26,536)	$ 1,444,642	$ 1,731,761

	Six Months Ended September 30, 2023							
	Common Stock			Treasury Stock				
(In thousands)	Shares	Par Value	Additional Paid-in Capital	Shares	Amount	Accumulated Other Comprehensive (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	—	—	7,834	—	—	—	—	7,834
Exercise of stock options	231	2	9,181	—	—	—	—	9,183
Issuance of shares related to restricted stock	203	2	(2)	—	—	—	—	—
Treasury share repurchases	—	—	—	515	(30,547)	—	—	(30,547)
Net income	—	—	—	—	—	—	106,835	106,835
Comprehensive loss	—	—	—	—	—	(4,430)	—	(4,430)
Balances at September 30, 2023	55,291	$ 552	$ 552,369	5,680	$ (219,661)	$ (35,994)	$ 1,238,693	$ 1,535,959

See accompanying notes.

Prestige Consumer Healthcare Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(In thousands)	Six Months Ended September 30, 2024	2023
Operating Activities		
Net income	$ 103,445	$ 106,835
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	16,053	15,186
Loss on disposal of property and equipment	83	191
Deferred and other income taxes	4,364	9,721
Amortization of debt origination costs	882	2,302
Stock-based compensation costs	5,559	7,834
Non-cash operating lease cost	3,430	2,816
Changes in operating assets and liabilities:		
Accounts receivable	15,191	4,415
Inventories	(16,471)	223
Prepaid expenses and other current assets	3,787	(3,814)
Accounts payable	(7,596)	(18,820)
Accrued liabilities	584	(11,764)
Operating lease liabilities	(3,771)	(3,493)
Other	(964)	(1,085)
Net cash provided by operating activities	124,576	110,547
Investing Activities		
Purchases of property, plant and equipment	(3,179)	(4,411)
Other	(978)	3,800
Net cash used in investing activities	(4,157)	(611)
Financing Activities		
Term loan repayments	(75,000)	(85,000)
Payments of finance leases	(1,688)	(1,403)
Proceeds from exercise of stock options	3,592	9,183
Fair value of shares surrendered as payment of tax withholding	(5,832)	(5,508)
Repurchase of common stock	(37,794)	(25,000)
Net cash used in financing activities	(116,722)	(107,728)
Effects of exchange rate changes on cash and cash equivalents	1,374	(630)
Increase in cash and cash equivalents	5,071	1,578
Cash and cash equivalents - beginning of period	46,469	58,489
Cash and cash equivalents - end of period	$ 51,540	$ 60,067
Interest paid	$ 25,551	$ 33,706
Income taxes paid	$ 18,691	$ 25,118

See accompanying notes.

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, changes in 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 end customers, including 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. 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 and we expect further shortages may have a negative impact on our sales. 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., 2025) mean our fiscal year ending or ended on March 31st of that year. Operating results for the six months ended September 30, 2024 are not necessarily indicative of results that may be expected for the fiscal year ending 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, 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 Issued Accounting Pronouncements
In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The amendments in this update require that

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 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 disclosures.

2. Inventories

Inventories consist of the following:

(In thousands)	September 30, 2024	March 31, 2024
Components of Inventories		
Packaging and raw materials	$ 21,378	$ 19,210
Work in process	1,784	636
Finished goods	133,063	118,871
Inventories	$ 156,225	$ 138,717

Inventories are carried and depicted above at the lower of cost or net realizable value, which includes a reduction in inventory values of $3.9 million at September 30, 2024 and $4.7 million at March 31, 2024 related to obsolete and slow-moving inventory.

3. Goodwill

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

(In thousands)	North American OTC Healthcare	International OTC Healthcare	Consolidated
Balance - March 31, 2024			
Goodwill	$ 711,452	$ 30,384	$ 741,836
Accumulated impairment loss	(212,516)	(1,587)	(214,103)
Balance - March 31, 2024	498,936	28,797	527,733
Adjustment related to acquisition	—	309	309
Effects of foreign currency exchange rates	—	1,183	1,183
Balance - September 30, 2024			
Goodwill	711,452	31,876	743,328
Accumulated impairment loss	(212,516)	(1,587)	(214,103)
Balance - September 30, 2024	$ 498,936	$ 30,289	$ 529,225

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 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 to record impairment charges in the future. As of September 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:

(In thousands)	Indefinite-Lived Trademarks	Finite-Lived Trademarks and Customer Relationships	Totals
Gross Carrying Amounts			
Balance — March 31, 2024	$ 2,167,162	$ 411,258	$ 2,578,420
Effects of foreign currency exchange rates	4,709	1,274	5,983
Balance — September 30, 2024	$ 2,171,871	$ 412,532	$ 2,584,403
Accumulated Amortization			
Balance — March 31, 2024	$ —	$ 257,837	$ 257,837
Additions	—	9,756	9,756
Effects of foreign currency exchange rates	—	268	268
Balance — September 30, 2024	$ —	$ 267,861	$ 267,861
Intangible assets, net - September 30, 2024	$ 2,171,871	$ 144,671	$ 2,316,542

Amortization expense was $4.8 million and $9.8 million for the three and six months ended September 30, 2024, respectively, and $4.9 million and $9.9 million for the three and six months ended September 30, 2023, respectively.

Finite-lived intangible assets are expected to be amortized over their estimated useful life, which ranges from a period of 10 to 24 years, and the estimated amortization expense for each of the five succeeding years and the periods thereafter is as follows (in thousands):

(In thousands) **Year Ending March 31,**	**Amount**
2025 (remaining six months ended March 31, 2025)	$ 8,423
2026	16,253
2027	14,662
2028	12,325
2029	12,325
Thereafter	80,683
	$ 144,671

At February 29, 2024, the date of our annual impairment review, the estimated fair value exceeded the carrying value for all intangible assets 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 September 30, 2024, no events have occurred that would indicate potential impairment of intangible assets.

5. Leases

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

The components of lease expense for the six months ended September 30, 2024 and 2023 were as follows:

(In thousands)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Six Months Ended September 30, 2024	Six Months Ended September 30, 2023
Finance lease cost:				
Amortization of right-of-use assets	$ 664	$ 664	$ 1,329	$ 1,329
Interest on lease liabilities	3	24	12	54
Operating lease cost	1,705	1,624	3,409	3,248
Short term lease cost	31	34	63	67
Variable lease cost	16,125	16,941	32,548	33,397
Total net lease cost	$ 18,528	$ 19,287	$ 37,361	$ 38,095

As of September 30, 2024, the maturities of lease liabilities were as follows:

(In thousands)

Year Ending March 31,	Operating Leases	Finance Lease	Total
2025 (remaining six months ending March 31, 2025)	$ 1,479	$ 48	$ 1,527
2026	2,783	96	2,879
2027	2,230	80	2,310
2028	1,749	—	1,749
2029	390	—	390
Thereafter	1,662	—	1,662
Total undiscounted lease payments	10,293	224	10,517
Less amount of lease payments representing interest	(1,216)	(7)	(1,223)
Total present value of lease payments	$ 9,077	$ 217	$ 9,294

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

	September 30, 2024
Weighted average remaining lease term (years)	
Operating leases	4.65
Finance leases	2.34
Weighted average discount rate	
Operating leases	5.19 %
Finance leases	2.63 %

See Note 17. Subsequent Event for the details of amendments we entered into with our third-party logistics provider.

6. Other Accrued Liabilities

Other accrued liabilities consist of the following:

(In thousands)	September 30, 2024		March 31, 2024	
Accrued marketing costs	$	28,348	$	24,053
Accrued compensation costs		8,812		12,221
Accrued broker commissions		1,689		1,309
Income taxes payable		104		2,569
Accrued professional fees		8,035		5,046
Accrued production costs		4,404		4,166
Other accrued liabilities		5,983		6,790
	$	57,375	$	56,154

7. Long-Term Debt

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

(In thousands, except percentages)	September 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.	$	600,000	$	600,000
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.		400,000		400,000
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.		60,000		135,000
Long-term debt		1,060,000		1,135,000
Less: unamortized debt costs		(8,414)		(9,196)
Long-term debt, net	$	1,051,586	$	1,125,804

At September 30, 2024, we had no balance outstanding on the asset-based revolving credit facility originally entered into on January 31, 2012 (the "2012 ABL Revolver") and a borrowing capacity of $173.9 million.

As of September 30, 2024, aggregate future principal payments required in accordance with the terms of the 2012 Term B-5 Loans under the 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,**	Amount	
2025 (remaining six months ending March 31, 2025)	$	—
2026		—
2027		—
2028		400,000
2029		60,000
Thereafter		600,000
	$	1,060,000

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 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 are measured in Level 2 of the above hierarchy. The summary below details the carrying amounts and estimated fair values of these instruments at September 30, 2024 and March 31, 2024.

	September 30, 2024		March 31, 2024	
(In thousands)	**Carrying Value**	**Fair Value**	**Carrying Value**	**Fair Value**
2019 Senior Notes	400,000	397,000	400,000	389,000
2021 Senior Notes	600,000	549,000	600,000	522,750
2012 Term B-5 Loans	60,000	60,000	135,000	135,506

At September 30, 2024 and 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 September 30, 2024.

On May 6, 2024, the Company's Board of Directors authorized the repurchase of up to $300.0 million of the Company's issued and outstanding common stock. Under the authorization, the Company may purchase common stock 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.

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

	Three Months Ended September 30,		Six Months Ended September 30,	
	2024	2023	2024	2023
Shares repurchased pursuant to the provisions of the various employee restricted stock awards:				
Number of shares	451	—	83,124	88,953
Average price per share	$70.53	$ —	$70.16	$61.92
Total amount repurchased	$0.0 million	$ —	$5.8 million	$5.5 million
Shares repurchased in conjunction with our share repurchase program:				
Number of shares	164,733	—	565,844	426,479
Average price per share	$71.74	$ —	$66.79	$58.62
Total amount repurchased	$11.8 million	$ —	$37.8 million	$25.0 million

10. Accumulated Other Comprehensive Loss

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

(In thousands)	September 30, 2024	March 31, 2024
Components of Accumulated Other Comprehensive Loss		
Cumulative translation adjustment	$ (27,261)	$ (35,220)
Unrecognized net gain on pension plans, net of tax of $(217) and $(217), respectively	725	725
Accumulated other comprehensive loss, net of tax	$ (26,536)	$ (34,495)

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

11. Earnings Per Share

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

(In thousands, except per share data)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Six Months Ended September 30, 2024	Six Months Ended September 30, 2023
Numerator				
Net income	$ 54,377	$ 53,559	$ 103,445	$ 106,835
Denominator				
Denominator for basic earnings per share — weighted average shares outstanding	49,652	49,687	49,768	49,727
Dilutive effect of unvested restricted stock units and options issued to employees and directors	346	394	364	411
Denominator for diluted earnings per share	49,998	50,081	50,132	50,138
Earnings per Common Share:				
Basic earnings per share	$ 1.10	$ 1.08	$ 2.08	$ 2.15
Diluted earnings per share	$ 1.09	$ 1.07	$ 2.06	$ 2.13

For the three months ended September 30, 2024 and 2023, there were 0.2 million and 0.3 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 six months ended September 30, 2024 and 2023, there were 0.2 million and 0.3 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.

