

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): February 3, 2022

PRESTIGE CONSUMER HEALTHCARE INC.
(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

001-32433
(Commission File Number)

20-1297589
(IRS 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 or Former Address, if Changed Since Last Report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered or to be 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 is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).
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.

Item 2.02 Results of Operations and Financial Condition.

On February 3, 2022, Prestige Consumer Healthcare Inc. (the “Company”) announced financial results for the fiscal quarter and nine months ended December 31, 2021. A copy of the press release announcing the Company’s earnings results for the fiscal quarter and nine months ended December 31, 2021 is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Item 7.01 Regulation FD Disclosure.

On February 3, 2022, representatives of the Company began making presentations to investors regarding the Company’s financial results for the quarter and nine months ended December 31, 2021 using slides attached to this Current Report on Form 8-K as Exhibit 99.2 (the “Investor Presentation”) and incorporated herein by reference. The Company expects to use the Investor Presentation, in whole or in part, and possibly with modifications, in connection with presentations to investors, analysts and others during the fiscal year ended March 31, 2022.

By filing this Current Report on Form 8-K and furnishing the information contained herein, the Company makes no admission as to the materiality of any information in this report that is required to be disclosed solely by reason of Regulation FD.

The information contained in the Investor Presentation is summary information that is intended to be considered in the context of the Company’s Securities and Exchange Commission (“SEC”) filings and other public announcements that the Company may make, by press release or otherwise, from time to time. The Company undertakes no duty or obligation to publicly update or revise the information contained in this report, although it may do so from time to time as its management believes is warranted. Any such updating may be made through the filing of other reports or documents with the SEC, through press releases or through other public disclosure.

The information presented in Items 2.02 and 7.01 of this Current Report on Form 8-K and Exhibits 99.1 and 99.2 shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, unless the Company specifically states that the information is to be considered “filed” under the Exchange Act or specifically incorporates it by reference into a filing under the Securities Act of 1933, as amended, or the Exchange Act.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

See Exhibit Index immediately following the signature page.

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 hereunto duly authorized.

Dated: February 3, 2022

PRESTIGE CONSUMER HEALTHCARE INC.

By: _____ /s/ Christine Sacco

Christine Sacco
Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit</u>	<u>Description</u>
99.1	Press Release dated February 3, 2022 announcing the Company's financial results for the fiscal quarter and nine months ended December 31, 2021 (furnished only).
99.2	Investor Presentation in use beginning February 3, 2022 (furnished only).
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded within the inline XBRL document)

Prestige Consumer Healthcare Inc. Reports Fiscal 2022 Third Quarter Results

- Revenue of \$274.5 Million in Q3, up 14.9% versus Prior Year, up 8.8% on an Organic Basis
- Diluted EPS of \$0.99 in Q3, up 22.2% versus Prior Year
- Non-GAAP Free Cash Flow of \$64.1 Million for Third Quarter Fiscal 2022, up Double-digits versus Prior Year
- Raising Full-Year Fiscal 2022 Outlook

TARRYTOWN, N.Y.--(GLOBE NEWSWIRE)--February 3, 2022-- Prestige Consumer Healthcare Inc. (NYSE:PBH) today reported financial results for its third quarter ended December 31, 2021.

“We are pleased with our third quarter results that included double-digit revenue, earnings, and cash flow growth. The strong performance is a continuation of the success and momentum experienced in the first half of the fiscal year. The results of our proven business strategy and execution continues to deliver in the ongoing volatile environment resulting from COVID-19. These strong results and performance are enabling us to raise our outlook for fiscal 2022,” said Ron Lombardi, Chief Executive Officer of Prestige Consumer Healthcare.

Third Fiscal Quarter Ended December 31, 2021

Reported revenues in the third quarter of fiscal 2022 increased 14.9% to \$274.5 million versus \$238.8 million in the third quarter of fiscal 2021. Revenues increased 8.8% excluding the impact of foreign currency and a \$13.7 million contribution from the acquisition of Akorn. The revenue performance for the quarter was driven by continued strong performance across many of the Company’s key brands versus their respective categories, and improved demand for certain brands, categories and channels that had been impacted by the COVID-19 virus in the prior year third quarter including higher demand for cough & cold products.

Reported net income for the third quarter of fiscal 2022 totaled \$50.2 million, compared to the prior year quarter’s net income of \$40.9 million. Diluted earnings per share of \$0.99 for the third quarter of fiscal 2022 compared to \$0.81 in the prior year comparable period.

