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, 2020

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 October 30, 2020, there were 50,103,802 shares of common stock outstanding.

Prestige Consumer Healthcare Inc.
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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 or 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, 2020	Three Months Ended September 30, 2019	Six Months Ended September 30, 2020	Six Months Ended September 30, 2019
Revenues				
Net sales	$ 237,409	$ 238,051	$ 466,793	$ 470,184
Other revenues	13	18	23	39
Total revenues	237,422	238,069	466,816	470,223
Cost of Sales				
Cost of sales excluding depreciation	98,239	100,318	192,363	197,418
Cost of sales depreciation	1,522	1,000	2,924	1,987
Cost of sales	99,761	101,318	195,287	199,405
Gross profit	137,661	136,751	271,529	270,818
Operating Expenses				
Advertising and marketing	38,341	38,667	66,091	73,468
General and administrative	20,388	22,514	40,322	44,220
Depreciation and amortization	6,029	6,222	12,094	12,296
Total operating expenses	64,758	67,403	118,507	129,984
Operating income	72,903	69,348	153,022	140,834
Other (income) expense				
Interest expense, net	21,266	24,477	43,207	49,497
Other (income) expense, net	(259)	859	(249)	1,275
Total other expense	21,007	25,336	42,958	50,772
Income before income taxes	51,896	44,012	110,064	90,062
Provision for income taxes	7,307	10,760	21,769	22,885
Net income	$ 44,589	$ 33,252	$ 88,295	$ 67,177
Earnings per share:				
Basic	$ 0.89	$ 0.66	$ 1.76	$ 1.32
Diluted	$ 0.88	$ 0.65	$ 1.74	$ 1.31
Weighted average shares outstanding:				
Basic	50,330	50,455	50,297	51,073
Diluted	50,661	50,811	50,672	51,426
Comprehensive income, net of tax:				
Currency translation adjustments	3,665	(3,584)	14,255	(3,808)
Unrealized gain on interest rate swaps	985	—	1,294	—
Total other comprehensive income (loss)	4,650	(3,584)	15,549	(3,808)
Comprehensive income	$ 49,239	$ 29,668	$ 103,844	$ 63,369

See accompanying notes.

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

(In thousands)		September 30, 2020		March 31, 2020
Assets				
Current assets				
Cash and cash equivalents	$	26,603	$	94,760
Accounts receivable, net of allowance of $18,450 and $20,194, respectively		122,207		150,517
Inventories		114,026		116,026
Prepaid expenses and other current assets		7,017		4,351
Total current assets		269,853		365,654
Property, plant and equipment, net		65,161		55,988
Operating lease right-of-use assets		26,211		28,888
Finance lease right-of-use assets, net		10,897		5,842
Goodwill		577,919		575,179
Intangible assets, net		2,481,236		2,479,391
Other long-term assets		3,029		2,963
Total Assets	$	3,434,306	$	3,513,905
Liabilities and Stockholders' Equity				
Current liabilities				
Accounts payable	$	55,423	$	62,375
Accrued interest payable		7,515		9,911
Operating lease liabilities, current portion		5,411		5,612
Finance lease liabilities, current portion		2,648		1,220
Other accrued liabilities		65,123		70,763
Total current liabilities		136,120		149,881
Long-term debt, net		1,548,100		1,730,300
Deferred income tax liabilities		416,383		407,812
Long-term operating lease liabilities, net of current portion		22,450		24,877
Long-term finance lease liabilities, net of current portion		8,428		4,626
Other long-term liabilities		24,608		25,438
Total Liabilities		2,156,089		2,342,934
Commitments and Contingencies — Note 16				
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 - 53,941 shares at September 30, 2020 and 53,805 shares at March 31, 2020		539		538
Additional paid-in capital		493,756		488,116
Treasury stock, at cost - 3,779 shares at September 30, 2020 and 3,719 shares at March 31, 2020		(119,862)		(117,623)
Accumulated other comprehensive loss, net of tax		(28,612)		(44,161)
Retained earnings		932,396		844,101
Total Stockholders' Equity		1,278,217		1,170,971
Total Liabilities and Stockholders' Equity	$	3,434,306	$	3,513,905

See accompanying notes.

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

	Three Months Ended September 30, 2020							
	Common Stock		Additional Paid-in Capital	Treasury Stock		Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Totals
(In thousands)	Shares	Par Value		Shares	Amount			
Balances at June 30, 2020	53,939	$ 539	$ 490,795	3,750	$ (118,865)	$ (33,262)	$ 887,807	$ 1,227,014
Stock-based compensation	—	—	2,892	—	—	—	—	2,892
Exercise of stock options	2	—	69	—	—	—	—	69
Treasury share repurchases	—	—	—	29	(997)	—	—	(997)
Net income	—	—	—	—	—	—	44,589	44,589
Comprehensive income	—	—	—	—	—	4,650	—	4,650
Balances at September 30, 2020	53,941	$ 539	$ 493,756	3,779	$ (119,862)	$ (28,612)	$ 932,396	$ 1,278,217

	Three Months Ended September 30, 2019							
	Common Stock		Additional Paid-in Capital	Treasury Stock		Accumulated Other Comprehensive Loss	Retained Earnings	Totals
(In thousands)	Shares	Par Value		Shares	Amount			
Balances at June 30, 2019	53,741	$ 537	$ 480,805	2,848	$ (89,493)	$ (25,971)	$ 735,745	$ 1,101,623
Stock-based compensation	—	—	2,521	—	—	—	—	2,521
Exercise of stock options	9	—	269	—	—	—	—	269
Issuance of shares related to restricted stock	5	—	—	—	—	—	—	—
Treasury share repurchases	—	—	—	675	(21,291)	—	—	(21,291)
Net income	—	—	—	—	—	—	33,252	33,252
Comprehensive loss	—	—	—	—	—	(3,584)	—	(3,584)
Balances at September 30, 2019	53,755	$ 537	$ 483,595	3,523	$ (110,784)	$ (29,555)	$ 768,997	$ 1,112,790

	Six Months Ended September 30, 2020							
	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, 2020	53,805	$ 538	$ 488,116	3,719	$ (117,623)	$ (44,161)	$ 844,101	$ 1,170,971
Stock-based compensation	—	—	4,356	—	—	—	—	4,356
Exercise of stock options	62	—	1,285	—	—	—	—	1,285
Issuance of shares related to restricted stock	74	1	(1)	—	—	—	—	—
Treasury share repurchases	—	—	—	60	(2,239)	—	—	(2,239)
Net income	—	—	—	—	—	—	88,295	88,295
Comprehensive income	—	—	—	—	—	15,549	—	15,549
Balances at September 30, 2020	53,941	$ 539	$ 493,756	3,779	$ (119,862)	$ (28,612)	$ 932,396	$ 1,278,217

	Six Months Ended September 30, 2019							
	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, 2019	53,670	$ 536	$ 479,150	1,871	$ (59,928)	$ (25,747)	$ 701,820	$ 1,095,831
Stock-based compensation	—	—	3,902	—	—	—	—	3,902
Exercise of stock options	18	—	544	—	—	—	—	544
Issuance of shares related to restricted stock	67	1	(1)	—	—	—	—	—
Treasury share repurchases	—	—	—	1,652	(50,856)	—	—	(50,856)
Net income	—	—	—	—	—	—	67,177	67,177
Comprehensive loss	—	—	—	—	—	(3,808)	—	(3,808)
Balances at September 30, 2019	53,755	$ 537	$ 483,595	3,523	$ (110,784)	$ (29,555)	$ 768,997	$ 1,112,790

See accompanying notes.

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

(In thousands)	Six Months Ended September 30, 2020	Six Months Ended September 30, 2019
Operating Activities		
Net income	$ 88,295	$ 67,177
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	15,018	14,283
Loss on disposal of property and equipment	131	19
Deferred income taxes	3,656	5,827
Amortization of debt origination costs	2,918	1,711
Stock-based compensation costs	4,356	3,902
Non-cash operating lease cost	3,587	3,154
Interest expense relating to finance lease liability	109	—
Changes in operating assets and liabilities:		
Accounts receivable	29,358	5,982
Inventories	3,213	(6,400)
Prepaid expenses and other current assets	(2,476)	(3,128)
Accounts payable	(9,183)	8,465
Accrued liabilities	(8,125)	6,616
Operating lease liabilities	(3,446)	(3,398)
Other	(118)	(1,210)
Net cash provided by operating activities	127,293	103,000
Investing Activities		
Purchases of property, plant and equipment	(11,619)	(5,822)
Net cash used in investing activities	(11,619)	(5,822)
Financing Activities		
Term loan repayments	(130,000)	—
Borrowings under revolving credit agreement	—	30,000
Repayments under revolving credit agreement	(55,000)	(76,000)
Payments of finance leases	(712)	—
Proceeds from exercise of stock options	1,285	544
Fair value of shares surrendered as payment of tax withholding	(1,242)	(880)
Repurchase of common stock	(997)	(49,976)
Net cash used in financing activities	(186,666)	(96,312)
Effects of exchange rate changes on cash and cash equivalents	2,835	(491)
(Decrease) increase in cash and cash equivalents	(68,157)	375
Cash and cash equivalents - beginning of period	94,760	27,530
Cash and cash equivalents - end of period	$ 26,603	$ 27,905
Interest paid	$ 42,423	$ 48,033
Income taxes paid	$ 18,818	$ 14,655

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.