At September 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:

(In thousands)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Six Months Ended September 30, 2024	Six Months Ended September 30, 2023
Pre-tax stock-based compensation costs charged against income	$ 2,134	$ 3,688	$ 5,559	$ 7,834
Income tax benefit recognized on compensation costs	$ 291	$ 263	$ 729	$ 669
Total fair value of options and RSUs vested during the period	$ 1,035	$ 987	$ 12,185	$ 12,213
Cash received from the exercise of stock options	$ 1,617	$ 2,155	$ 3,592	$ 9,183
Tax benefits realized from tax deductions resulting from RSU issuances and stock option exercises	$ 375	$ 263	$ 1,042	$ 1,139

At September 30, 2024, there were $3.8 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 2.1 years. At September 30, 2024, there were $14.4 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 2.1 years.

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	Shares (in thousands)	Weighted Average Grant-Date Fair Value
Six Months Ended September 30, 2023		
Unvested at March 31, 2023	409.0	$ 47.17
Granted	157.1	62.06
Incremental performance shares	41.4	—
Vested	(205.0)	43.17
Forfeited	(8.6)	53.72
Unvested at September 30, 2023	393.9	54.40
Vested at September 30, 2023	110.2	38.77
Six Months Ended September 30, 2024		
Unvested at March 31, 2024	391.9	$ 54.43
Granted	145.7	69.70
Incremental performance shares	41.1	—
Vested	(192.7)	47.60
Forfeited	(4.9)	59.31
Unvested at September 30, 2024	381.1	62.57
Vested at September 30, 2024	108.5	40.87

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:

	Six Months Ended September 30, 2024		Six Months Ended September 30, 2023	
Expected volatility		30.4% - 30.8%		30.2% - 31.6%
Expected dividends	$	—	$	—
Expected term in years		6.0 to 7.0		6.0 to 7.0
Risk-free rate		4.5%		3.6% to 4.1%
Weighted average grant date fair value of options granted	$	27.97	$	23.79

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

Options	Shares (in thousands)		Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years)		Aggregate Intrinsic Value (in thousands)
Six Months Ended September 30, 2023						
Outstanding at March 31, 2023	1,081.0	$	43.96			
Granted	131.1		61.81			
Exercised	(230.4)		39.85			
Forfeited	(35.8)		54.81			
Expired	(2.8)		54.47			
Outstanding at September 30, 2023	943.1		47.00	6.3	$	10,166
Vested at September 30, 2023	644.7		43.19	5.2	$	9,025
Six Months Ended September 30, 2024						
Outstanding at March 31, 2024	728.0	$	48.30			
Granted	109.7		69.94			
Exercised	(73.3)		48.99			
Forfeited	(15.6)		60.87			
Outstanding at September 30, 2024	748.8		51.14	6.4	$	15,697
Vested at September 30, 2024	520.5		45.48	5.3	$	13,856

The aggregate intrinsic value of options exercised during the six months ended September 30, 2024 was $1.4 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 24.1% and 23.9% for the three months ended September 30, 2024 and 2023, respectively. The increase in the effective tax rate for the three months ended September 30, 2024 compared to the three months ended September 30, 2023 was due to the impact of discrete items primarily pertaining to state tax changes and stock-based compensation. The effective tax rates used in the calculation of income taxes were 20.5% and 23.2% for the six months ended September 30, 2024 and 2023, respectively. The decrease in the effective tax rate for the six months ended September 30, 2024 compared to the six months ended September 30, 2023 was due to discrete items primarily pertaining to the release of a reserve for uncertain tax positions due to the 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 whether a contingency accrual should be established or if any existing 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 contingency accrual. In addition, because it is not permissible under GAAP to establish a litigation contingency accrual until the loss is both probable and estimable, in some cases there may be insufficient time to establish a 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 six months ended September 30, 2024, approximately 37% and 38%, respectively, of our gross revenues were derived from our five top selling brands. During the three and six months ended September 30, 2023, approximately 39% and 40%, respectively, of our gross revenues were derived from our five top selling brands. Walmart accounted for approximately 19% and 20%, respectively, of our gross revenues for the three and six months ended September 30, 2024. Walmart accounted for approximately 19% and 20%, respectively, of our gross revenues for the three and six months ended September 30, 2023. Amazon accounted for approximately 12% and 13%, respectively, of gross revenues for the three and six months ended September 30, 2024. In both the three and six months ended September 30, 2023, Amazon accounted for approximately 10% of gross revenues.

Our product distribution in the United States is managed by a third-party through one primary distribution center in Clayton, Indiana. We also operate a manufacturing facility in Lynchburg, Virginia, which manufactures certain of our *Fleet*, *Monistat* and *Summer's Eve* products, and a manufacturing facility in Victoria, Australia, which manufactures some of our *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 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 should we be required to replace our distribution center, the third-party distribution manager or the manufacturing facilities. As a result, any serious disruption could have a material adverse effect on our business, financial condition and results of operations.

At September 30, 2024, we had relationships with 107 third-party manufacturers. Of those, we had long-term contracts with 28 manufacturers that produced items that accounted for approximately 76% of gross sales for the six months ended September 30, 2024. At September 30, 2023, we had relationships with 128 third-party manufacturers. Of those, we had long-term contracts with 28 manufacturers that produced items that accounted for approximately 75% of gross sales for the six months ended September 30, 2023. One of our suppliers, a privately owned pharmaceutical manufacturer with whom we have a long-term supply agreement, produced products that accounted for more than 10% of our gross revenues for the six months ended September 30, 2024 and 2023. This manufacturer accounted for approximately 22% of our gross revenues for the six months ended September 30, 2024, and approximately 21% of our gross revenues for the six months ended September 30, 2023, while we accounted for a significant portion of their gross revenues over both time periods. 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.

(In thousands)	Three Months Ended September 30, 2024 North American OTC Healthcare	International OTC Healthcare	Consolidated
Total segment revenues*	$ 239,811	$ 43,974	$ 283,785
Cost of sales	107,782	18,621	126,403
Gross profit	132,029	25,353	157,382
Advertising and marketing	34,889	6,520	41,409
Contribution margin	$ 97,140	$ 18,833	$ 115,973
Other operating expenses			31,634
Operating income			$ 84,339

* Intersegment revenues of $0.9 million were eliminated from the North American OTC Healthcare segment.

(In thousands)	Six Months Ended September 30, 2024 North American OTC Healthcare	International OTC Healthcare	Consolidated
Total segment revenues*	472,127	$ 78,800	$ 550,927
Cost of sales	213,341	34,182	247,523
Gross profit	258,786	44,618	303,404
Advertising and marketing	68,642	12,132	80,774
Contribution margin	$ 190,144	$ 32,486	$ 222,630
Other operating expenses			66,245
Operating income			$ 156,385

* Intersegment revenues of $1.6 million were eliminated from the North American OTC Healthcare segment.

(In thousands)	Three Months Ended September 30, 2023 North American OTC Healthcare	International OTC Healthcare	Consolidated
Total segment revenues*	$ 244,423	$ 41,893	$ 286,316
Cost of sales	107,466	18,830	126,296
Gross profit	136,957	23,063	160,020
Advertising and marketing	35,389	4,713	40,102
Contribution margin	$ 101,568	$ 18,350	$ 119,918
Other operating expenses			31,668
Operating income			$ 88,250

* Intersegment revenues of $0.6 million were eliminated from the North American OTC Healthcare segment.

	Six Months Ended September 30, 2023		
(In thousands)	**North American OTC Healthcare**	**International OTC Healthcare**	**Consolidated**
Total segment revenues*	$ 490,566	$ 75,059	$ 565,625
Cost of sales	217,542	33,390	250,932
Gross profit	273,024	41,669	314,693
Advertising and marketing	66,790	9,543	76,333
Contribution margin	$ 206,234	$ 32,126	$ 238,360
Other operating expenses			64,916
Operating income			$ 173,444

* Intersegment revenues of $2.0 million were eliminated from the North American OTC Healthcare segment.

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

	Three Months Ended September 30, 2024		
(In thousands)	**North American OTC Healthcare**	**International OTC Healthcare**	**Consolidated**
Analgesics	$ 27,147	$ 1,075	$ 28,222
Cough & Cold	23,054	6,221	29,275
Women's Health	54,309	6,038	60,347
Gastrointestinal	41,911	18,150	60,061
Eye & Ear Care	36,140	6,646	42,786
Dermatologicals	33,640	2,215	35,855
Oral Care	20,698	3,385	24,083
Other OTC	2,912	244	3,156
Total segment revenues	$ 239,811	$ 43,974	$ 283,785

	Six Months Ended September 30, 2024		
(In thousands)	**North American OTC Healthcare**	**International OTC Healthcare**	**Consolidated**
Analgesics	$ 54,158	$ 2,357	$ 56,515
Cough & Cold	38,015	11,957	49,972
Women's Health	104,804	10,121	114,925
Gastrointestinal	86,198	31,878	118,076
Eye & Ear Care	79,459	11,457	90,916
Dermatologicals	65,243	3,967	69,210
Oral Care	38,372	6,485	44,857
Other OTC	5,878	578	6,456
Total segment revenues	$ 472,127	$ 78,800	$ 550,927

	Three Months Ended September 30, 2023		
(In thousands)	**North American OTC Healthcare**	**International OTC Healthcare**	**Consolidated**
Analgesics	$ 29,976	$ 1,386	$ 31,362
Cough & Cold	25,970	7,263	33,233
Women's Health	55,000	7,072	62,072
Gastrointestinal	38,703	14,061	52,764
Eye & Ear Care	39,745	7,125	46,870
Dermatologicals	33,018	1,469	34,487
Oral Care	19,312	3,469	22,781
Other OTC	2,699	48	2,747
Total segment revenues	$ 244,423	$ 41,893	$ 286,316

	Six Months Ended September 30, 2023		
(In thousands)	**North American OTC Healthcare**	**International OTC Healthcare**	**Consolidated**
Analgesics	$ 57,158	$ 2,228	$ 59,386
Cough & Cold	46,344	13,315	59,659
Women's Health	109,955	12,028	121,983
Gastrointestinal	83,384	26,971	110,355
Eye & Ear Care	79,216	11,146	90,362
Dermatologicals	67,696	2,807	70,503
Oral Care	41,038	6,491	47,529
Other OTC	5,775	73	5,848
Total segment revenues	$ 490,566	$ 75,059	$ 565,625

17. Subsequent Event

Logistics Provider Agreement

On October 1, 2024, we entered into amendments extending the Master Logistics Services Agreement with GEODIS Logistics LLC ("GEODIS") as our third-party logistics provider. Under this agreement, we have extended our May 2019 agreement that authorized GEODIS to lease a facility and equipment for an additional 65 month term. The lease and non-lease components will be recorded in our third quarter fiscal year 2025 financial statements.