Nine Months Ended December 31, 2021

Reported revenues for the first nine months of fiscal 2022 totaled \$819.9 million, an increase of 16.2%, compared to revenues of \$705.6 million for the first nine months of fiscal 2021. Revenues increased 11.6% excluding the impact of foreign currency and a \$26.1 million contribution from the acquisition of Akorn. The revenue performance for the first nine months was driven by consumption growth across the majority of the Company’s portfolio as well as improved demand for certain brands, categories and channels that had been impacted by the COVID-19 virus in the first nine months of the prior fiscal year and a benefit associated with higher retailer order patterns to refill customers’ supply chains.

Reported net income for the first nine months of fiscal 2022 totaled \$153.3 million versus the prior year comparable period net income of \$129.2 million. Diluted earnings per share were \$3.02 for the first nine months of fiscal 2022 compared to \$2.55 per share in the prior year comparable period. On a non-GAAP basis, adjusted net income and adjusted diluted earnings per share for the first nine months of fiscal 2022 were \$160.0 million and \$3.15, respectively, compared to \$124.1 million and \$2.45 per share, respectively, in the prior year comparable period.

Adjustments to net income in the first nine months of fiscal 2022 included integration, transition, purchase accounting, legal and various other costs associated with the Akorn acquisition as well as a loss on extinguishment of debt and the related income tax effects of the adjustments. The adjustment of net income in the first nine months of fiscal 2021 related to the final regulations issued during the period for certain tax elements imposed under the domestic Tax Cuts and Jobs Act, which resulted in a one-time discrete benefit associated with the utilization of foreign tax credits.

Free Cash Flow and Balance Sheet

The Company's net cash provided by operating activities for third quarter fiscal 2022 was \$66.3 million, compared to \$49.2 million during the prior year comparable period. Non-GAAP adjusted free cash flow in the third quarter of fiscal 2022 was \$64.1 million compared to \$43.5 million in the prior year third quarter. The change in free cash flow versus the prior year comparable period was attributable to both higher operating income and lower capital expenditures versus the prior year. The Company's net cash provided by operating activities for the first nine months of fiscal 2022 was \$196.8 million, compared to \$176.5 million during the prior year comparable period. Non-GAAP adjusted free cash flow for the first nine months of fiscal 2022 was \$193.8 million compared to \$159.2 million in the prior year third quarter.

The Company's net debt position as of December 31, 2021 was approximately \$1.5 billion, resulting in a covenant-defined leverage ratio of 3.9x.

Segment Review

North American OTC Healthcare: Segment revenues of \$240.9 million for the third quarter of fiscal 2022 increased 14.4% versus the prior year comparable quarter's segment revenues of \$210.6 million. The third quarter fiscal 2022 revenue performance was driven by strong performance across a majority of the Company's key brands versus their respective categories and increased demand in certain COVID-19 impacted categories such as cough & cold and motion sickness categories. The third quarter fiscal 2022 revenue performance also included an approximate \$14 million contribution from the acquisition of Akorn.

For the first nine months of the current fiscal year, reported revenues for the North American OTC segment were \$735.0 million, an increase of 15.2% compared to \$637.9 million in the prior year comparable period, driven by similar factors attributable to the third quarter performance including an approximately \$26 million contribution from the acquisition of Akorn.

International OTC Healthcare: Segment fiscal third quarter 2022 revenues of \$33.6 million, a record, increased 19.3% from \$28.2 million reported in the prior year comparable period. The revenue increase versus the prior year related primarily to an increase in consumer activity in Australia, which drove a sharp rise in demand for *Hydralyte* and other COVID-19 impacted brands.

For the first nine months of the current fiscal year, reported revenues for the International OTC Healthcare segment were \$84.9 million, an increase of 25.3% over the prior year comparable period's revenues of \$67.8 million. The increase was driven by similar factors attributable to the third quarter performance, along with a foreign currency benefit of \$2.8 million.

Commentary and Updated Outlook for Fiscal 2022

Ron Lombardi, Chief Executive Officer, stated, “Our solid third quarter continued the momentum experienced in the first half, as our diversified portfolio of brands enabled us to achieve double-digit revenue growth from multiple areas, including higher than anticipated rebound in certain COVID-impacted areas such as cough & cold, record international revenues led by Australia, and strong overall consumer healthcare demand domestically. Our success is a testament to our proven business model that continues to perform well throughout a volatile COVID-disrupted environment. The strong performance enabled free cash flow generation year-to-date of nearly \$200 million, up double-digits versus the prior year, which continues to fuel our disciplined capital allocation strategy and enabled us to pay down \$70 million of debt in the third quarter and achieve a leverage ratio below four times.”