Coronavirus Outbreak
In January 2020, the World Health Organization ("WHO") announced a global health crisis due to a new strain of coronavirus ("COVID-19"). In March 2020, the WHO classified the COVID-19 outbreak as a pandemic. This pandemic is affecting the United States and global economies, including causing significant volatility in the global economy and resulting in materially reduced economic activity. The COVID-19 pandemic and the corresponding government responses have led to increased unemployment and economic uncertainty, which could lead to a further reduction in consumer spending. Economic conditions are, and we expect that they will continue to be, highly volatile and uncertain. Recessionary conditions could reduce demand for our products and put downward pressure on prices. If the outbreak continues to spread or if we continue to experience a period of recession or enter a depression, it may materially affect our operations and those of third parties on which we rely, including causing disruptions in the supply and distribution of our products. We may need to limit operations and may experience material limitations in employee resources. We did see an increase in sales at the end of March 2020 related to shelter-at-home restrictions as we believe consumers stocked up as a result of COVID-19, followed by a temporary but significant decline in consumption in the first quarter and have since seen more stable consumer consumption and customer orders in recent weeks. Sales varied throughout the year with some categories positively impacted (for instance, Women's Health, Oral Care and Dermatological) and some categories negatively impacted (for instance, Cough & Cold, and Gastrointestinal). The positively impacted categories benefited from the consumer shift to over-the-counter healthcare products as they looked to avoid doctor visits and increased focus on hygiene and self-care at home related to COVID-19. The declining categories were impacted by reduced incidence levels and usage rates due to shelter-at-home restrictions and limited travel related to COVID-19. Early in our first quarter of fiscal 2021, it had been reported to us that there had been an increase in absenteeism at our distribution center and with some of our suppliers; however, we have not experienced a material disruption to our overall supply chain to date. We also continue to see changes in the purchasing patterns of our consumers, including the frequency of visits by consumers to retailers and a shift in many markets to purchasing our products online. To date the pandemic has not had a material negative impact on our operations, overall demand for most of our products or resulting aggregate sales and earnings, and, as such, it has also not negatively impacted our liquidity position. We continue to generate operating cash flows to meet our short-term liquidity needs. These circumstances could change in this dynamic, unprecedented environment. The extent to which COVID-19 impacts our results and liquidity will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19, and the actions to contain COVID-19 or treat its impact, among others. We do not yet know the full extent of its impacts on our business or the global economy. However, these effects could have a material, adverse impact on our liquidity, capital resources, operations and business 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., 2021) mean our fiscal year ending or ended on March 31st of that year. Operating results for the six months ended September 30, 2020 are not necessarily indicative of results that may be expected for the fiscal year ending March 31, 2021. 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, 2020.

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

Recently Adopted Accounting Pronouncements
In August 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement.* The amendments in this update modify the disclosure requirements in Topic 820, with a particular focus on Level 3 investments, by eliminating certain required disclosures and incorporating others. The amendments are effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. We adopted this standard effective April 1, 2020, and the adoption did not have a material impact on our Consolidated Financial Statements.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326) - Measurement of Credit Losses on Financial Instruments* (with subsequent targeted amendments). The amendments in this update provide financial statement users with more useful information about expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. The guidance requires entities to utilize an expected credit loss model for certain financial instruments, including most trade receivables, which replaces the incurred credit loss model previously used. Under this new model, we are required to recognize estimated credit losses expected to occur over time using a broad range of information including historical information, current conditions and reasonable and supportable forecasts. The amendments in these updates were effective for us in the first quarter of our fiscal year 2021. We adopted this standard effective April 1, 2020, and the adoption did not have a material impact on our Consolidated Financial Statements.

Recently Issued Accounting Pronouncements
In August 2018, the FASB issued ASU 2018-14, *Compensation - Retirement Benefits - Defined Benefit Plans - General (Topic 715-20): Disclosure Framework - Changes to the Disclosure Requirements for Defined Benefit Plans.* The amendments in this update modify the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans by eliminating certain required disclosures and incorporating others. The amendments are effective for public companies for fiscal years ending after December 15, 2020. We do not expect the adoption of this standard to have a material impact on our Consolidated Financial Statements.

In December 2019, the FASB issued ASU 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*. The amendments in this update eliminate the need for an organization to analyze whether certain exceptions apply for tax purposes. It also simplifies GAAP for certain taxes. The amendments in these updates are effective for us for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. We do not expect the adoption of this standard to have a material impact on our Consolidated Financial Statements.

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. The amendments in this update are elective and apply to all entities that have contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued. The amendments in this update provide temporary optional guidance to ease the potential burden in accounting for reference rate reform. An entity may elect to apply the amendments prospectively through December 31, 2022. We are currently evaluating the impact of adopting this guidance on our Consolidated Financial Statements.

2. Inventories

Inventories consist of the following:

(In thousands)	September 30, 2020	March 31, 2020
Components of Inventories		
Packaging and raw materials	$ 9,107	$ 9,803
Work in process	297	355
Finished goods	104,622	105,868
Inventories	$ 114,026	$ 116,026

Inventories are carried and depicted above at the lower of cost or net realizable value, which includes a reduction in inventory values of $5.5 million and $6.5 million at September 30, 2020 and March 31, 2020, respectively, 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, 2020			
Goodwill	$ 710,354	$ 28,536	$ 738,890
Accumulated impairment loss	(163,711)	—	(163,711)
Balance - March 31, 2020	546,643	28,536	575,179
Effects of foreign currency exchange rates	—	2,740	2,740
Balance - September 30, 2020			
Goodwill	710,354	31,276	741,630
Accumulated impairment loss	(163,711)	—	(163,711)
Balance - September 30, 2020	$ 546,643	$ 31,276	$ 577,919

On an annual basis during the fourth quarter of each fiscal year, or more frequently if conditions indicate that the carrying value of the asset may not be recoverable, management performs a review of the values assigned to goodwill and tests for impairment. On February 29, 2020, the date of our annual impairment review, there were no indicators of impairment as a result of the analysis and, accordingly, no impairment charge was taken on our March 31, 2020 financial statements. We utilize the discounted cash flow method to estimate the fair value of our reporting units as part of the goodwill impairment test. We also considered our market capitalization at February 29, 2020 as compared to the aggregate fair values of our reporting units, to assess the reasonableness of our estimates pursuant to the discounted cash flow methodology. 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. Consequently, changing rates of interest and inflation, declining sales or margins, increasing competition, changing consumer preferences, technical advances, or reductions in advertising and marketing may require an impairment charge to be recorded in the future. We continuously monitor events which could trigger an interim impairment analysis, which included the impact of COVID-19 for the period ended September 30, 2020. As of September 30, 2020, we determined no events have occurred that would indicate potential impairment of goodwill. However, the continued duration and severity of COVID-19 may result in future impairment charges as the prolonged pandemic could have an impact on our results due to changes in consumer habits. This could result in changes to the assumptions utilized in the annual impairment analysis to determine the estimated fair value of our goodwill, including long-term growth rates and discount rates.

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, 2020	$ 2,265,331	$ 389,801	$ 2,655,132
Effects of foreign currency exchange rates	11,352	489	11,841
Balance — September 30, 2020	2,276,683	390,290	2,666,973
Accumulated Amortization			
Balance — March 31, 2020	—	175,741	175,741
Additions	—	9,817	9,817
Effects of foreign currency exchange rates	—	179	179
Balance — September 30, 2020	—	185,737	185,737
Intangible assets, net - September 30, 2020	$ 2,276,683	$ 204,553	$ 2,481,236

Amortization expense was $4.9 million and $9.8 million for the three and six months ended September 30, 2020, respectively, and $4.9 million and $9.8 million for the three and six months ended September 30, 2019, respectively.