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, 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, 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 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., 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") 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 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, changes in 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 end customers, including 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. 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 and we expect further shortages may have a negative impact on our sales. 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.

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 continue to monitor pending legislation and implementation by countries and to evaluate the potential impact on our business in future periods.

Results of Operations

Three Months Ended September 30, 2024 compared to the Three Months Ended September 30, 2023

Total Segment Revenues

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

	Three Months Ended September 30,					
					Increase (Decrease)	
(In thousands)	2024	%	2023	%	Amount	%
North American OTC Healthcare						
Analgesics	$ 27,147	9.6	$ 29,976	10.5	$ (2,829)	(9.4)
Cough & Cold	23,054	8.1	25,970	9.1	(2,916)	(11.2)
Women's Health	54,309	19.1	55,000	19.3	(691)	(1.3)
Gastrointestinal	41,911	14.8	38,703	13.5	3,208	8.3
Eye & Ear Care	36,140	12.7	39,745	13.9	(3,605)	(9.1)
Dermatologicals	33,640	11.9	33,018	11.5	622	1.9
Oral Care	20,698	7.3	19,312	6.7	1,386	7.2
Other OTC	2,912	1.0	2,699	0.9	213	7.9
Total North American OTC Healthcare	239,811	84.5	244,423	85.4	(4,612)	(1.9)
International OTC Healthcare						
Analgesics	$ 1,075	0.4	$ 1,386	0.5	(311)	(22.4)
Cough & Cold	6,221	2.2	7,263	2.5	(1,042)	(14.3)
Women's Health	6,038	2.1	7,072	2.5	(1,034)	(14.6)
Gastrointestinal	18,150	6.4	14,061	4.9	4,089	29.1
Eye & Ear Care	6,646	2.3	7,125	2.5	(479)	(6.7)
Dermatologicals	2,215	0.8	1,469	0.5	746	50.8
Oral Care	3,385	1.2	3,469	1.2	(84)	(2.4)
Other OTC	244	0.1	48	—	196	408.3
Total International OTC Healthcare	43,974	15.5	41,893	14.6	2,081	5.0
Total Consolidated	$ 283,785	100.0	$ 286,316	100.0	$ (2,531)	(0.9)

Total revenues for the three months ended September 30, 2024 were $283.8 million, a decrease of $2.5 million, or 0.9%, versus the three months ended September 30, 2023.

North American OTC Healthcare Segment
Revenues for the North American OTC Healthcare segment decreased $4.6 million, or 1.9%, during the three months ended September 30, 2024 versus the three months ended September 30, 2023. The $4.6 million decrease was primarily attributable to a decrease in sales in the Eye & Ear Care, Cough & Cold, and Analgesics categories, partly offset by an increase in sales in the Gastrointestinal category.

International OTC Healthcare Segment
Revenues for the International OTC Healthcare segment increased $2.1 million, or 5.0%, during the three months ended September 30, 2024 versus the three months ended September 30, 2023. The $2.1 million increase was primarily attributable to an increase in sales in the Gastrointestinal category.

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.

(In thousands)	Three Months Ended September 30,								
							Increase (Decrease)		
Gross Profit		**2024**	**%**		**2023**	**%**		**Amount**	**%**
North American OTC Healthcare	$	132,029	55.1	$	136,957	56.0	$	(4,928)	(3.6)
International OTC Healthcare		25,353	57.7		23,063	55.1		2,290	9.9
	$	157,382	55.5	$	160,020	55.9	$	(2,638)	(1.6)

Gross profit for the three months ended September 30, 2024 decreased $2.6 million, or 1.6%, when compared with the three months ended September 30, 2023. As a percentage of total revenues, gross profit decreased to 55.5% during the three months ended September 30, 2024 from 55.9% during the three months ended September 30, 2023, primarily due to the decrease in revenue and increased supply chain costs.

North American OTC Healthcare Segment

Gross profit for the North American OTC Healthcare segment decreased $4.9 million, or 3.6%, during the three months ended September 30, 2024 versus the three months ended September 30, 2023. As a percentage of North American OTC Healthcare revenues, gross profit decreased to 55.1% during the three months ended September 30, 2024 from 56.0% during the three months ended September 30, 2023, primarily due to 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 $2.3 million, or 9.9%, during the three months ended September 30, 2024 versus the three months ended September 30, 2023. As a percentage of International OTC Healthcare revenues, gross profit increased to 57.7% during the three months ended September 30, 2024 from 55.1% during the three months ended September 30, 2023, primarily due to 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.

(In thousands)	Three Months Ended September 30,								
							Increase (Decrease)		
Contribution Margin		**2024**	**%**		**2023**	**%**		**Amount**	**%**
North American OTC Healthcare	$	97,140	40.5	$	101,568	41.6	$	(4,428)	(4.4)
International OTC Healthcare		18,833	42.8		18,350	43.8		483	2.6
	$	115,973	40.9	$	119,918	41.9	$	(3,945)	(3.3)

North American OTC Healthcare Segment

Contribution margin for the North American OTC Healthcare segment decreased $4.4 million, or 4.4%, during the three months ended September 30, 2024 versus the three months ended September 30, 2023. As a percentage of North American OTC Healthcare revenues, contribution margin decreased to 40.5% during the three months ended September 30, 2024 from 41.6% during the three months ended September 30, 2023. The contribution margin decrease as a percentage of revenues was primarily due to the decrease in gross profit margin noted above.

International OTC Healthcare Segment
Contribution margin for the International OTC Healthcare segment increased $0.5 million, or 2.6%, during the three months ended September 30, 2024 versus the three months ended September 30, 2023. As a percentage of International OTC Healthcare revenues, contribution margin decreased to 42.8% during the three months ended September 30, 2024 from 43.8% during the three months ended September 30, 2023. The contribution margin decrease as a percentage of revenues was primarily due to an increase in advertising and marketing spend during the quarter.

General and Administrative
General and administrative expenses were $26.1 million for the three months ended September 30, 2024 and $26.0 million for the three months ended September 30, 2023.

Depreciation and Amortization
Depreciation and amortization expenses were $5.6 million for the three months ended September 30, 2024 and $5.7 million for the three months ended September 30, 2023.

Interest Expense, Net
Interest expense, net was $12.3 million during the three months ended September 30, 2024 versus $17.6 million during the three months ended September 30, 2023. The average indebtedness decreased to $1.1 billion during the three months ended September 30, 2024 from $1.3 billion during the three months ended September 30, 2023. The average cost of borrowing decreased to 4.7% for the three months ended September 30, 2024 from 5.5% for the three months ended September 30, 2023.

Income Taxes
The provision for income taxes during the three months ended September 30, 2024 was $17.3 million versus $16.9 million during the three months ended September 30, 2023. The effective tax rate during the three months ended September 30, 2024 was 24.1% versus 23.9% during the three months ended September 30, 2023. The increase in the effective tax rate for the three months ended September 30, 2024 was due to the impact of discrete items primarily pertaining to state tax changes and stock-based compensation.

Results of Operations

Six Months Ended September 30, 2024 compared to the Six Months Ended September 30, 2023

Total Segment Revenues

The following table represents total revenue by segment, including product groups, for the six months ended September 30, 2024 and 2023.

	Six Months Ended September 30,					
					Increase (Decrease)	
(In thousands)	2024	%	2023	%	Amount	%
North American OTC Healthcare						
Analgesics	$ 54,158	9.8	$ 57,158	10.1	$ (3,000)	(5.2)
Cough & Cold	38,015	6.9	46,344	8.2	(8,329)	(18.0)
Women's Health	104,804	19.1	109,955	19.4	(5,151)	(4.7)
Gastrointestinal	86,198	15.6	83,384	14.7	2,814	3.4
Eye & Ear Care	79,459	14.4	79,216	14.0	243	0.3
Dermatologicals	65,243	11.8	67,696	12.0	(2,453)	(3.6)
Oral Care	38,372	7.0	41,038	7.3	(2,666)	(6.5)
Other OTC	5,878	1.1	5,775	1.0	103	1.8
Total North American OTC Healthcare	472,127	85.7	490,566	86.7	(18,439)	(3.8)
International OTC Healthcare						
Analgesics	$ 2,357	0.4	$ 2,228	0.4	129	5.8
Cough & Cold	11,957	2.2	13,315	2.4	(1,358)	(10.2)
Women's Health	10,121	1.8	12,028	2.1	(1,907)	(15.9)
Gastrointestinal	31,878	5.8	26,971	4.8	4,907	18.2
Eye & Ear Care	11,457	2.1	11,146	2.0	311	2.8
Dermatologicals	3,967	0.7	2,807	0.5	1,160	41.3
Oral Care	6,485	1.2	6,491	1.1	(6)	(0.1)
Other OTC	578	0.1	73	—	505	691.8
Total International OTC Healthcare	78,800	14.3	75,059	13.3	3,741	5.0
Total Consolidated	$ 550,927	100.0	$ 565,625	100.0	$ (14,698)	(2.6)

Total revenues for the six months ended September 30, 2024 were $550.9 million, a decrease of $14.7 million, or 2.6%, versus the six months ended September 30, 2023.

North American OTC Healthcare Segment

Revenues for the North American OTC Healthcare segment decreased $18.4 million, or 3.8%, during the six months ended September 30, 2024 versus the six months ended September 30, 2023. The $18.4 million decrease was primarily attributable to a decrease in sales in the Cough & Cold, Women's Health, and Analgesics categories, partly offset by an increase in sales in the Gastrointestinal category.

International OTC Healthcare Segment

Revenues for the International OTC Healthcare segment increased $3.7 million, or 5.0%, during the six months ended September 30, 2024 versus the six months ended September 30, 2023. The $3.7 million increase was mainly attributable to an increase in sales in the Gastrointestinal category, partly offset by a decrease in sales in the Women's Health and Cough & Cold 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.

	Six Months Ended September 30,					
(In thousands)					Increase (Decrease)	
Gross Profit	**2024**	**%**	**2023**	**%**	**Amount**	**%**
North American OTC Healthcare	$ 258,786	54.8	$ 273,024	55.7	$ (14,238)	(5.2)
International OTC Healthcare	44,618	56.6	41,669	55.5	2,949	7.1
	$ 303,404	55.1	$ 314,693	55.6	$ (11,289)	(3.6)

Gross profit for the six months ended September 30, 2024 decreased $11.3 million, or 3.6%, when compared with the six months ended September 30, 2023. As a percentage of total revenues, gross profit decreased to 55.1% during the six months ended September 30, 2024 from 55.6% during the six months ended September 30, 2023, primarily due to the decrease in revenue and increased supply chain costs.