“We are raising our fiscal 2022 outlook to reflect the strong third quarter performance, as well as an expectation for the continued recovery rate in certain COVID-impacted categories such as cough & cold as experienced in Q3. With less than two months remaining in fiscal 2022, our business remains well-positioned to achieve continued market share, revenue, and earnings growth as we close out the remainder of the year. Looking ahead, we believe our robust portfolio of brands, financial profile and disciplined capital deployment strategy positions us for both top- and bottom-line growth in FY’23, and plan to provide our detailed full-year outlook in May,” Mr. Lombardi concluded.

	Prior Fiscal 2022 Outlook	Current Fiscal 2022 Outlook
Revenue	\$1,050 to \$1,060 million	\$1,075 to \$1,080 million
Organic Growth	~7%	~9%
Adjusted Diluted E.P.S.	\$3.93 to \$3.98	\$4.00 to \$4.04
Adjusted Free Cash Flow	\$245 million or more	\$250 million or more

Fiscal Third Quarter 2022 Conference Call, Accompanying Slide Presentation and Replay

The Company will host a conference call to review its third quarter results today, February 3, 2022 at 8:30 a.m. ET. The toll-free dial-in numbers are 844-233-9440 for the U.S. & Canada and 574-990-1016 internationally. The conference ID number is 4798187. The Company provides a live Internet webcast, a slide presentation to accompany the call, as well as an archived replay, all of which can be accessed from the Investor Relations page of the Company's website at www.prestigeconsumerhealthcare.com. The slide presentation can be accessed from the Investor Relations page of the website by clicking on Webcasts and Presentations.

Telephonic replays will be available for approximately one week following the completion of the call and can be accessed at 855-859-2056 within North America and at 404-537-3406 from outside North America. The conference ID is 4798187.

Non-GAAP and Other Financial Information

In addition to financial results reported in accordance with generally accepted accounting principles (GAAP), we have provided certain non-GAAP financial information in this release to aid investors in understanding the Company's performance. Each non-GAAP financial measure is defined and reconciled to its most closely related GAAP financial measure in the “About Non-GAAP Financial Measures” section at the end of this earnings release.

Note Regarding Forward-Looking Statements

This news release contains "forward-looking statements" within the meaning of the federal securities laws that are intended to qualify for the Safe Harbor from liability established by the Private Securities Litigation Reform Act of 1995. "Forward-looking statements" generally can be identified by the use of forward-looking terminology such as "guidance," "strategy," "outlook," "looking ahead," "projection," "plan," "may," "will," "would," "expectation," "anticipate," "believe", "enables," "positioned" or "continue" (or the negative or other derivatives of each of these terms) or similar terminology. The "forward-looking statements" include, without limitation, statements regarding the Company's future operating results including revenues, organic growth, adjusted diluted earnings per share, and adjusted free cash flow, the market share gains for the Company's products, consumer demand for the Company's products including the recovery rate in certain COVID-impacted categories, and the Company's ability to execute on its capital allocation strategy. These statements are based on management's estimates and assumptions with respect to future events and financial performance and are believed to be reasonable, though are inherently uncertain and difficult to predict. Actual results could differ materially from those expected as a result of a variety of factors, including the impact of the COVID-19 pandemic and business and economic conditions, consumer trends, the impact of the Company's advertising and marketing and new product development initiatives, customer inventory management initiatives, fluctuating foreign exchange rates, competitive pressures, and the ability of the Company's manufacturing operations and third party manufacturers and logistics providers and suppliers to meet demand for its products and to avoid inflationary cost increases and disruption as a result of labor shortages. A discussion of other factors that could cause results to vary is included in the Company's Annual Report on Form 10-K for the year ended March 31, 2021 and other periodic reports filed with the Securities and Exchange Commission.

About Prestige Consumer Healthcare Inc.

Prestige Consumer Healthcare is a leading consumer healthcare products company with sales throughout the U.S. and Canada, Australia, and in certain other international markets. The Company's diverse portfolio of brands include Monistat® and Summer's Eve® women's health products, BC® and Goody's® pain relievers, Clear Eyes® and TheraTears® eye care products, DenTek® specialty oral care products, Dramamine® motion sickness treatments, Fleet® enemas and glycerin suppositories, Chloraseptic® and Luden's® sore throat treatments and drops, Compound W® wart treatments, Little Remedies® pediatric over-the-counter products, Boudreaux's Butt Paste® diaper rash ointments, Nix® lice treatment, Debrox® earwax remover, Gaviscon® antacid in Canada, and Hydralyte® rehydration products and the Fess® line of nasal and sinus care products in Australia. Visit the Company's website at www.prestigeconsumerhealthcare.com.