Finite-lived intangible assets are expected to be amortized over their estimated useful life, which ranges from a period of 10 to 30 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
2021 (remaining six months ended March 31, 2021)	9,823
2022	19,645
2023	19,645
2024	19,615
2025	17,570
Thereafter	118,255
	$ 204,553

Under accounting guidelines, indefinite-lived assets are not amortized, but must be tested for impairment annually, or more frequently if an event occurs or circumstances change that would more likely than not reduce the fair value of the asset below the carrying amount. On February 29, 2020, the date of our annual impairment review, there were no indicators of impairment as a result of the analysis and, accordingly, no impairment charge was taken on our March 31, 2020 financial statements. Additionally, at each reporting period, an evaluation must be made to determine whether events and circumstances continue to support an indefinite useful life. Intangible assets with finite lives are amortized over their respective estimated useful lives and are also tested for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable and exceeds its fair value.

We utilize the excess earnings method to estimate the fair value of our individual indefinite-lived intangible assets. The discount rate utilized in the analyses, as well as future cash flows, may be influenced by such factors as changes in interest rates and rates of inflation. 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 preferences, technological advances or reductions in advertising and marketing expenses, we may be required to record impairment charges in the future.

We continuously monitor events which could trigger an interim impairment analysis, which included the impact of COVID-19 for the period ended September 30, 2020. As of September 30, 2020, we determined no events have occurred that would indicate potential impairment of intangible assets. However, the continued duration and severity of COVID-19 may result in future impairment charges as the prolonged pandemic could have an impact on our results due to changes in consumer habits. This could result in changes to the assumptions utilized in the annual impairment analysis to determine the estimated fair value of our intangible assets, including long-term growth rates and discount rates.

5. Leases

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

The components of lease expense for the three and six months ended September 30, 2020 and 2019 were as follows:

	Three Months Ended September 30,		Six Months Ended September 30,	
(In thousands)	**2020**	**2019**	**2020**	**2019**
Finance lease cost:				
Amortization of right-of-use assets	$ 443	—	$ 768	$ —
Interest on lease liabilities	59	—	109	—
Operating lease cost	1,692	2,242	3,389	3,458
Short term lease cost	22	27	45	50
Variable lease cost	12,303	15,696	24,010	32,295
Sublease income	(55)	(860)	(109)	(1,774)
Total net lease cost	$ 14,464	17,105	$ 28,212	$ 34,029

As of September 30, 2020, the maturities of lease liabilities were as follows:

(In thousands) **Year Ending March 31,**	**Operating Leases**	**Finance Lease**	**Total**
2021 (Remaining six months ending March 31, 2021)	$ 3,613	$ 1,466	$ 5,079
2022	6,521	2,932	9,453
2023	6,291	2,932	9,223
2024	6,303	2,932	9,235
2025	4,132	1,467	5,599
Thereafter	4,974	—	4,974
Total undiscounted lease payments	31,834	11,729	43,563
Less amount of lease payments representing interest	(3,973)	(653)	(4,626)
Total present value of lease payments	$ 27,861	$ 11,076	$ 38,937

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

	September 30, 2020
Weighted average remaining lease term (years)	
Operating leases	5.08
Finance leases	4.00
Weighted average discount rate	
Operating leases	5.28 %
Finance leases	2.96 %

Under our Master Services Agreement with GEODIS Logistics LLC ("GEODIS"), GEODIS purchased certain assets for our use that went into service during the three months ended September 30, 2020. The right-of-use ("ROU") asset and lease liability at the commencement of this finance lease was $5.8 million.

6. Other Accrued Liabilities

Other accrued liabilities consist of the following:

(In thousands)	September 30, 2020	March 31, 2020
Accrued marketing costs	$ 37,420	$ 34,450
Accrued compensation costs	8,025	13,393
Accrued broker commissions	986	1,491
Income taxes payable	2,902	3,210
Accrued professional fees	3,700	4,183
Accrued production costs	3,187	5,628
Accrued sales tax	930	1,917
Other accrued liabilities	7,973	6,491
	$ 65,123	$ 70,763

7. Long-Term Debt

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

(In thousands, except percentages)	September 30, 2020	March 31, 2020
2016 Senior Notes bearing interest at 6.375%, with interest payable on March 1 and September 1 of each year. The 2016 Senior Notes mature on March 1, 2024.	$ 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 either LIBOR plus a margin of 2.00%, with a LIBOR floor of 0.00%, or an alternate base rate plus a margin of 1.00%, with a base rate floor of 1.00%, due on January 26, 2024.	560,000	690,000
2012 ABL Revolver bearing interest at the Borrower's option at either a base rate plus applicable margin or LIBOR plus applicable margin. Any unpaid balance is due on December 11, 2024.	—	55,000
Long-term debt	1,560,000	1,745,000
Less: unamortized debt costs	(11,900)	(14,700)
Long-term debt, net	$ 1,548,100	$ 1,730,300

At September 30, 2020, we had no balance outstanding on the asset-based revolving credit facility entered into January 31, 2012, as amended (the "2012 ABL Revolver") and a borrowing capacity of $132.7 million.

Interest Rate Swaps:
We currently have two interest rate swaps to hedge a total of $400.0 million of our variable interest debt (see Note 9 for further details).

As of September 30, 2020, aggregate future principal payments required in accordance with the terms of the 2012 Term B-5 Loans, 2012 ABL Revolver and the indentures governing the senior unsecured notes due 2024 (the "2016 Senior Notes") and the senior unsecured notes due 2028 (the "2019 Senior Notes") are as follows:

(In thousands) **Year Ending March 31,**	Amount
2021 (remaining six months ending March 31, 2021)	$ —
2022	—
2023	—
2024	1,160,000
2025	—
Thereafter	400,000
	$ 1,560,000

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 2016 Senior Notes, the 2019 Senior Notes, the 2012 Term B-5 Loans, and the 2012 ABL Revolver and our interest rate swaps are measured in Level 2 of the above hierarchy. See summary below detailing the carrying amounts and estimated fair values of these instruments at September 30, 2020 and March 31, 2020.

	September 30, 2020		March 31, 2020	
In thousands)	**Carrying Value**	**Fair Value**	**Carrying Value**	**Fair Value**
2016 Senior Notes	$ 600,000	$ 616,500	$ 600,000	$ 603,000
2019 Senior Notes	400,000	413,000	400,000	386,000
2012 Term B-5 Loans	560,000	555,100	690,000	638,250
2012 ABL Revolver	—	—	55,000	55,000
Interest rate swaps	4,637	4,637	6,317	6,317

At September 30, 2020 and March 31, 2020, we did not have any assets or liabilities measured in Level 1 or 3.

9. Derivative Instruments

Changes in interest rates expose us to risks. To help us manage these risks, in January 2020 we entered into two interest rate swaps to hedge a total of $400.0 million of our variable interest debt. The fair value of these interest rate swaps is reflected in the Consolidated Balance Sheets in other accrued liabilities and other long-term liabilities. We do not use derivatives for trading purposes.

The following tables summarize the fair values of our derivative instruments as of the end of the periods shown:

	September 30, 2020				
(In thousands)	**Hedge Type**	**Final Settlement Date**	**Notional Amount**	**Other Accrued Liabilities**	**Other Long-Term Liabilities**
Interest rate swap	Cash flow	1/31/2021	$ 200,000	$ (926)	$ —
Interest rate swap	Cash flow	1/31/2022	$ 200,000	—	(3,711)
Total fair value				$ (926)	$ (3,711)

(In thousands)	Hedge Type	Final Settlement Date	Notional Amount		Other Accrued Liabilities		Other Long-Term Liabilities	
		March 31, 2020						
Interest rate swap	Cash flow	1/31/2021	$	200,000	$	(1,905)	$	—
Interest rate swap	Cash flow	1/31/2022	$	200,000		—		(4,412)
Total fair value					$	(1,905)	$	(4,412)

The following table summarizes our interest rate swaps, net of tax, for the periods shown:

(In thousands)	Location	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Six Months Ended September 30, 2020	Six Months Ended September 30, 2019
Gain Recognized in Other Comprehensive Loss (effective portion)	Other comprehensive income (loss)	985	—	$ 1,294	$ —
Gain (Loss) Reclassified from Accumulated Other Comprehensive Loss into Income	Interest expense	—	—	—	—
Loss Recognized as Expense	Interest expense	(1,396)	—	(2,422)	—

We expect pre-tax losses of $3.7 million associated with interest rate swaps, currently reported in accumulated other comprehensive loss, to be reclassified into income over the next twelve months. The amount ultimately realized, however, will differ as interest rates change and the underlying contracts settle.

Counterparty Credit Risk:
Interest rate swaps expose us to counterparty credit risk for non-performance. We manage our exposure to counterparty credit risk by only dealing with counterparties who are substantial international financial institutions with significant experience using such derivative instruments.

10. 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, 2020.