North American OTC Healthcare Segment

Gross profit for the North American OTC Healthcare segment decreased $14.2 million, or 5.2%, during the six months ended September 30, 2024 versus the six months ended September 30, 2023. As a percentage of North American OTC Healthcare revenues, gross profit decreased to 54.8% during the six months ended September 30, 2024 from 55.7% during the six months ended September 30, 2023, primarily due to 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 $2.9 million, or 7.1%, during the six months ended September 30, 2024 versus the six months ended September 30, 2023. As a percentage of International OTC Healthcare revenues, gross profit increased to 56.6% during the six months ended September 30, 2024 from 55.5% during the six months ended September 30, 2023, primarily due to 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.

	Six Months Ended September 30,					
(In thousands)					Increase (Decrease)	
Contribution Margin	**2024**	**%**	**2023**	**%**	**Amount**	**%**
North American OTC Healthcare	$ 190,144	40.3	$ 206,234	42.0	$ (16,090)	(7.8)
International OTC Healthcare	32,486	41.2	32,126	42.8	360	1.1
	$ 222,630	40.4	$ 238,360	42.1	$ (15,730)	(6.6)

North American OTC Healthcare Segment

Contribution margin for the North American OTC Healthcare segment for the six months ended September 30, 2024 decreased $16.1 million, or 7.8%, when compared with the six months ended September 30, 2023. As a percentage of North American OTC Healthcare revenues, contribution margin decreased to 40.3% during the six months ended September 30, 2024 from 42.0% during the six months ended September 30, 2023, primarily due to the decrease in gross profit margin noted above.

International OTC Healthcare Segment

Contribution margin for the International OTC Healthcare segment increased $0.4 million, or 1.1%, during the six months ended September 30, 2024 versus the six months ended September 30, 2023. As a percentage of International OTC Healthcare revenues, contribution margin decreased to 41.2% during the six months ended September 30, 2024 from 42.8% during the six months ended September 30, 2023. The contribution margin decrease as a percentage of revenues was primarily due to an increase in advertising and marketing spend during the six months ended September 30, 2024.

General and Administrative
General and administrative expenses were $55.0 million for the six months ended September 30, 2024 and $53.7 million for the six months ended September 30, 2023. General and administrative expenses increased $1.3 million due to an increase in professional fees.

Depreciation and Amortization
Depreciation and amortization expenses were $11.3 million for the six months ended September 30, 2024 and $11.2 million for the six months ended September 30, 2023.

Interest Expense, Net
Interest expense, net was $25.4 million during the six months ended September 30, 2024 versus $35.3 million during the six months ended September 30, 2023. The average indebtedness decreased to $1.1 billion during the six months ended September 30, 2024 from $1.3 billion during the six months ended September 30, 2023. The average cost of borrowing decreased to 4.8% for the six months ended September 30, 2024 compared to 5.4% for the six months ended September 30, 2023.

Income Taxes
The provision for income taxes during the six months ended September 30, 2024 was $26.6 million versus $32.3 million during the six months ended September 30, 2023. The effective tax rate during the six months ended September 30, 2024 was 20.5% versus 23.2% during the six months ended September 30, 2023. The decrease in the effective tax rate for the six months ended September 30, 2024 compared to the six months ended September 30, 2023 was due to discrete items primarily pertaining to the release of a reserve for uncertain tax 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 September 30, 2024, we had cash and cash equivalents of $51.5 million, an increase of $5.1 million from March 31, 2024. The following table summarizes the change:

	Six Months Ended September 30,		
(In thousands)	**2024**	**2023**	**$ Change**
Cash provided by (used in):			
Operating Activities	$ 124,576	$ 110,547	$ 14,029
Investing Activities	(4,157)	(611)	(3,546)
Financing Activities	(116,722)	(107,728)	(8,994)
Effects of exchange rate changes on cash and cash equivalents	1,374	(630)	2,004
Net change in cash and cash equivalents	$ 5,071	$ 1,578	$ 3,493

Operating Activities
Net cash provided by operating activities was $124.6 million for the six months ended September 30, 2024, compared to $110.5 million for the six months ended September 30, 2023. The $14.0 million increase was 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 $4.2 million for the six months ended September 30, 2024, compared to $0.6 million for the six months ended September 30, 2023. The increase in cash used for investing activities of $3.5 million was primarily attributable to changes in a short term loan receivable, partly offset by a decrease in capital expenditures.

Financing Activities

Net cash used in financing activities was $116.7 million for the six months ended September 30, 2024, compared to $107.7 million for the six months ended September 30, 2023. The $9.0 million increase was primarily due to an increase in the purchase of shares of our common stock of $12.8 million and a decrease in the proceeds from the exercise of stock options of $5.6 million, partly offset by a decrease in term loan repayments of $10.0 million.

Capital Resources

As of September 30, 2024, we had an aggregate of $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
- $60.0 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 September 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 $173.9 million.

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,		Amount
2025 (remaining six months ending March 31, 2025)	$	—
2026		—
2027		—
2028		400,000
2029		60,000
Thereafter		600,000
	$	1,060,000

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 September 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 September 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

- Have a fixed charge ratio of greater than 1.0 to 1.0 for the quarter ended September 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 September 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 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, 2024. There were no material changes to our critical accounting policies during the six months ended September 30, 2024.

Recent Accounting Pronouncements

A description of recently issued 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.

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 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;
- Actions of government agencies in connection with our and our suppliers’ manufacturing plants, products, advertising or regulatory matters;
- 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 logistics providers to distribute our products to customers;
- Disruptions in our distribution center or manufacturing 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;
- 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;
- Our level of indebtedness and possible inability to service our debt or to obtain additional financing;
- 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, 2024.

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 September 30, 2024, approximately $60.0 million of our debt carries a variable rate of interest.

Holding other variables constant, including levels of indebtedness, a one percentage point increase in interest rates on our variable rate debt would have had an adverse impact on both pre-tax income and cash flows for the three and six months ended September 30, 2024 of approximately $0.2 million and $0.5 million, respectively.

Foreign Currency Exchange Rate Risk

During the three and six months ended September 30, 2024, approximately 15.3% and 14.5%, respectively, of our gross revenues were denominated in currencies other than the U.S. Dollar. During the three and six months ended September 30, 2023, approximately 13.5% and 12.7%, 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 six months ended September 30, 2024 and 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 $2.2 million for the three months ended September 30, 2024 and approximately $4.1 million for the six months ended September 30, 2024. It represented a less than 5.0% impact on pre-tax income of approximately $2.4 million for the three months ended September 30, 2023 and $4.1 million for the six months ended September 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 September 30, 2024. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of September 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 September 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, 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.

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
July 1 to July 31, 2024	—	$ —	—	$ —
August 1 to August 31, 2024	47,201	$ 69.76	46,750	$ 270,763
September 1 to September 30, 2024	117,983	$ 72.53	117,983	$ 262,206
Total	165,184	$ 71.74	164,733	

(a) The majority of these shares (164,733 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 (451 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 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. (filed as Exhibit 3.1.2 to the Company's Quarterly Report on Form 10-Q filed with the SEC on August 8, 2024. *
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).*
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.
10.1	GEODIS Master Logistics Services Amendment 1 to Statement of Work No. 1, dated August 10, 2021, by and between Prestige Brands Inc. and GEODIS Logistics LLC.†
10.2	GEODIS Master Logistics Services Amendment 2 to Statement of Work No. 1, dated September 27, 2021, by and between Prestige Brands Inc. and GEODIS Logistics LLC.†
10.3	GEODIS Master Logistics Services Amendment 3 to Statement of Work No. 1, effective as of October 1, 2024, by and between Prestige Brands Inc. and GEODIS Logistics LLC.†
*	Incorporated herein by reference.
†	Certain confidential portions have been omitted.
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)

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:	November 7, 2024	By:	**/s/ Christine Sacco**
			Christine Sacco
			Chief Financial Officer
			(Principal Financial Officer and Duly Authorized Officer)

[***] Certain identified information has been excluded from this exhibit because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed.

AMENDMENT ONE TO STATEMENT OF WORK NO. 1
TO THE MASTER LOGISTICS SERVICES AGREEMENT

This **AMENDMENT ONE TO STATEMENT OF WORK NO. 1 TO THE MASTER LOGISTICS SERVICES AGREEMENT** (the "**Amendment**") is made and entered into as of August 10, 2021 ("**Amendment Date**"), by and between Prestige Brands, Inc. ("**CLIENT**") and Geodis Logistics LLC ("**GEODIS**" each a "**Party**" and collectively, the "**Parties**").

RECITALS:

A. The Parties entered into that certain Master Logistics Services Agreement, dated May 13, 2019 (the "**Agreement**"); and

B. In conjunction with the Agreement, GEODIS and CLIENT executed that certain Statement of Work No. 1, dated May 13, 2019 (the "**SOW 1**"), wherein GEODIS provides CLIENT certain warehousing services at the facility located at 1716 Innovation Blvd., Clayton, IN ("**Warehouse**"); and

C. The Parties wish to amend SOW 1 to adjust the Rates and implement an overtime cap as set forth herein.

NOW, THEREFORE**,** for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to amend SOW 1 as follows:

1. Defined Terms. Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to such terms in SOW 1.

2. Effective August 2, 2021, **Exhibit B – Rates** shall be modified as follows:

   A. Line Item titled "Labor Expense" in Table 3.1 (as adjusted based on the current agreed upon budget for FY3) is hereby amended such that the base Rates for all hourly positions (limited to those positions categorized as [***], [***], [***], [***], and [***]) are hereby increased by [***] dollars ([***]) per hour.

   B. The following shall be added as Section 4.1.2. (Overtime Cap):

      4.1.2 Overtime Cap. GEODIS agrees to cap the difference between the overtime rate and the regular rate of CLIENT's monthly overtime charges at [***] of the total hours accumulated each month ("Overtime Cap"). Unless the Parties agree otherwise in writing for any Renewal Term (if applicable), Prestige acknowledges and agrees that the Overtime Cap will only be applicable through the end of the Initial Term of the SOW. For the avoidance of doubt, CLIENT will continue to pay the base wage and base wage benefits for overtime hours exceeding the Overtime Cap. Subject to the limitations below, GEODIS will be responsible for overtime expenses in excess of the Overtime Cap, including overtime benefits.

      - If there is a [***] variance in the Operational Parameters, including, but not limited to monthly forecasted volume, then that month is ineligible for overtime reimbursement from GEODIS.
      - Overtime hours during Holiday weeks are excluded from the overtime reimbursement from GEODIS.
      - Resulting labor conditions from uncontrollable events (Force Majeure) are excluded from the overtime reimbursement from GEODIS.

- If Gantry is inoperable for 24 hours in a week, then that week's overtime hours are excluded from the overtime calculation.

The overtime percentage will be calculated by dividing the total overtime hours by the total hours in the month. The following table provides an illustration.