During the three and six months ended September 30, 2020 and 2019, 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,	
	2020	2019	2020	2019
Shares repurchased pursuant to the provisions of the various employee restricted stock awards:				
Number of shares	—	2,273	31,117	28,537
Average price per share	—	$35.32	$39.91	$30.83
Total amount repurchased	$ —	$0.1 million	$1.2 million	$0.9 million
Shares repurchased in conjunction with our share repurchase program:				
Number of shares	28,865	672,719	28,865	1,622,544
Average price per share	$34.55	$31.53	$34.55	$30.80
Total amount repurchased	$1.0 million	$21.2 million	$1.0 million	$50.0 million

11. Accumulated Other Comprehensive Loss

Accumulated other comprehensive loss consisted of the following at September 30, 2020 and March 31, 2020:

(In thousands)	September 30, 2020	March 31, 2020
Components of Accumulated Other Comprehensive Loss		
Cumulative translation adjustment	$ (24,986)	$ (39,241)
Unrealized loss on interest rate swaps, net of tax of $1,067 and $1,453, respectively	(3,570)	(4,864)
Unrecognized net loss on pension plans, net of tax of $17 and $17, respectively	(56)	(56)
Accumulated other comprehensive loss, net of tax	$ (28,612)	$ (44,161)

As of September 30, 2020 and March 31, 2020, no amounts were reclassified from accumulated other comprehensive loss into earnings.

12. Earnings Per Share

Basic earnings per share is computed based on income available to common stockholders and the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share is computed based on income available to common stockholders and the weighted average number of shares of common stock outstanding plus the effect of potentially dilutive common shares outstanding during the period using the treasury stock method, which includes stock options and restricted stock units ("RSUs"). Potential common shares, composed of the incremental common shares issuable upon the exercise of outstanding stock options and unvested RSUs, are included in the diluted earnings per share calculation to the extent that they are dilutive. In loss periods, the assumed exercise of in-the-money stock options and RSUs has an anti-dilutive effect, and therefore these instruments are excluded from the computation of diluted 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, 2020	Three Months Ended September 30, 2019	Six Months Ended September 30, 2020	Six Months Ended September 30, 2019
Numerator				
Net income	$ 44,589	$ 33,252	$ 88,295	$ 67,177
Denominator				
Denominator for basic earnings per share — weighted average shares outstanding	50,330	50,455	50,297	51,073
Dilutive effect of unvested restricted stock units and options issued to employees and directors	331	356	375	353
Denominator for diluted earnings per share	50,661	50,811	50,672	51,426
Earnings per Common Share:				
Basic earnings per share	$ 0.89	$ 0.66	$ 1.76	$ 1.32
Diluted earnings per share	$ 0.88	$ 0.65	$ 1.74	$ 1.31

For the three months ended September 30, 2020 and 2019, there were 0.6 million and 0.7 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, 2020 and 2019, there were 0.6 million and 0.9 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.

13. Share-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, 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, an increase of the maximum number of shares subject to stock options that could be awarded to any one participant under the 2005 Plan during any fiscal 12-month period from 1.0 million to 2.5 million shares, and an extension of the term of the 2005 Plan by ten years, to February 2025. Directors, officers and other employees of the Company and its subsidiaries, as well as others performing services for the Company, were eligible for grants under the 2005 Plan.

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. A total of 2,827,210 shares are 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). All future equity awards will be made from the 2020 Plan, and the Company will not grant any additional awards under the 2005 Plan.

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

(In thousands)	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Six Months Ended September 30, 2020	Six Months Ended September 30, 2019
Pre-tax share-based compensation costs charged against income	$ 2,892	$ 2,521	$ 4,356	$ 3,902
Income tax benefit recognized on compensation costs	$ 451	$ 401	$ 563	$ 611
Total fair value of options and RSUs vested during the period	$ 1,015	$ 1,266	$ 6,796	$ 7,365
Cash received from the exercise of stock options	$ 69	$ 269	$ 1,285	$ 544
Tax benefits realized from tax deductions resulting from RSU issuances and stock option exercises	$ 4	$ 48	$ 948	$ 482

At September 30, 2020, there were $9.8 million of unrecognized compensation costs related to unvested share-based compensation arrangements under the 2005 Plan, based on management's estimate of the shares that will ultimately vest. We expect to recognize such costs over a weighted average period of 1 year. At September 30, 2020, there were 2.8 million shares available for issuance under the 2020 Plan.

On May 4, 2020, the Compensation and Talent Management Committee (the "Committee") of our Board of Directors granted 79,070 performance stock units, 73,636 RSUs and stock options to acquire 249,875 shares of our common stock under the 2005 Plan to certain executive officers and employees. Performance units are earned based on achievement of the performance objectives set by the Committee and, if earned, vest in their entirety on the three-year anniversary of the date of grant. In light of the uncertain economic environment, the Committee elected to set the performance objectives applicable to these awards at a later date. The stock options were granted at an exercise price of $39.98 per share, which was equal to the closing price for our common stock on the date of the grant.

A newly appointed independent member of the Board of Directors received a grant under the 2005 Plan of 907 RSUs on May 4, 2020.

On August 4, 2020, each of the independent members of the Board of Directors received a grant of 3,732 RSUs under the 2020 Plan. The RSUs are fully vested upon receipt of the award and will be settled by delivery to each director of one share of our common stock for each vested RSU promptly following the earliest of (i) such director's death, (ii) such director's separation from service or (iii) a change in control of the Company.

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, 2019		
Vested and unvested at March 31, 2019	413.0	$ 36.58
Granted	220.3	31.02
Vested and issued	(66.8)	47.99
Forfeited	(27.8)	36.71
Vested and unvested at September 30, 2019	538.7	32.88
Vested at September 30, 2019	138.3	31.71
Six Months Ended September 30, 2020		
Vested and unvested at March 31, 2020	512.1	$ 32.49
Granted	179.7	39.82
Vested and issued	(74.0)	44.38
Forfeited	(4.7)	56.11
Vested and unvested at September 30, 2020	613.1	33.02
Vested at September 30, 2020	150.4	31.98

Options

The fair value of each 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,	
	2020	2019
Expected volatility	32.1% - 32.2%	30.9% - 31.3%
Expected dividends	$ —	$ —
Expected term in years	6.0 to 7.0	6.0 to 7.0
Risk-free rate	0.5 %	2.3% to 2.4%
Weighted average grant date fair value of options granted	12.91	10.83

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, 2019				
Outstanding at March 31, 2019	944.6	$ 38.45		
Granted	302.7	30.53		
Exercised	(18.4)	29.57		
Forfeited or expired	(124.7)	43.08		
Outstanding at September 30, 2019	1,104.2	35.90	7.2	$ 3,959
Vested at September 30, 2019	610.2	38.56	5.7	$ 2,772
Six Months Ended September 30, 2020				
Outstanding at March 31, 2020	1,020.2	$ 35.90		
Granted	249.9	39.98		
Exercised	(62.8)	20.46		
Forfeited or expired	—	—		
Outstanding at September 30, 2020	1,207.3	37.55	7.0	$ 5,032
Vested at September 30, 2020	699.1	39.39	5.6	$ 3,430

The aggregate intrinsic value of options exercised during the six months ended September 30, 2020 was $1.3 million.

14. Income Taxes

On December 22, 2017, the Tax Cuts and Jobs Act was signed into law. The Tax Cuts and Jobs Act, among other things, reduced the U.S. federal corporate tax rate from 35% to 21% and imposed a new minimum tax on Global Intangible Low-Taxed Income ("GILTI") earned by foreign subsidiaries. In July 2020, final regulations were issued for GILTI, which include a high-tax exception for certain income earned by foreign subsidiaries if the foreign tax rate is in excess of 90% of the U.S. corporate tax rate of 21%. We calculated the potential impact of these final regulations and accounted for those impacts in the quarterly provision for the period ended September 30, 2020.

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 14.1% and 24.5% for the three months ended September 30, 2020 and 2019, respectively. The effective tax rates used in the calculation of income taxes were 19.8% and 25.4% for the six months ended September 30, 2020 and 2019, respectively. The decrease in the effective tax rate for the six months ended September 30, 2020 versus the prior year period was primarily due to the final GILTI regulations issued in July 2020, which resulted in the release of the valuation allowance on foreign tax credit carryforwards of $5.1 million.

15. Employee Retirement Plans

The primary components of Net Periodic Benefits consist of the following:

(In thousands)	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Six Months Ended September 30, 2020	Six Months Ended September 30, 2019
Interest cost	$ 525	$ 577	$ 1,050	$ 1,154
Expected return on assets	(647)	(721)	(1,294)	(1,442)
Net periodic benefit income	$ (122)	$ (144)	$ (244)	$ (288)

During the six months ended September 30, 2020, we contributed $0.2 million to our non-qualified defined benefit plan and made no contributions to the qualified defined benefit plan. During the remainder of fiscal 2021, we expect to contribute an additional $0.2 million to our non-qualified plan and make a $1.0 million contribution to the qualified plan.

16. 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 reserve should be established or if any existing reserve should be adjusted. The actual cost of resolving a claim or proceeding ultimately may be substantially different than the amount of the recorded reserve. In addition, because it is not permissible under GAAP to establish a litigation reserve until the loss is both probable and estimable, in some cases there may be insufficient time to establish a reserve 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, taking our reserves into account, will not have a material adverse effect on our business, financial condition, or results of operations.

17. 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, 2020, approximately 45.8% and 46.2%, respectively, of our gross revenues were derived from our five top selling brands. During the three and six months ended September 30, 2019, approximately 42.6% and 43.3%, respectively of our gross revenues were derived from our five top selling brands. One customer, Walmart, accounted for more than 10% of our gross revenues for the three and six months ended September 30, 2020. Walmart accounted for approximately 22.5% and 22.3%, respectively, of our gross revenues for the three and six months ended September 30, 2020. Walmart accounted for approximately 22.9% and 23.5%, respectively, of our gross revenues for the three and six months ended September 30, 2019.

Our product distribution in the United States is managed by a third party through one primary distribution center in Clayton, Indiana. In addition, we operate one manufacturing facility for certain of our products located in Lynchburg, Virginia. A natural disaster, such as tornado, earthquake, flood, or fire, 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 COVID-19 or other public health emergencies could also materially impact our product distribution. Any disruption as a result of third party performance at our distribution center could result in increased costs, expense and/or shipping times, and could cause us to incur customer fees and penalties. In addition, any serious disruption to our Lynchburg manufacturing facility could materially impair our ability to manufacture many of the products associated with our acquisition of C.B. Fleet Company, Inc. ("Fleet"), which would also limit our ability to provide those products to customers in a timely manner or at a reasonable cost. We could also incur significantly higher costs and experience longer lead times if we need to replace our distribution center, the third party distribution manager or the manufacturing facility. As a result, any serious disruption could have a material adverse effect on our business, financial condition and results of operations.

At September 30, 2020, we had relationships with 113 third party manufacturers. Of those, we had long-term contracts with 19 manufacturers that produced items that accounted for approximately 65.4% of gross sales for the six months ended September 30, 2020. At September 30, 2019, we had relationships with 113 third party manufacturers. Of those, we had long-term contracts with 30 manufacturers that produced items that accounted for approximately 66.4% of gross sales for the six months ended September 30, 2019. 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.

18. Business Segments

Segment information has been prepared in accordance with the Segment Reporting topic of the FASB ASC 280. 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.

	Three Months Ended September 30, 2020		
(In thousands)	North American OTC Healthcare	International OTC Healthcare	Consolidated
Total segment revenues*	$ 216,575	$ 20,847	$ 237,422
Cost of sales	91,069	8,692	99,761
Gross profit	125,506	12,155	137,661
Advertising and marketing	34,014	4,327	38,341
Contribution margin	$ 91,492	$ 7,828	99,320
Other operating expenses			26,417
Operating income			$ 72,903

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

	Six Months Ended September 30, 2020		
(In thousands)	North American OTC Healthcare	International OTC Healthcare	Consolidated
Total segment revenues*	$ 427,233	$ 39,583	$ 466,816
Cost of sales	178,896	16,391	195,287
Gross profit	248,337	23,192	271,529
Advertising and marketing	58,694	7,397	66,091
Contribution margin	$ 189,643	$ 15,795	205,438
Other operating expenses			52,416
Operating income			$ 153,022

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

	Three Months Ended September 30, 2019		
(In thousands)	North American OTC Healthcare	International OTC Healthcare	Consolidated
Total segment revenues*	$ 213,878	$ 24,191	$ 238,069
Cost of sales	92,931	8,387	101,318
Gross profit	120,947	15,804	136,751
Advertising and marketing	34,595	4,072	38,667
Contribution margin	$ 86,352	$ 11,732	98,084
Other operating expenses			28,736
Operating income			$ 69,348

* Intersegment revenues of $0.8 million were eliminated from the North American OTC Healthcare segment.

(In thousands)	Six Months Ended September 30, 2019 North American OTC Healthcare	International OTC Healthcare	Consolidated
Total segment revenues*	$ 424,662	$ 45,561	$ 470,223
Cost of sales	181,742	17,663	199,405
Gross profit	242,920	27,898	270,818
Advertising and marketing	65,609	7,859	73,468
Contribution margin	$ 177,311	$ 20,039	197,350
Other operating expenses			56,516
Operating income			$ 140,834

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

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

(In thousands)	Three Months Ended September 30, 2020 North American OTC Healthcare	International OTC Healthcare	Consolidated
Analgesics	$ 30,623	$ 267	$ 30,890
Cough & Cold	14,796	3,086	17,882
Women's Health	61,492	4,106	65,598
Gastrointestinal	31,718	6,379	38,097
Eye & Ear Care	26,767	3,037	29,804
Dermatologicals	27,875	836	28,711
Oral Care	21,944	3,134	25,078
Other OTC	1,360	2	1,362
Total segment revenues	$ 216,575	$ 20,847	$ 237,422

(In thousands)	Six Months Ended September 30, 2020 North American OTC Healthcare	International OTC Healthcare	Consolidated
Analgesics	$ 58,490	$ 541	$ 59,031
Cough & Cold	28,234	6,988	35,222
Women's Health	126,902	6,537	133,439
Gastrointestinal	61,768	12,084	73,852
Eye & Ear Care	49,619	5,582	55,201
Dermatologicals	55,495	1,535	57,030
Oral Care	44,110	6,313	50,423
Other OTC	2,615	3	2,618
Total segment revenues	$ 427,233	$ 39,583	$ 466,816

(In thousands)	Three Months Ended September 30, 2019 North American OTC Healthcare	International OTC Healthcare	Consolidated
Analgesics	$ 28,831	$ 243	$ 29,074
Cough & Cold	20,506	5,814	26,320
Women's Health	59,678	2,905	62,583
Gastrointestinal	32,214	9,028	41,242
Eye & Ear Care	22,286	3,185	25,471
Dermatologicals	28,039	576	28,615
Oral Care	21,063	2,439	23,502
Other OTC	1,261	1	1,262
Total segment revenues	$ 213,878	$ 24,191	$ 238,069

(In thousands)	Six Months Ended September 30, 2019 North American OTC Healthcare	International OTC Healthcare	Consolidated
Analgesics	$ 57,366	$ 473	$ 57,839
Cough & Cold	37,846	11,196	49,042
Women's Health	119,256	5,324	124,580
Gastrointestinal	63,786	16,013	79,799
Eye & Ear Care	49,039	6,196	55,235
Dermatologicals	53,777	1,266	55,043
Oral Care	41,042	5,091	46,133
Other OTC	2,550	2	2,552
Total segment revenues	$ 424,662	$ 45,561	$ 470,223

Our total segment revenues by geographic area are as follows:

	Three Months Ended September 30,		Six Months Ended September 30,	
	2020	2019	2020	2019
United States	$ 203,289	199,714	$ 402,635	$ 400,343
Rest of world	34,133	38,355	64,181	69,880
Total	$ 237,422	$ 238,069	$ 466,816	$ 470,223

Our consolidated goodwill and intangible assets have been allocated to the reportable segments as follows:

September 30, 2020 (In thousands)	North American OTC Healthcare	International OTC Healthcare	Consolidated
Goodwill	$ 546,643	$ 31,276	$ 577,919
Intangible assets			
Indefinite-lived	2,195,617	81,066	2,276,683
Finite-lived, net	200,033	4,520	204,553
Intangible assets, net	2,395,650	85,586	2,481,236
Total	$ 2,942,293	$ 116,862	$ 3,059,155

March 31, 2020 *(In thousands)*	North American OTC Healthcare	International OTC Healthcare	Consolidated
Goodwill	$ 546,643	$ 28,536	$ 575,179
Intangible assets			
Indefinite-lived	2,195,617	69,714	2,265,331
Finite-lived, net	209,604	4,456	214,060
Intangible assets, net	2,405,221	74,170	2,479,391
Total	$ 2,951,864	$ 102,706	$ 3,054,570

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, 2020. 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, 2020 and in future reports filed with the U.S. Securities and Exchange Commission ("SEC").

See also "Cautionary Statement Regarding Forward-Looking Statements" on page 35 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, reference to a year (e.g., 2021) refers to our fiscal year ended March 31 of that year.