	A	B	C = A+B	D = B/C	E	F = E/B	G	H	I = H*C	J = B-I	K = (B*F)	L = (B*G)	M = E-(K+L)
Month	**Regular Hours**	**OT Hours**	**Total Hours**	**% OT**	**OT $**	**OT Wage $ Calc**	**Regular Wage**	**Proposed OT% Cap**	**[***] cap in HRS**	**Actual OT Hours over the [***] Cap**	**Prestige Funded OT $ at [***] Cap**	**Prestige Funded OT hours over [***] cap at Regular Rate**	**GEODIS Funded OT Wage Diff. Above [***] Cap**
Month 1	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
Month 2	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]

3. Except as provided herein, SOW 1 shall remain unchanged and in full force and effect in accordance with its terms. It is specifically understood and agreed that the foregoing shall not be deemed to be a waiver or amendment of any other provision of the SOW 1 or either Party's rights or remedies under SOW 1.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment as of the date set forth above.

PRESTIGE BRANDS, INC.

Signature: Jeff Zerillo

Name: Jeff Zerillo

Title: SVP, Operations

GEODIS LOGISTICS LLC

Signature: Anthony Jordan

Name: Anthony Jordan

Title: EVP, Chief Operating Officer

Exhibit 10.2

[***] Certain identified information has been excluded from this exhibit because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed.

AMENDMENT TWO TO STATEMENT OF WORK NO. 1
TO THE MASTER LOGISTICS SERVICES AGREEMENT

This **AMENDMENT TWO TO STATEMENT OF WORK NO. 1 TO THE MASTER LOGISTICS SERVICES AGREEMENT** (this "**Amendment**") is made and entered into as of September 27, 2021 ("**Amendment Effective Date**"), by and between Prestige Brands, Inc. ("**CLIENT**") and Geodis Logistics LLC ("**GEODIS**" each a "**Party**" and collectively, the "**Parties**").

RECITALS:

A. The Parties entered into that certain Master Logistics Services Agreement dated May 13, 2019 (the "**Agreement**"); and

B. In conjunction with the Agreement, GEODIS and CLIENT executed that certain Statement of Work No. 1, dated May 13, 2019 (together with that certain Amendment One to Statement of Work No. 1 dated August 5, 2021, "**SOW 1**"), wherein GEODIS provides CLIENT certain warehousing services at the facility located at 1716 Innovation Blvd., Clayton, IN ("**Warehouse**"); and

C. The Parties wish to further amend SOW 1 as set forth herein.

NOW, THEREFORE**,** for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to amend SOW 1 as follows:

1. Defined Terms. Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to such terms in SOW 1.

2. Amendment to SOW Term. **Section 2** (**STATEMENT OF WORK TERM**) shall be deleted in its entirety and replaced with the following:

   2. STATEMENT OF WORK TERM. The term of this SOW ("**SOW Term**") shall commence on the SOW Effective Date and shall continue through April 30, 2022 ("**Initial Term**") unless terminated pursuant to Section 8 of the MSA. Thereafter, the SOW Term shall auto-renew on a year to year basis ("**Renewal Term**"). The Initial Term and any Renewal Term(s) shall be collectively referred to as the "**SOW Term**."

3. Amendment to Exhibit A. The third paragraph of **Section 1 (Overview)** of Exhibit A shall be deleted in its entirety and replaced with the following:

   After receipt, Products will be stored at the Warehouse, which has the following maximum capacity allocated for the performance of the Services on CLIENT's behalf: 500,000 square feet for Year 1 and Year 2, 536,755 square feet for Year 3 and 602,073 square feet for Year 4 and 5. The amount of space allocated for Products and Services may be adjusted upon written agreement of the Parties.

4. Amendment to Exhibit B. Effective October 1, 2021, Section 6 (Storage) shall be deleted in its entirety and replaced with the following:

   Beginning on July 1, 2019, CLIENT will be invoiced a monthly fee of [***], for storage (the "Storage Rate") for the three months prior to Go Live Receiving and through Year 1 of this SOW-1 pursuant to the invoicing terms of this Exhibit B. For Year 2 through the SOW Term, CLIENT will be charged the monthly fees set forth in Table 6.1. Year 1's monthly Storage Rate is calculated based upon CLIENT's occupation of 500,000 square feet in the Warehouse at a rate of [***] per square foot, plus Margin. Beginning Year 3, CLIENT will occupy 536,755 square feet in the Warehouse. For Year 4 and Year 5, CLIENT will occupy 602,073 square feet in the Warehouse. The space rate and monthly fee is summarized in the table below.

TABLE 6.1 – STORAGE MONTHLY FEE

	Y1	Y2	Y3	Y4	Y5
[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]

In the event the Parties negotiate alterations to the space requirements in Year 3, 4 or 5, such alterations will be memorialized in an amendment between the Parties.

5. Except as provided herein, SOW 1 shall remain unchanged and in full force and effect in accordance with its terms. It is specifically understood and agreed that the foregoing shall not be deemed to be a waiver or amendment of any other provision of the SOW 1 or either Party's rights or remedies under SOW 1.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment as of the date set forth above.

PRESTIGE BRANDS, INC.

Signature: Jeff Zerillo

Name: Jeff Zerillo

Title: SVP, Operations

GEODIS LOGISTICS LLC

Signature: Anthony Jordan

Name: Anthony Jordan

Title: EVP, Chief Operating Officer

[***] Certain identified information has been excluded from this exhibit because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed.

AMENDMENT THREE TO STATEMENT OF WORK NO. 1 TO THE MASTER LOGISTICS SERVICES AGREEMENT

This **AMENDMENT THREE TO STATEMENT OF WORK NO. 1 TO THE MASTER LOGISTICS SERVICES AGREEMENT** (this "**Amendment**") is entered into on the last date of signature below, but effective as of October 1, 2024 (the "**Effective Date**"), by and between Prestige Brands, Inc. ("**CLIENT**") and GEODIS Logistics LLC ("**GEODIS**"). CLIENT and GEODIS are sometimes referred to herein collectively as the "**Parties**" and individually as a "**Party**").

RECITALS:

A. The Parties entered into that certain Master Logistics Services Agreement dated May 13, 2019, as amended from time-to-time (the "**MSA**");

B. In conjunction with the Agreement, GEODIS and CLIENT subsequently executed a certain Statement of Work No. 1 dated May 13, 2019, as amended ("**SOW 1**"); and

C. Subject to and upon the terms and conditions set forth herein, the Parties desire to amend, extend, and otherwise modify SOW 1.

AGREEMENT:

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. **RECITALS AND UNDEFINED TERMS.** The foregoing recitals are certified to be true and correct for all purposes. Capitalized and undefined terms used herein shall have the meanings ascribed thereto in the MSA and SOW 1.

2. **STATEMENT OF WORK TERM**. Section 2 of SOW 1 is hereby amended such that the SOW Term shall expire on February 28, 2030.

3. **EXHIBITS**. The Exhibits to SOW 1 are hereby amended or restated as follows:

Exhibit	*Restated or Amended*
SOW-1 EXHIBIT A – SCOPE SERVICES	Deleted and replaced with SOW-1 EXHIBIT A – SCOPE OF SERVICES attached hereto and made a part hereof.
SOW-1 EXHIBIT B – RATES	Deleted and replaced with SOW-1 EXHIBIT B – RATES attached hereto and made a part hereof.
SOW-1 EXHIBIT C – PRODUCT DESCRIPTION	Restated and unmodified by this Amendment.
SOW-1 EXHIBIT D – KEY PERFORMANCE INDICATORS	Restated and unmodified by this Amendment.
SOW-1 EXHIBIT E – IT STANDARDS	Restated and unmodified by this Amendment.

4. **WAREHOUSE LEASE**. The Parties agree that GEODIS shall renew the Warehouse lease.

5. **AUTHORITY.** Each individual executing this Amendment has full authority and right to execute this Amendment in the capacity set forth below. This Amendment shall be binding on the Parties, and the Parties hereby waive any defense to the enforceability of this Amendment based on the authority of the individuals executing this Amendment.

6. **ENTIRE AGREEMENT.** This Amendment contains the entire agreement between the Parties with respect to the subject matter hereof, and this Amendment supersedes all prior understandings, agreements and representations, if any, with respect to such subject matter except for the provisions of the MSA and SOW 1 not affected by this Amendment.

7. **BINDING EFFECT AND RATIFICATION.** The terms, covenants, conditions and provisions contained in this Amendment shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. The Parties hereby ratify and confirm the terms and provisions of the MSA and SOW 1, as amended hereby. This Amendment shall be incorporated into the MSA and SOW 1 for all purposes, and, should a conflict arise between the terms of this Amendment and those of the MSA or SOW 1, the terms of this Amendment shall control.

8. **HEADINGS.** The section headings contained in this Amendment are for purposes of reference only and shall not limit or define the meaning of any of the terms or provisions hereof.

9. **COUNTERPART/FACSIMILE SIGNATURES.** To facilitate execution, this instrument may be executed by the Parties in as many counterparts as may be convenient or required. All counterparts shall collectively constitute a single instrument. To expedite the execution of this document, signatures obtained and/or transmitted electronically shall be effective as originals for all purposes.

[Signature Page Immediately Follows]

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed by their duly authorized representatives on the date set forth below, but to be effective as of the Effective Date.

	Prestige Brands, Inc.		**GEODIS Logistics LLC**
By:	Christine Sacco	By:	[signature]
Name:	Christine Sacco	Name:	Anthony Jordan
Title:	Chief Financial Officer	Title:	COO
Date:	30 September 2024	Date:	30 September 2024

Attachments:
SOW – 1 Exhibit A – Scope of Services, Restated Effective October 1, 2024
SOW – 1 Exhibit B – Rates, Restated Effective October 1, 2024

[Signature Page to Amendment Three to SOW 1]

SOW-1
Exhibit A – Scope of Services
Restated Effective October 1, 2024

This Exhibit A includes: (i) a high-level overview of the fulfillment and logistics solution to be implemented and provided under the Agreement; (ii) key data, information and other operational profiles and parameters provided by CLIENT upon which the scope of the Services and associated fees and charges were based and agreed to ("Operational Parameters"); (iii) a description of the Services to be provided by GEODIS; (iv) a list of CLIENT responsibilities, the fulfillment of which are necessary for satisfactory performance of the Services; and (v) a description of the methodology for implementing the Services.

1. Overview.

The logistics solution to be provided pursuant to the Agreement generally includes receiving the Products) into inventory at the Warehouse, warehousing the Products, and picking, packing and shipping Products from the Warehouse in accordance with CLIENT provided instructions.

Inbound shipments will arrive daily via truckload (TL), less than truck load (LTL), and ocean container. Annual inbound are estimated to be no more than [***] cases, with an estimated year over year (YOY) growth of [***] and will include an estimated average of [***] active SKUs, with an estimated maximum of [***]. Hazardous Materials are included in the Products.

After receipt, Products will be stored at the Warehouse, which has a capacity for CLIENT of a maximum capacity for CLIENT of 602,073 square feet allocated for the storage and performance of the Services. The amount of space allocated for Products and Services may be adjusted upon written agreement of the Parties.