General

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

We have grown our brand portfolio both organically and through acquisitions. We develop our existing brands by investing in new product lines, brand extensions and strong advertising support. Acquisitions of OTC brands have also been an important part of our growth strategy. We have acquired strong and well-recognized brands from consumer products and pharmaceutical companies, as well as 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.

Coronavirus Outbreak

In January 2020, the World Health Organization ("WHO") announced a global health crisis due to a new strain of coronavirus ("COVID-19"). In March 2020, the WHO classified the COVID-19 outbreak as a pandemic. This pandemic is affecting the United States and global economies, including causing significant volatility in the global economy and resulting in materially reduced economic activity. The COVID-19 pandemic and the corresponding government responses have led to increased unemployment and economic uncertainty, which could lead to a further reduction in consumer spending. Economic conditions are, and we expect that they will continue to be, highly volatile and uncertain. Recessionary conditions could reduce demand for our products and put downward pressure on prices. If the outbreak continues to spread or if we continue to experience a period of recession or enter a depression, it may materially affect our operations and those of third parties on which we rely, including causing disruptions in the supply and distribution of our products. We may need to limit operations and may experience material limitations in employee resources. We did see an increase in sales at the end of March 2020 related to shelter-at-home restrictions as we believe consumers stocked up as a result of COVID-19, followed by a temporary but significant decline in consumption in the first quarter and have since seen more stable consumer consumption and customer orders in recent weeks. Sales varied throughout the year with some categories positively impacted (for instance, Women's Health, Oral Care and Dermatological) and some categories negatively impacted (for instance, Cough & Cold, and Gastrointestinal). The positively impacted categories benefited from the consumer shift to over-the-counter healthcare products as they looked to avoid doctor visits and increased focus on hygiene and self-care at home related to COVID-19. The declining categories were impacted by reduced incidence levels and usage rates due to shelter-at-home restrictions and limited travel related to COVID-19. Early in our first quarter of fiscal 2021, it had been reported to us that there had been an increase in absenteeism at our distribution center and with some of our suppliers; however, we have not experienced a material disruption to our overall supply chain to date. We also continue to see changes in the purchasing patterns of our consumers, including the frequency of visits by consumers to retailers and a shift in many markets to purchasing our products online. To date the pandemic has not had a material negative impact on our operations, overall demand for most of our products or resulting aggregate sales and earnings, and, as such, it has also not negatively impacted our liquidity position. We continue to generate operating cash flows to meet our short-term liquidity needs. These circumstances could change in this dynamic, unprecedented environment. The extent to which COVID-19 impacts our results and liquidity will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19, and the actions to contain COVID-19 or treat its impact, among others. We do not yet know the full extent of its impacts on our business or the global economy. However, these effects could have a material, adverse impact on our liquidity, capital resources, operations and business and those of the third parties on which we rely.

Tax Regulations

On December 22, 2017, the Tax Cuts and Jobs Act was signed into law. The Tax Cuts and Jobs Act, among other things, reduced the U.S. federal corporate tax rate from 35% to 21% and imposed a new minimum tax on Global Intangible Low-Taxed Income ("GILTI") earned by foreign subsidiaries. On July 20, 2020, final regulations were issued for GILTI which include a high-tax exception for income earned by foreign subsidiaries if the foreign tax rate is in excess of 90% of the U.S. tax rate of 21%. We calculated the potential impact of these final regulations and accounted for those impacts in the quarterly provision for the period ended September 30, 2020.

Results of Operations

Three Months Ended September 30, 2020 compared to the Three Months Ended September 30, 2019

Total Segment Revenues

The following table represents total revenue by segment, including product groups, for the three months ended September 30, 2020 and 2019.

	Three Months Ended September 30,					
					Increase (Decrease)	
(In thousands)	2020	%	2019	%	Amount	%
North American OTC Healthcare						
Analgesics	$ 30,623	12.9	$ 28,831	12.1	$ 1,792	6.2
Cough & Cold	14,796	6.2	20,506	8.6	(5,710)	(27.8)
Women's Health	61,492	25.9	59,678	25.3	1,814	3.0
Gastrointestinal	31,718	13.4	32,214	13.5	(496)	(1.5)
Eye & Ear Care	26,767	11.3	22,286	9.4	4,481	20.1
Dermatologicals	27,875	11.7	28,039	11.8	(164)	(0.6)
Oral Care	21,944	9.2	21,063	8.8	881	4.2
Other OTC	1,360	0.6	1,261	0.5	99	7.9
Total North American OTC Healthcare	216,575	91.2	213,878	90.0	2,697	1.3
International OTC Healthcare						
Analgesics	267	0.1	243	0.1	24	9.9
Cough & Cold	3,086	1.3	5,814	2.4	(2,728)	(46.9)
Women's Health	4,106	1.7	2,905	1.2	1,201	41.3
Gastrointestinal	6,379	2.7	9,028	3.8	(2,649)	(29.3)
Eye & Ear Care	3,037	1.3	3,185	1.3	(148)	(4.6)
Dermatologicals	836	0.4	576	0.2	260	45.1
Oral Care	3,134	1.3	2,439	1.0	695	28.5
Other OTC	2	—	1	—	1	100.0
Total International OTC Healthcare	20,847	8.8	24,191	10.0	(3,344)	(13.8)
Total Consolidated	$ 237,422	100.0	$ 238,069	100.0	$ (647)	(0.3)

Total segment revenues for the three months ended September 30, 2020 were $237.4 million, a decrease of $0.6 million, or 0.3%, versus the three months ended September 30, 2019. The $0.6 million decrease was related to the decrease in our International OTC Healthcare segment, partly offset by an increase in our North American OTC Healthcare segment.

North American OTC Healthcare Segment

Revenues for the North American OTC Healthcare segment increased $2.7 million, or 1.3%, during the three months ended September 30, 2020 versus the three months ended September 30, 2019. The three months ended September 30, 2020 were positively impacted by the Eye & Ear Care, Women's Health, Analgesics, and Oral Care categories, but were partly offset by lower Cough & Cold, Gastrointestinal and Dermatologicals revenues. The positively impacted categories benefited from the consumer shift to over-the-counter healthcare products as they looked to avoid doctor visits and increased focus on hygiene and self-care at home related to COVID-19. The declining categories were impacted by reduced incidence levels and usage rates due to shelter-at-home restrictions and limited travel related to COVID-19.

International OTC Healthcare Segment

Revenues for the International OTC Healthcare segment decreased $3.3 million, or 13.8%, during the three months ended September 30, 2020 versus the three months ended September 30, 2019. The $3.3 million decrease was attributable to decreased sales in our Australian subsidiary primarily related to the reduction in sales of Hydralyte due to both lower general consumer illnesses and activities such as athletics resulting from the various social distancing measures brought on by COVID-19.

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.

	Three Months Ended September 30,					
(In thousands)					Increase (Decrease)	
Gross Profit	**2020**	**%**	**2019**	**%**	**Amount**	**%**
North American OTC Healthcare	$ 125,506	58.0	$ 120,947	56.5	$ 4,559	3.8
International OTC Healthcare	12,155	58.3	15,804	65.3	(3,649)	(23.1)
	$ 137,661	58.0	$ 136,751	57.4	$ 910	0.7

Gross profit for the three months ended September 30, 2020 was relatively flat, increasing $0.9 million, or 0.7%, when compared with the three months ended September 30, 2019. The increase in gross profit was due to the increase in the North American OTC Healthcare segment. As a percentage of total revenues, gross profit increased to 58.0% during the three months ended September 30, 2020, from 57.4% during the three months ended September 30, 2019. The increase in gross profit as a percentage of revenues was primarily a result of the fourth quarter 2020 completion of transitional costs associated with a new warehouse and distribution center.

North American OTC Healthcare Segment
Gross profit for the North American OTC Healthcare segment increased $4.6 million, or 3.8%, during the three months ended September 30, 2020 versus the three months ended September 30, 2019. As a percentage of North American OTC Healthcare revenues, gross profit increased to 58.0% during the three months ended September 30, 2020 from 56.5% during the three months ended September 30, 2019, primarily due to the fourth quarter 2020 completion of transitional costs associated with a new warehouse and distribution center and improved logistics costs resulting from our warehouse transition.

International OTC Healthcare Segment
Gross profit for the International OTC Healthcare segment decreased $3.6 million, or 23.1%, during the three months ended September 30, 2020 versus the three months ended September 30, 2019. As a percentage of International OTC Healthcare revenues, gross profit decreased to 58.3% during the three months ended September 30, 2020 from 65.3% during the three months ended September 30, 2019, 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.

	Three Months Ended September 30,					
(In thousands)					Increase (Decrease)	
Contribution Margin	**2020**	**%**	**2019**	**%**	**Amount**	**%**
North American OTC Healthcare	$ 91,492	42.2	$ 86,352	40.4	$ 5,140	6.0
International OTC Healthcare	7,828	37.5	11,732	48.5	(3,904)	(33.3)
	$ 99,320	41.8	$ 98,084	41.2	$ 1,236	1.3

North American OTC Healthcare Segment
Contribution margin for the North American OTC Healthcare segment increased $5.1 million, or 6.0%, during the three months ended September 30, 2020 versus the three months ended September 30, 2019. As a percentage of North American OTC Healthcare revenues, contribution margin increased to 42.2% during the three months ended September 30, 2020 from 40.4% during the three months ended September 30, 2019. The contribution margin increase as a percentage of revenues was primarily due to the increase in gross profit noted above.

International OTC Healthcare Segment

Contribution margin for the International OTC Healthcare segment decreased $3.9 million, or 33.3%, during the three months ended September 30, 2020 versus the three months ended September 30, 2019. As a percentage of International OTC Healthcare revenues, contribution margin decreased to 37.5% during the three months ended September 30, 2020 from 48.5% during the three months ended September 30, 2019. The contribution margin decrease as a percentage of revenues was primarily due to the decrease in gross profit noted above.

General and Administrative

General and administrative expenses were $20.4 million for the three months ended September 30, 2020 versus $22.5 million for the three months ended September 30, 2019. The decrease in general and administrative expenses was primarily due to a decrease in compensation costs resulting from attrition as well as reduced travel costs relating to COVID-19.

Depreciation and Amortization

Depreciation and amortization expenses were $6.0 million for the three months ended September 30, 2020 and $6.2 million for the three months ended September 30, 2019. The decrease in depreciation and amortization was primarily due to certain assets being fully depreciated in the first quarter of fiscal 2021.

Interest Expense

Interest expense was $21.3 million during the three months ended September 30, 2020, versus $24.5 million during the three months ended September 30, 2019. The average indebtedness decreased to $1.6 billion during the three months ended September 30, 2020 from $1.8 billion during the three months ended September 30, 2019. The average cost of borrowing decreased to 5.2% for the three months ended September 30, 2020 from 5.4% for the three months ended September 30, 2019.

Income Taxes

The provision for income taxes during the three months ended September 30, 2020 was $7.3 million versus $10.8 million during the three months ended September 30, 2019. The effective tax rate during the three months ended September 30, 2020 was 14.1% versus 24.5% during the three months ended September 30, 2019. The decrease in the effective tax rate for the three months ended September 30, 2020 was primarily due to the application of final tax regulations issued for GILTI, and the discrete event pertaining to the release of the valuation allowance on prior year foreign tax credits.

Results of Operations

Six Months Ended September 30, 2020 compared to the Six Months Ended September 30, 2019
Total Segment Revenues

The following table represents total revenue by segment, including product groups, for the six months ended September 30, 2020 and 2019.

	Six Months Ended September 30,					
					Increase (Decrease)	
(In thousands)	2020	%	2019	%	Amount	%
North American OTC Healthcare						
Analgesics	$ 58,490	12.5	$ 57,366	12.2	$ 1,124	2.0
Cough & Cold	28,234	6.0	37,846	8.0	(9,612)	(25.4)
Women's Health	126,902	27.3	119,256	25.5	7,646	6.4
Gastrointestinal	61,768	13.2	63,786	13.6	(2,018)	(3.2)
Eye & Ear Care	49,619	10.6	49,039	10.4	580	1.2
Dermatologicals	55,495	11.9	53,777	11.4	1,718	3.2
Oral Care	44,110	9.4	41,042	8.7	3,068	7.5
Other OTC	2,615	0.6	2,550	0.5	65	2.5
Total North American OTC Healthcare	427,233	91.5	424,662	90.3	2,571	0.6
International OTC Healthcare						
Analgesics	541	0.1	473	0.1	68	14.4
Cough & Cold	6,988	1.5	11,196	2.4	(4,208)	(37.6)
Women's Health	6,537	1.4	5,324	1.1	1,213	22.8
Gastrointestinal	12,084	2.6	16,013	3.4	(3,929)	(24.5)
Eye & Ear Care	5,582	1.2	6,196	1.3	(614)	(9.9)
Dermatologicals	1,535	0.3	1,266	0.3	269	21.2
Oral Care	6,313	1.4	5,091	1.1	1,222	24.0
Other OTC	3	—	2	—	1	50.0
Total International OTC Healthcare	39,583	8.5	45,561	9.7	(5,978)	(13.1)
Total Consolidated	$ 466,816	100.0	$ 470,223	100.0	$ (3,407)	(0.7)

Total segment revenues for the six months ended September 30, 2020 were $466.8 million, a decrease of $3.4 million, or 0.7%, versus the six months ended September 30, 2019. The $3.4 million decrease was related to the decrease in our International OTC Healthcare segment.

North American OTC Healthcare Segment
Revenues for the North American OTC Healthcare segment increased $2.6 million, or 0.6%, during the six months ended September 30, 2020 versus the six months ended September 30, 2019. The six months ended September 30, 2020 were positively impacted by the Women's Health, Oral Care, Dermatologicals, Analgesics, and Eye & Ear Care categories, but were partly offset by lower Cough & Cold and Gastrointestinal revenues. The positively impacted categories benefited from the consumer shift to over-the-counter healthcare products as they looked to avoid doctor visits and increased focus on hygiene and self-care at home related to COVID-19. The categories with revenue decreases faced declines in incidence levels and usage rates due to shelter-at-home restrictions and limited travel related to COVID-19.

International OTC Healthcare Segment
Revenues for the International OTC Healthcare segment decreased $6.0 million, or 13.1%, during the six months ended September 30, 2020 versus the six months ended September 30, 2019. The $6.0 million decrease was primarily attributable to decreased sales in our Australian subsidiary, primarily related to the reduction in sales of Hydralyte due to both lower general consumer illnesses and activities such as athletics resulting from the various social distancing measures brought on by COVID-19.

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)	Six Months Ended September 30,								
							Increase (Decrease)		
Gross Profit		**2020**	**%**		**2019**	**%**		**Amount**	**%**
North American OTC Healthcare	$	248,337	58.1	$	242,920	57.2	$	5,417	2.2
International OTC Healthcare		23,192	58.6		27,898	61.2		(4,706)	(16.9)
	$	271,529	58.2	$	270,818	57.7	$	711	0.3

Gross profit for the six months ended September 30, 2020 was relatively flat, increasing $0.7 million, or 0.3%, when compared with the six months ended September 30, 2019. The increase in gross profit was primarily due to the increase in the North American OTC Healthcare segment. As a percentage of total revenues, gross profit increased to 58.2% during the six months ended September 30, 2020, from 57.7% during the six months ended September 30, 2019. The increase in gross profit as a percentage of revenues was primarily a result of the fourth quarter 2020 completion of transitional costs associated with a new warehouse and distribution center and improved logistics costs resulting from our warehouse transition.

North American OTC Healthcare Segment

Gross profit for the North American OTC Healthcare segment increased $5.4 million, or 2.2%, during the six months ended September 30, 2020 versus the six months ended September 30, 2019. As a percentage of North American OTC Healthcare revenues, gross profit increased to 58.1% during the six months ended September 30, 2020 from 57.2% during the six months ended September 30, 2019, primarily due to the fourth quarter completion of transitional costs associated with a new warehouse and distribution center and improved logistics costs resulting from our warehouse transition.

International OTC Healthcare Segment

Gross profit for the International OTC Healthcare segment decreased $4.7 million, or 16.9%, during the six months ended September 30, 2020 versus the six months ended September 30, 2019. As a percentage of International OTC Healthcare revenues, gross profit decreased to 58.6% during the six months ended September 30, 2020 from 61.2% during the six months ended September 30, 2019, 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)	Six Months Ended September 30,								
							Increase (Decrease)		
Contribution Margin		**2020**	**%**		**2019**	**%**		**Amount**	**%**
North American OTC Healthcare	$	189,643	44.4	$	177,311	41.8	$	12,332	7.0
International OTC Healthcare		15,795	39.9		20,039	44.0		(4,244)	(21.2)
	$	205,438	44.0	$	197,350	42.0	$	8,088	4.1

North American OTC Healthcare Segment

Contribution margin for the North American OTC Healthcare segment increased $12.3 million, or 7.0%, during the six months ended September 30, 2020 versus the six months ended September 30, 2019. As a percentage of North American OTC Healthcare revenues, contribution margin increased to 44.4% during the six months ended September 30, 2020 from 41.8% during the six months ended September 30, 2019. The contribution margin increase as a percentage of revenues was primarily due to the increase in gross profit noted above as well as a decrease in the first quarter of 2021 in advertising and marketing reflecting spend efficiencies and reductions across brands/categories driven by consumer behavior.