Outbound shipments will be cases and pallets via, TL, LTL, and parcel, primarily in the business to business channel. Standard orders received before the cutoff time (established by the Parties from time to time) are generally expected to be picked, packed and fulfilled/ship confirmed within a [***] day window based on scheduled must ship by dates. Average and peak outbound volumes are listed in Section 2.3. [***]

Unless otherwise agreed by the Parties, CLIENT will be responsible for all communications with its customers; GEODIS will not receive any customer/end-user complaints or service calls. With respect to new product acquisitions by CLIENT, CLIENT agrees to use commercially reasonable efforts to provide GEODIS adequate advance notice of such purchase or acquisition in order to allow GEODIS the ability to appropriately plan and discuss the new product mix with CLIENT.

2. Operational Parameters.

The Services described in this Exhibit A, and the associated fees and charges outlined in Exhibit B, are based upon inbound, outbound, on-hand inventory volume projections, year over year growth estimates and other data, projections and information provided to GEODIS by or on behalf of CLIENT prior to the date of the SOW, including, without limitation, the key Operational Parameters set forth herein. Any variance in the Operational Parameters of [***] (or changes in any other data, projections or information provided by or on behalf of CLIENT, and/or other changes to the scope of Services) as compared to the year-one baseline values established as of the date of the SOW may result in additional costs and/or impact timelines, project plans and performance levels. Any different or additional Services (including, without limitation, any alteration to the facilities/equipment or level of labor) that may be required as a result of such changes or variances will be performed or executed only if agreed upon and approved by the Parties in accordance with the procedures set forth in the MSA.

2.1. Inbound. The following table sets forth a summary of the profile of inbound shipments:

Parameter	Baseline Value – Year 1
Arrival Mode(s)	
[***]	[***] [***]
[***]	[***] [***]
[***]	[***]
[***]	[***]
[***]	[***]
Volume	
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
Mix	
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
Data Capture/Labeling	
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

Returns	
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
Inbound Handling	
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

2.2. Processing/Put Away/Storage. The following table sets forth a summary of the profile of Product storage:

Parameter	Baseline Value – Year 1
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

2.3. Outbound. The following table sets forth a summary of the profile of outbound shipments:

Parameter	Baseline Modeled Value – Year 1
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

[***]	[***]
[***]	[***]
[***]	[***]
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[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

3. GEODIS Services. GEODIS will provide receiving, warehousing, distribution and mutually acceptable value-added services to support CLIENT's business as more fully described below. Operations will be conducted at the Warehouse using a two-shift, Monday through Friday (excluding holidays), from 07:00 until 00:30 local time ("**Operating Hours**") with options, as agreed by the Parties to work overtime on Saturdays and/or Sundays.

3.1. Inbound/Receiving.

3.1.1. **General Process.** All inbound Products will be taken through a standard process that is designed to provide accurate and timely processing of the applicable Product(s). Products will be received against [POs] provided by CLIENT via electronic data interchange ("**EDI**"). To the extent required, GEODIS will sort and segregate Products upon arrival as appropriate to separate SKUs. GEODIS will then check the quantity of cases or pallets, as applicable, against the expected receipt quantities and Product descriptions. GEODIS will promptly notify CLIENT of any identified discrepancies or other exceptions. Any identified exceptions will be handled in accordance with mutually acceptable procedures established as part of the implementation phase described below (the "**Implementation Phase**").

Products received without exception, and Products received with exceptions that are resolved such that the Products are to be accepted into stock, will be put away as described below. Products that are subject to exceptions that are not resolved in a manner such that they are available (e.g., damaged or return-to-vendor items), and Products that for some other reason are not to be included in available stock in the WMS (e.g., Products flagged for special handling or requiring hazmat determination) will be segregated in the Warehouse pending resolution/disposition. GEODIS expects that product will be received in to the Warehouse on hold. When the CLIENT communicates, in writing, that the product is ready to be made available, GEODIS will adjust the inventory according to the item, lot, and load specification.

3.1.2. First Article Inspection ("FAI"). GEODIS will conduct its standard first article inspection ("FAI") process for all new Products to capture the missing attributes of the Product for addition to the Item Files. The FAI will include identification of any special attributes, such as "hazardous" classification, only as identified and agreed by the Parties during the Implementation Phase.

3.1.3. Labeling/License Plates. Products received on hold with the intention to make available in the WMS, will be labeled at the lowest unit of measure ("UOM"), with a unique master license plate ("LP"). For example, a single SKU pallet would receive one master LP, but each individual case on that pallet would not. The master LP will be tied to SKU number, description, quantity received, creation date, expiration date, and lot number.

3.1.4. Inbound Inspections. All inbound shipments will be visually inspected, on the exterior only, for mold, mildew, and/or significant damage. Trailers will also be inspected, including temperature checks for refrigerated loads. Any identified damage will be handled as an OSD as described below. GEODIS shall maintain a log or other documentation to ensure that 100% of all inbound shipments have been inspected as required hereunder.

3.1.5. Inbound Audits. One case per lot per load will be audited. All Shipments will be audited using this process. The sample size for any audit will be as mutually agreed by the parties from time-to-time. The audits will consist of validating SKU, quantity, quality, LOT, and pallet configuration. CLIENT may, upon reasonable request, have a representative present for such audits.

3.1.6. Over, Short and Damaged Product ("OSD"). GEODIS will promptly notify CLIENT of any OSD identified during unloading/receipt by noting it on the applicable delivery receipt where practicable. The Parties acknowledge, however, that, due to the nature of some of the Product and/or the manner in which it is packaged/palletized, some OSD issues may not be identified until after the Product is received and the delivery receipt has been provided to CLIENT, in which case, GEODIS will notify CLIENT promptly following discovery. Product that is received as damaged merchandise will be received in WMS as such and placed into non-allocable (damaged) locations within the Warehouse. Likewise, for OSD occurring during Warehouse operations, damaged Product will be adjusted out of available inventory and will be moved to the appropriate non-allocable (damaged) location(s) within the Warehouse. GEODIS may dispose of OSD Products in accordance with CLIENT's disposal and/or destruction requirements and as discussed on a quarterly basis between the Parties, on an agreed upon interval not to exceed ninety-five (95) days.

3.1.7. Additional Services. GEODIS understands that some SKUs will require unboxing to convert the case to shelf quantity during the receiving process. These conversions will be charged in accordance with the open book rate structure set forth in Exhibit B. Additional VAS services can be supported as agreed by the Parties from time-to-time.

3.2. Storage and Inventory Management.

3.2.1. Put Away. Products that have completed the receiving process and are otherwise ready for put away will be placed in appropriate storage locations and remain on hold in the WMS until notified by the CLIENT. Unless otherwise agreed by the Parties, GEODIS will endeavor to manage inventory on a FEFO basis. On occasion, an order may require a specific LOT/expiry, and such orders will be charged in accordance with the open book rate structure set forth in Exhibit B. Product received with a shorter FEFO than that currently in a pick front, is expected to be held from allocation until the current pick front is consumed.

3.2.2. Inventory Management. GEODIS will implement and maintain its inventory management process in an effort to control shrink and damages. GEODIS shall be entitled to a shrink allowance as described in the MSA. Physical inventories or other audits and cycle counts will be performed on a quarterly basis. Any additional physical inventories required by CLIENT will be performed under the open book rate structure set forth in Exhibit B. A predetermined cycle counting program will be agreed upon by both Parties for the gantry in order to minimize the downtime for processing orders.

3.2.3. Additional Services. QA holds will be communicated in writing by the CLIENT to GEODIS, and an inspection process may occur. Inventory will be systemically held in its current locations until the CLIENT has determined next steps. During a recall, GEODIS will support CLIENT and perform any additional work as agreed to by the Parties. This additional work will be performed under the open book rate structure set forth in Exhibit B.

3.3. Outbound/Shipping.

3.3.1. General. All outbound Products will be taken through GEODIS's standard process that is designed to provide accurate and timely fulfillment of orders. CLIENT will transmit all outbound orders to GEODIS in a mutually agreeable format via EDI. Standard orders received before the cutoff time established by the Parties from time to time are generally expected to be picked, packed and shipped within 10-14 days based on scheduled must ship by dates. Orders received after cutoff-time are expected to be fulfilled/ship confirmed as close to the must ship by dates as capacity will allow.

3.3.2. Order Preparation/Shipping. Except as otherwise agreed by the Parties, all orders will be picked at the pallet, layer, and case level and packed/prepared for shipment at the pallet and case level. Once packed, outbound orders will be labeled, manifested, staged, and scanned to the assigned dock door for shipment via TL, LTL, and Parcel. The Parties will establish a process to manage order exceptions. Any orders or lines that require planned cancelation or "zero shipment" will be communicated in writing. CLIENT requested order cancelations or changes after picking, will be excluded from the KPIs as specified in Exhibit D and will be performed under the open book rate structure set forth in Exhibit B

3.3.3. Special Handling. Products identified in the Item Master File as requiring special handing, such as hazmat, batteries, or, retailer specific requirements will be communicated to GEODIS prior to staging for shipment.

3.3.4. Outbound Audits. GEODIS will audit 100% of outbound orders for accuracy through the Product Transfer and Ramp Plan for each of the nine (9) Product waves and will gradually decrease the percentage of audited volume to 5%. Pursuant to an audit reduction schedule agreed upon by the Parties, the Parties will assess quality progress with the goal of reaching a 5% outbound volume within the first 30 days at the conclusion of the Ramp Plan. Orders that are audited will be randomly selected from the pool of available orders for the day. The sample size for any audit will be as mutually agreed by the Parties from time-to-time. The audits will consist of validating item count, SKU accuracy, label placement, etc. by visual and systemic inspections. CLIENT may, upon reasonable request, have a representative present for such audits. Notwithstanding the foregoing, at CLIENT's request, GEODIS will maintain a process to flex audit percentages to meet the CLIENT's requirements, provided that. any additional resources required to meet such flex audit percentages requested will be performed at the request of CLIENT pursuant to the open book rate structure set forth in Exhibit B.

3.4. Supplies. Except to the extent mutually agreed by the Parties, GEODIS will procure and maintain a reasonably adequate supply of general operating supplies (i.e. labels, tape, blank paper stock, etc.). CLIENT will be billed for supplies as provided in Exhibit B. CLIENT will be responsible for communicating to GEODIS any preferred vendors for specialized supplies.

3.5. Reports. GEODIS will provide access to system reports to provide visibility of daily operations metrics. There are a total of forty-one (41) standard reports available to the CLIENT to select for their business. All changes requested during the first six (6) months following Shipping Go-Live and after will adhere to the GEODIS IT Work Request Process. Requests will be prioritized and completed based on estimated dates provided by the GEODIS IT team. After the first six (6) months following Shipping Go-Live any report requests will be developed based on the IT pricing structure in Exhibit B except for two (2) additional customized reports that will be provided for free.

3.6. CHEP Pallets. To the extent that CHEP pallets are required or used in connection with the Services, GEODIS will manage pallet inventory in an effort to maintain availability of an appropriate quantity of CHEP pallets. GEODIS will use CLIENT's account number for ordering CHEP pallets, and CLIENT shall be responsible for the cost of procuring and handling all CHEP pallets. CLIENT and GEODIS will complete a monthly reconciliation of CHEP pallets in accordance with procedures developed during the Implementation Phase.

3.7. Value Added Services. GEODIS may, upon mutual written agreement of the Parties, provide value added services ("VAS") at the request of the CLIENT. VAS will, if agreed upon and approved by the Parties as to scope and charges, be documented in writing between the Parties (email communication being sufficient). To the extent GEODIS is able to deploy existing warehouse labor from the local campus network to perform in scope VAS services, such services will be performed under the open book rate structure set forth in Exhibit B. Anything requiring licensing and lot batch creation is not considered in-scope VAS services, and will be billed pursuant to a separate rate to be mutually agreed upon by the Parties.

3.8. Security. GEODIS will secure the Warehouse by, among other things: (i) having employees enter through a single point of entry using GEODIS provided ID cards; (ii) limiting/restricting carrier access to the Warehouse; (iii) installing and maintaining a monitored intrusion detection system/CCTV system; (iv) providing a "hotline" for reporting suspicious activity at and around the Warehouse; and (v) provide exterior guard services. GEODIS will follow industry standard security and risk mitigation practices as outlined in

Transported Asset Protection Association guidelines.

4. Integration and Data Exchange. The Parties acknowledge that the successful execution of the Services set forth in this SOW will require the transmission and sharing of data. To ensure the correct type of data is being transmitted in an acceptable timeframe, the Parties agree to exchange of data as outlined in the GEODIS Functional Specification Document (FSD).

5. Yard Management. GEODIS will manage a secured yard and perform activities such as trailer management, inbound inventory, and outbound shipments. A security guard will be on site at all times enabling carriers approved by the Parties to drop trailers during or after Operating Hours. The Parties will agree to provide specific carriers with a limited number of trailers available to occupy space within the yard for the sole intent to support the CLIENT's business. Carriers will not be allowed to drop trailers at dock doors after Operating Hours. Any management of refrigerated trailers is considered out of scope as of the Effective Date.

6. CLIENT Responsibilities. The Parties acknowledge that satisfactory performance of the Services is contingent upon CLIENT's assistance and cooperation. Accordingly, in addition to other CLIENT responsibilities set forth elsewhere, CLIENT shall have the following responsibilities:

6.1. Contact Information. CLIENT will, from time-to-time, provide an up-to-date contact list of key business subject matter experts assigned to the team and a dedicated project manager to serve as single points of contact for the applicable subject matter.

6.2. Forecasts. At least [***], each at the daily level to facilitate resource planning. Without limiting the foregoing, CLIENT must provide inbound, inventory, and outbound data as needed or requested by GEODIS to support operations.

6.3. Electronic Purchase Order. At least one business day, but in no event less than 24 operating hours, in advance of each inbound shipment, CLIENT will provide detailed purchase order(s) ("PO") in a mutually agreeable format via EDI that describes each shipment in reasonable detail, including, without limitation, description of each item, quantity of each item, and such other information as GEODIS may reasonably request.

6.4. Transportation. GEODIS will handle the management of all domestic inbound transportation on behalf of the CLIENT. The CLIENT will handle all international inbound transportation at its own expense. CLIENT or its designee must make inbound appointments for each international shipment with the GEODIS Warehouse at least one business day, but no less than 24 operating hours, in advance. Appointments will be available only during normal operating hours.. In the event that a carrier arrives with malicious intent or with unsafe equipment, GEODIS reserves the right to turn away the load in its commercially reasonable discretion. If a load arrives off schedule, GEODIS will use commercially reasonable efforts to reschedule the load and minimize the impact of operations provided however, that GEODIS shall not be responsible for detention or demurrage charges. In any event that a load requires turn away or rescheduling, GEODIS will notify CLIENT of the situation.

6.5. CLIENT Onsite Personnel. In the event that the Parties agree that CLIENT's personnel will be onsite at the Warehouse at any time, the provisions regarding CLIENT's indemnification obligations in the MSA shall apply to such onsite presence of CLIENT's personnel.

6.6. Retail Requirements and Gantry Allocation. CLIENT will manage the relationship with the retail customers and will be responsible for communicating any updates to logistics services. The Parties will develop a document "Retailer Requirements Matrix" to ensure requirements for specific retailers are adhered to in the operation. The Retailer Requirements Matrix will be subject to change as retailer specific requirements change. All requirements captured in the matrix will reference the version or release of the formal routing guide published by each retailer. CLIENT will be responsible for reviewing and approving the Retailer Requirements Matrix and communicating any exceptions or changes that are deviations from specific requirements outlined in formal routing guides. The Retailer Requirements Matrix will be used in conjunction with a gantry allocation document to determine which retailers will be eligible for outbound picking within the gantry system. Prior to Receiving Go-Live, the Parties will construct and agree upon a gantry specific ramp plan. The plan will include retailer specific requirements, and the potential percentage of layer picks estimated for throughput.

6.7 Chargeback Liability. Upon completion of the Retail Requirements Matrix, to the extent CLIENT incurs liability for specific performance related errors from its customer ("Compliance Chargebacks") and the root cause of such chargeback is due to GEODIS's error or omission, GEODIS will be liable to CLIENT subject to the conditions set forth below:

a. GEODIS shall have one hundred eighty (180) days from the date of Shipping Go-Live to become compliant with existing customer routing guidelines, and any Compliance Chargebacks that occur during or relate back to this period shall be the sole responsibility of CLIENT.

b. CLIENT shall use its best efforts to notify GEODIS as soon as it has knowledge of the incurrence of Compliance Chargebacks so that GEODIS may take immediate corrective action.

c. All claims for Compliance Chargebacks will be provided by CLIENT to GEODIS within thirty (30) days of CLIENT receiving notice of such Compliance Chargeback. Each claim shall include documentation and detail sufficient for GEODIS to research the origin, or root cause of the Compliance Chargeback. GEODIS will have thirty (30) days from the receipt of each claim to confirm acceptance or provide a commercially reasonable reason for declining the acceptance of Compliance Chargeback. Pending the resolution of the Compliance Chargeback claim, CLIENT will not offset or withhold payments due to GEODIS under this Agreement.

d. In the event that CLIENT gains a new customer with specific customer routing guidelines, or if the customer routing guidelines change for an existing customer, GEODIS shall have sixty (60) days from the date of first outbound shipping for any new customer, and sixty (60) days from the receipt of the revised customer routing guidelines for any existing customer, to become compliant with the new and/or revised customer routing guidelines, and any Compliance Chargebacks that occur during or relate back to this period shall be the sole responsibility of CLIENT.

e. The annual maximum amount of GEODIS Chargeback liability to CLIENT will be [***] per SOW Term year, Compliance Chargebacks that exceed this cap shall be the sole responsibility of CLIENT. Further, GEODIS shall be afforded a [***] Chargeback Compliance allowance in that GEODIS shall not be liable for Compliance Chargebacks until such Compliance Chargebacks equal greater than [***] in the aggregate for each SOW Term year. Thereafter, GEODIS shall be liable for all Compliance Chargebacks in excess of [***].

f. The same exclusions to liability for KPIs set forth in Exhibit D shall apply to this section.

g. Unless otherwise addressed in the MSA, the following are specific exclusions to GEODIS Chargebacks, howsoever caused, and will remain the sole-responsibility of the CLIENT:

(i) cargo loss or damage claims;

(ii) non-transportation-related non-conformity chargebacks;

(iii) delays at the port, or customs clearance delays;

(iv) hidden damage or hidden quantity count concerns not reported to GEODIS within fifteen (15) days after CLIENT becomes aware of such loss or damage;

(v) chargebacks related to product or inventory unavailability, unless such Product was unavailable for reasons within GEODIS's reasonable control;

(vi) chargebacks related to delays in shipment resulting from volume spikes of greater than 20% from the Locked Forecast;

(vii) chargebacks for orders processed through the gantry during the first ninety (90) days from gantry go-live;

(viii) chargebacks for claims greater than 90 days from the delivery date of the Product;

(ix) chargebacks for items or actions not captured within the agreed upon Retail Requirements Matrix;

(x) with respect to on-time shipping related chargebacks, GEODIS shall only be liable for these chargebacks if GEODIS ships an order after its intended shipping date and CLIENT has provided three (3) business days' notice in advance of the need for such shipment. In the event the forecast materially changes, for example due to a sudden customer demand, the Parties shall mutually discuss resolving the forecast change so as to mitigate any future chargebacks.

SOW – 1
Exhibit B – Rates
Restated Effective October 1, 2024

In consideration for the Services, CLIENT shall pay GEODIS the fees and charges ("**Rates**") set forth in this **SOW 1 – Exhibit B** ("**Exhibit B**"). The terms and conditions of the Agreement are incorporated herein by reference, and defined terms used, but not otherwise defined herein, shall have the meanings assigned to them in the Agreement or other Exhibits.

The Rates were determined in reliance on the Operational Parameters set forth in **SOW 1 - Exhibit A** ("**Exhibit A**"), information set forth in this **Exhibit B** and the other Exhibits to the SOW, as well as other data, projections or information provided to GEODIS by or on behalf of CLIENT. As more specifically described in Exhibit A, any variances or changes to (i) the Operational Parameters or Forecasts, (ii) any other data, projections or information provided to GEODIS by or on behalf of CLIENT, or (iii) the scope of Services from the year one baseline values may result in additional costs or impact timelines and project plans. Any different or additional Services (including, without limitation, any alteration to the facilities/equipment or level of labor) that may be required as a result of such changes will only be executed if agreed upon and approved by the Parties in accordance with the procedures set forth in the MSA.

1. **Open Book Pricing.** CLIENT and GEODIS agree to an open book pricing structure wherein Client agrees to pay all the expenses for the Services, plus the applicable margin set forth herein.

1.1. [***]

TABLE 1.1.1 – [***]

G & A Margin	[***]
Management Margin	[***]

Warehouse Labor	$	[***]
Temporary Labor	$	[***]
Clerical	$	[***]
Total Expenses	$	[***]
G&A Margin	$	[***]
Management Margin	$	[***]
Total Total	$	[***]

[***]

2. **Forecasts and Operating Parameters.** CLIENT is responsible for providing and updating Forecasts and related information in accordance with **Exhibit A**, which will be used to prepare each year's operating budget. In addition to the Forecasts provided by CLIENT, the operating budgets will be based on the Operational Parameters set forth in **Exhibit A**, and other data, information and forecasts provided by CLIENT from time-to-time. The forecasts and Operational Parameters will be utilized to determine the required staffing, equipment, space, capital assets, and other items required to meet the CLIENT's business needs as set forth in the operating budget.