International OTC Healthcare Segment

Contribution margin for the International OTC Healthcare segment decreased $4.2 million, or 21.2%, during the six months ended September 30, 2020 versus the six months ended September 30, 2019. As a percentage of International OTC Healthcare revenues, contribution margin decreased to 39.9% during the six months ended September 30, 2020 from 44.0% during the six months ended September 30, 2019. The contribution margin decrease as a percentage of revenues was primarily due to the decrease in gross profit noted above.

General and Administrative

General and administrative expenses were $40.3 million for the six months ended September 30, 2020 versus $44.2 million for the six months ended September 30, 2019. The decrease in general and administrative expenses was primarily due to a decrease in compensation costs resulting from attrition as well as reduced travel costs relating to COVID-19.

Depreciation and Amortization

Depreciation and amortization expenses were $12.1 million for the six months ended September 30, 2020 and $12.3 for the six months ended September 30, 2019. The decrease in depreciation and amortization expenses was primarily due to certain assets being fully depreciated in the first quarter of fiscal 2021.

Interest Expense

Interest expense was $43.3 million during the six months ended September 30, 2020, versus $49.6 million during the six months ended September 30, 2019. The average indebtedness decreased to $1.7 billion during the six months ended September 30, 2020 from $1.8 billion during the six months ended September 30, 2019. The average cost of borrowing decreased to 5.1% for the six months ended September 30, 2020 from 5.5% for the six months ended September 30, 2019.

Income Taxes

The provision for income taxes during the six months ended September 30, 2020 was $21.8 million versus $22.9 million during the six months ended September 30, 2019. The effective tax rate during the six months ended September 30, 2020 was 19.8% versus 25.4% during the six months ended September 30, 2019. The decrease in the effective tax rate for the six months ended September 30, 2020 was primarily due to the application of final tax regulations issued for GILTI, and the discrete event pertaining to the release of the valuation allowance on prior year foreign tax credits.

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 over the next twelve months, 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 "Coronavirus Outbreak" above.

As of September 30, 2020, we had cash and cash equivalents of $26.6 million, a decrease of $68.2 million from March 31, 2020. The following table summarizes the change:

	Six Months Ended September 30,		
(In thousands)	**2020**	**2019**	**$ Change**
Cash provided by (used in):			
Operating Activities	$ 127,293	$ 103,000	$ 24,293
Investing Activities	(11,619)	(5,822)	(5,797)
Financing Activities	(186,666)	(96,312)	(90,354)
Effects of exchange rate changes on cash and cash equivalents	2,835	(491)	3,326
Net change in cash and cash equivalents	$ (68,157)	$ 375	$ (68,532)

Operating Activities

Net cash provided by operating activities was $127.3 million for the six months ended September 30, 2020, compared to $103.0 million for the six months ended September 30, 2019. The $24.3 million increase was due to an increase in net income after non-cash items.

Investing Activities

Net cash used in investing activities was $11.6 million for the six months ended September 30, 2020, compared to $5.8 million for the six months ended September 30, 2019. The increase was due to an increase in capital expenditures in the current period.

Financing Activities
Net cash used in financing activities was $186.7 million for the six months ended September 30, 2020, compared to $96.3 million for the six months ended September 30, 2019. The increase was primarily due to increased repayments of debt of $109.0 million and decreased borrowings of $30.0 million in the current period, partly offset by a decrease from the repurchase of common stock of $49.0 million compared to the prior period.

Capital Resources

As of September 30, 2020, we had an aggregate of $1.6 billion of outstanding indebtedness, which consisted of the following:

- $400.0 million of 5.125% 2019 Senior Notes, which mature on January 15, 2028;
- $600.0 million of 6.375% 2016 Senior Notes, which mature on March 1, 2024; and
- $560.0 million of borrowings under the 2012 Term B-5 Loans due January 26, 2024.

As of September 30, 2020, we had no balance outstanding on 2012 ABL Revolver and a borrowing capacity of $132.7 million.

During the years ended March 31, 2020 and 2019, under the 2012 Term Loan, we made voluntary principal payments against outstanding indebtedness of $48.0 million and $200.0 million, respectively. During the six months ended September 30, 2020, we made voluntary principal payments against outstanding indebtedness of $130.0 million under the 2012 Term Loan. Under the Term Loan Amendment No. 5, we are required to make quarterly payments each equal to 0.25% of the aggregate principal amount, which, as of September 30, 2020, was $560.0 million. Since we have made optional payments this year and in prior years that exceed a significant portion of our required quarterly payments, we will not be required to make another payment on the 2012 Term Loan until maturity on January 26, 2024.

Maturities:

(In thousands) **Year Ending March 31,**	**Amount**
2021 (remaining six months ending March 31, 2021)	$ —
2022	—
2023	—
2024	1,160,000
2025	—
Thereafter	400,000
	$ 1,560,000

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 2016 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, 2020 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, 2020 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, 2020 (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, 2020, 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 2016 Senior Notes and the 2019 Senior Notes. Additionally, 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.

Interest Rate Swaps:
We currently have two interest rate swaps to hedge a total of $400.0 million of our variable interest debt. Of these, $200.0 million mature on January 31, 2021 and $200.0 million mature on January 31, 2022.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements or financing activities with special-purpose entities.

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, 2020. There were no material changes to our critical accounting policies during the six months ended September 30, 2020.

Recent Accounting Pronouncements

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

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

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

Forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q. Except as required under federal securities laws and the rules and regulations of the SEC, we do not intend to update any forward-looking statements to reflect events or circumstances arising after the date of this Quarterly Report on Form 10-Q, whether as a result of new information, future events or otherwise. As a result of these risks and uncertainties, 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,” “project,” "intend," "strategy," "goal," "future," "seek," "may," "should," "would," "will," 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:

- The impact of the COVID-19 pandemic or other disease 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;
- Our inability to increase organic growth via 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;
- Our inability to invest successfully in research and development to develop new products;
- Changes in inventory management practices by retailers;
- Our inability to grow our international sales;
- General economic conditions and incidence levels affecting sales of our products and their respective markets;
- Economic factors, such as increases in interest rates and currency exchange rate fluctuations;
- Changing consumer trends, additional store brand or branded competition or other pricing pressures which may cause us to lower our prices;
- Our dependence on third party manufacturers to produce many of the products we sell;
- Our dependence on third party logistics providers to distribute our products to customers;
- Price increases for raw materials, labor, energy and transportation costs, and for other input costs;
- Disruptions in our distribution center or manufacturing facility;
- Shortages of supply of sourced goods;
- Acquisitions, dispositions or other strategic transactions diverting managerial resources, the incurrence of additional liabilities or problems associated with integration of those businesses and facilities;
- Actions of government agencies in connection with our products, advertising or regulatory matters governing our industry;
- 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 internal information technology systems;
- 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;
- Our inability 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, 2020.

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. To manage this risk, we use interest rate swaps to hedge a total of $400.0 million of this variable rate debt. At September 30, 2020, approximately $160.0 million of our debt carries a variable rate of interest.

Holding other variables constant, including levels of indebtedness, a 1.0% increase in interest rates on our variable rate debt would have an adverse impact on pre-tax earnings and cash flows for the three and six months ended September 30, 2020 of approximately $0.5 million and $1.4 million, respectively.

Foreign Currency Exchange Rate Risk

During the three and six months ended September 30, 2020, approximately 11.3% and 10.7%, respectively, of our gross revenues were denominated in currencies other than the U.S. Dollar. During the three and six months ended September 30, 2019, approximately 11.5% and 11.0%, 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, 2020 and 2019. 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 $1.0 million for the three months ended September 30, 2020 and approximately $2.0 million for the six months ended September 30, 2020. It represented a less than 5% impact on pre-tax income of approximately $1.6 million for the three months ended September 30, 2019 and approximately $2.5 million for the six months ended September 30, 2019.

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, 2020. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of September 30, 2020, 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, 2020 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, 2020, which could materially affect our business, financial condition or future 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. 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, 2020	—	$ —	—	$ —
August 1 to August 31, 2020	—	$ —	—	$ —
September 1 to September 30, 2020	28,865	$ 34.55	28,865	$ 17,257,276
Total	28,865		28,865	

(a) These repurchases were made pursuant to our share repurchase program, which was announced on March 2, 2020 and permits the repurchase of up to $25.0 million of our common stock through March 2021.

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).*
3.2	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.
*	Incorporated herein by reference.
101.INS	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	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

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 5, 2020	By:	**/s/ Christine Sacco**
			Christine Sacco
			Chief Financial Officer
			(Principal Financial Officer and Duly Authorized Officer)

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 5, 2020

/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 5, 2020

/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, 2020, 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 5, 2020

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, 2020, 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 5, 2020