3. Annual Operating Budget. An initial operating budget has been developed and agreed to by the Parties to illustrate the charges for the initial transition process (the "Annual Operating Budget"). The Annual Operating Budget is set forth below in Table 3.1 – Annual Operating Budget. Each year thereafter, within thirty (30) days after receipt of the Annual Forecast from CLIENT, GEODIS will provide CLIENT a revised operating budget for the remaining years of the Term; provided that such budget shall only be provided on an annual basis and upon timely receipt of CLIENT's Annual Forecast. The Parties agree that the Initial Operating Budget and annual operating budgets are merely estimates for planning and informational purposes only and Rates may change in the event that actual costs of the Services provided are higher than the budgeted sums.

Table 3.1 – [***]

GEODIS
Confidential

Prestige Consumer Health (4/1/25 - 3/31/26)	Annual Cost Y1	
[**]		
[***]	$	[***]
[***]	$	[***]
[***]	$	[***]
[***]	$	[***]
[***]		
[***]	$	[***]
[**]	$	[***]
[***]	$	[***]
[***]	$	[***]
[***]	$	[***]
[***]	$	[***]
[***]	$	[***]
[***]	$	[***]
[***]	$	[***]
[***]		
[***]	$	[***]
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[***]	$	[***]
[***]	$	[***]
[***]	$	[***]
[***]	$	[***]
[***]	$	[***]
[***]	$	[***]
[***]	$	[***]
[***]	$	[***]
[***]	$	[***]
[***]	$	[***]
[***]	$	[***]
[***]	$	[***]
[***]	$	[***]
[***]		
[***]	$	[***]
[***]	$	[***]
[***]	$	[***]
[***]	$	[***]
[***]	$	[***]
[**]		
[***]	$	[***]
[***]	$	[***]
[***]	$	[***]
[***]	$	[***]
[***]	$	[***]
[***]	$	[***]
[***]	$	[***]
[***]		
[***]	$	[***]
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[***]	$	[***]
[***]	$	[***]
[***]	$	[***]
[***]	$	[***]
[***]	$	[***]
[***]	$	[***]
[***]	$	[***]
[***]	$	[***]
[***]	$	[***]

4. **Labor.** With respect to labor expenses, GEODIS has used agreed upon labor productivity standards to complete the direct labor portion of the Initial Operating Budget, and agreed upon standards to staff indirect labor, supervisors and management. Actual labor costs will be calculated as described below.

4.1. **Hourly Labor (Direct and Indirect).** Actual wages paid to GEODIS hourly employees to provide the Services including overtime, PTO, and holidays, plus Margin.

4.1.1. **Overtime**. Any overtime hours will be invoiced at the wages described above and multiplied by 1.5, plus Margin.

4.2. **Salary Labor.** CLIENT will pay actual salaries, plus Margin, for GEODIS salaried employees assigned to support the Services.

4.3. **Temporary Labor.** GEODIS will use temporary agencies at its discretion to properly staff the operation. Temporary labor costs will be calculated as: Actual temporary agency employee wages including the temporary agencies' markup, plus Margin.

4.4. **Benefits.** A benefits cost will be applied to all GEODIS Salary Labor and Hourly Labor at a [***]. The benefits rate will not be applied to Temporary Labor and shall only apply to those individuals supporting the CLIENT account.

5. Assets.

5.1. **Capital Assets.** The Parties agree and acknowledge that certain operating assets are needed to support the Services in Year 1 set forth in Exhibit A, these assets include, [***] (the "**Capital Assets**"). Effective October 1, 2024, for CLIENT's use of the Capital Assets, an asset usage fee of [***] will be charged to CLIENT each month during the Term ("**Asset Usage Fee**"); effective March 1, 2029, the Asset Usage Fee shall be reduced to [***]; and effective August 1, 2029, the Asset Usage Fee shall be reduced to [***] for the remainder of the Term. The breakdown of such assets is set forth in Table 5.1.1 (the "**Capital Assets**").

TABLE 5.1.1 – CAPITAL ASSETS

Total Assets	Y1
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

If the actual cost of Capital Assets procured in Year 1 varies from the total amount above or installation timeline changes, the Asset Usage Fee will be adjusted accordingly; provided, however, if GEODIS foresees that the actual cost of Capital Assets procured in Year 1 will be higher when compared to the amounts set forth above, GEODIS will notify CLIENT, and the Parties will mutually determine any proposed modifications or alternatives to refrain from increasing the total price above.

For avoidance of doubt, the payment of Asset Usage Fees, including any Termination or Expiration Amounts related thereto as set forth in the MSA, does not convey title or ownership of any such assets to CLIENT, and title shall remain with GEODIS.

6. **Storage.** Beginning on October 1, 2024, CLIENT will be invoiced a monthly fee of [***] for storage, including

but not limited to rent, tax, CAM, insurance, utilities, operating expenses, and waste/snow removal, inclusive of Margin (the "**Storage Rate**") pursuant to the invoicing terms of this Exhibit B. The monthly Storage Rate is calculated based upon CLIENT's allocation of 557,961 square feet in the Warehouse at a rate of [***] per square foot, plus Margin. The Storage Rate shall increase annually on October 1 pursuant to the rates set forth in Table 6.1 – Monthly Storage Fee below. The Storage Rate shall be charged regardless of actual space occupied by CLIENT.

TABLE 6.1 – MONTHLY STORAGE FEE

	Y1	Y2	Y3	Y4	Y5
[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]

7. <u>Other Charges / Assessorial.</u>

7.1. **Equipment.** Separate and apart the assets defined in <u>Section 5</u>, GEODIS may enter into leases and short-term rental agreements for warehouse equipment and IT system equipment to support provision of the Services (see "**Initial Operating Budget**"). This equipment includes without limitation: reach truck, order picker, double pallet jack, dock stocker, scrubber, yard jockey, RF guns, Laptops and IPADs, etc. These equipment leases and rentals will be invoiced to CLIENT at cost plus Margin pursuant to the invoicing terms of this **Exhibit B**.

7.2. **System Order Charges**. Effective October 1, 2024, the IT systems costs associated with warehouse and labor management will be invoiced to CLIENT at [***] annually, in monthly installments of [***].

7.3. **Supplies.** Supplies are not included in the Initial Operating Budget and Operating Budgets prepared thereafter. CLIENT will present a purchase order ("**PO**") to GEODIS to purchase supplies for the Services utilizing, GEODIS' vendors and suppliers where applicable, the PO will be paid directly by CLIENT for such supplies. Should CLIENT elect for GEODIS to purchase supplies on its behalf outside of the PO process set forth herein, these costs will be billed as a Miscellaneous Cost pursuant to <u>Section 7.4</u> below.

7.4. **Miscellaneous Cost:** Miscellaneous cost are not included in the Initial Operating Budget and Operating Budgets prepared thereafter or related to facility startups such as fire extinguishers, floor mats, rack labels, signage, etc. ("**Miscellaneous Costs**"). Any Miscellaneous Costs will be invoiced to CLIENT at cost plus Margin, pursuant to the invoicing terms of this **Exhibit B**.

7.5. **Assessorial Charges.** GEODIS reserves the right to invoice CLIENT for any work to be performed due to a variance in the Operating Parameters, work outside of the forecasted volumes, or additional work done at the specific request of the CLIENT that falls outside of the standard scope of Services as set forth in Exhibit A (the "**Assessorial Charges**"). The Parties shall mutually agree on any Assessorial Charges to be incurred by GEODIS, and any Assessorial Charges will be invoiced to CLIENT at cost plus Margin, pursuant to the invoicing terms of this **Exhibit B.**

8. **Termination or Expiration.** This section is intended for references purposes only to determine what amount of asset usage fee costs and operating lease costs (i.e., racking and gantry) ("**Asset Costs**"), and Start-up Investment (defined below), if any, are due by CLIENT to GEODIS in the event that <u>Section 8.C</u> of the MSA(Obligations Following Termination) is triggered (i.e., a CLIENT Termination for Convenience or a GEODIS Termination for Cause), or upon the expiration of the SOW Term per <u>Section 8.D</u> (Expiration of Term). The amounts listed herein are not intended to be exhaustive; the terms and

conditions of the MSA will govern the total amount of Termination and Expiration Amounts due.

8.1. Asset Costs. CLIENT will reimburse GEODIS for the Asset Costs pursuant to the following termination and expiration schedule. The Termination Amount shall equal the respective Remaining Term's Termination Amount, i.e., if Agreement is terminated with five months remaining to the Term, Client's Asset Cost payment obligation shall equal the below Remaining Term 5's Termination Amount. The Parties agree that Remaining Term "60" began in February 2022 and the Remaining Term "0" coincides with January 31, 2027.

TABLE 8.1–ASSET COSTS TERMINATION SCHEDULE

Month	Payment	Remaining Balance	Remaining Term	Payment	Remaining Balance	Remaining Term	Payment	Remaining Balance
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]

GEODIS shall notify CLIENT upon determining in good faith that additional Asset Costs may be required, whereupon GEODIS and CLIENT shall mutually agree upon the necessity for such additional Asset Costs. Should additional Asset Costs be incurred during the Term of the Agreement, following the mutual agreement of the Parties, the amounts above shall be adjusted accordingly for Termination/Expiration Amount purposes. With respect to any operating leases, the above termination amount is exclusive of any additional buy-out amounts remaining under such leases.

9. Invoicing Terms

9.1. Advance Monthly Invoices. At the beginning of each calendar month, GEODIS will invoice CLIENT for Salary Labor and Benefits, Capital Assets, Storage, and Initial Expenses.

9.2. Weekly Invoices. At the beginning of each week, GEODIS will invoice CLIENT for Hourly Labor (Direct and Indirect) and Benefits, Temporary Labor, and Assessorial Charges incurred in the prior week.

9.3. Ending Monthly Invoices. At the end of each calendar month, GEODIS will invoice CLIENT for Equipment & IT Systems Equipment, System Order Charges, Miscellaneous, and any amount(s) due but not otherwise invoiced and incurred in the prior month.

CLIENT will pay each invoice as provided in the MSA Section 5.G (Invoices and Payment Terms).

10. Cost Reduction Commitment and Gain Sharing.

The Parties will continue to work together in good faith to continuously improve operations and reduce CLIENT's overall costs. The Parties will jointly identify and select cost reduction initiatives and continuous improvement projects that will be pursued. The Parties will agree how each initiative will be measured prior to implementing any recommended changes. Progress of any cost reduction initiatives will be reviewed during monthly or quarterly business review calls. Should additional capital investment or new technologies help support cost reduction initiatives, a detailed project description and proposal will be presented to CLIENT before such opportunity is pursued. A gain share element for GEODIS shall apply to actual net savings achieved by cost savings initiative(s). The specific percentage gain share allocation will be agreed upon by the Parties when developing the cost reduction initiative. Savings for cost reduction initiatives will be tracked and reviewed regularly and reported on during quarterly business reviews.

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):

    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: November 7, 2024

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

Exhibit 31.2

CERTIFICATIONS

I, Christine Sacco, 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):

    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: November 7, 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 September 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: November 7, 2024

EXHIBIT 32.2

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 September 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: November 7, 2024