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

<i>(In thousands, except per share data)</i>	Three Months Ended December 31,		Nine Months Ended December 31,	
	2021	2020	2021	2020
Total Revenues	\$ 274,470	\$ 238,788	\$ 819,876	\$ 705,604
Cost of Sales				
Cost of sales excluding depreciation	117,604	98,260	342,661	290,623
Cost of sales depreciation	1,806	1,641	5,431	4,565
Cost of sales	119,410	99,901	348,092	295,188
Gross profit	155,060	138,887	471,784	410,416
Operating Expenses				
Advertising and marketing	40,239	38,081	120,408	104,172
General and administrative	25,983	21,395	80,706	61,717
Depreciation and amortization	6,244	5,968	18,176	18,062
Total operating expenses	72,466	65,444	219,290	183,951
Operating income	82,594	73,443	252,494	226,465
Other expense (income)				
Interest expense, net	16,924	20,138	48,314	63,345
Loss on extinguishment of debt	—	—	2,122	—
Other expense (income), net	177	(371)	565	(620)
Total other expense, net	17,101	19,767	51,001	62,725
Income before income taxes	65,493	53,676	201,493	163,740
Provision for income taxes	15,278	12,803	48,198	34,572
Net income	\$ 50,215	\$ 40,873	\$ 153,295	\$ 129,168
Earnings per share:				
Basic	\$ 1.00	\$ 0.81	\$ 3.05	\$ 2.57
Diluted	\$ 0.99	\$ 0.81	\$ 3.02	\$ 2.55
Weighted average shares outstanding:				
Basic	50,303	50,212	50,225	50,268
Diluted	50,935	50,561	50,799	50,635
Comprehensive income, net of tax:				
Currency translation adjustments	652	8,184	(5,037)	22,439
Unrecognized gain on interest rate swaps	561	1,053	1,631	2,347
Unrecognized net gain on pension plans	—	2,334	—	2,334
Net gain on pension distribution reclassified to net income	—	(190)	—	(190)
Total other comprehensive (loss) income	1,213	11,381	(3,406)	26,930
Comprehensive income	\$ 51,428	\$ 52,254	\$ 149,889	\$ 156,098

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

<i>(In thousands)</i>	December 31, 2021	March 31, 2021
Assets		
Current assets		
Cash and cash equivalents	\$ 21,018	\$ 32,302
Accounts receivable, net of allowance of \$20,272 and \$16,457, respectively	134,263	114,671
Inventories	106,273	114,959
Prepaid expenses and other current assets	13,712	7,903
Total current assets	275,266	269,835
Property, plant and equipment, net	69,808	70,059
Operating lease right-of-use assets	21,836	23,722
Finance lease right-of-use assets, net	7,060	8,986
Goodwill	578,932	578,079
Intangible assets, net	2,703,616	2,475,729
Other long-term assets	2,890	2,863
Total Assets	\$ 3,659,408	\$ 3,429,273
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	40,103	45,978
Accrued interest payable	15,116	6,312
Operating lease liabilities, current portion	6,273	5,858
Finance lease liabilities, current portion	2,646	2,588
Other accrued liabilities	70,989	61,402
Total current liabilities	135,127	122,138
Long-term debt, net	1,530,297	1,479,653
Deferred income tax liabilities	444,774	434,050
Long-term operating lease liabilities, net of current portion	17,632	19,706
Long-term finance lease liabilities, net of current portion	4,825	6,816
Other long-term liabilities	8,433	8,612
Total Liabilities	2,141,088	2,070,975
Total Stockholders' Equity	1,518,320	1,358,298
Total Liabilities and Stockholders' Equity	\$ 3,659,408	\$ 3,429,273

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

<i>(In thousands)</i>	Nine Months Ended December 31,	
	2021	2020
Operating Activities		
Net income	\$ 153,295	\$ 129,168
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	23,607	22,627
Loss on disposal of property and equipment	79	210
Deferred income taxes	11,296	7,970
Amortization of debt origination costs	2,811	3,569
Stock-based compensation costs	7,331	5,944
Loss on extinguishment of debt	2,122	—
Non-cash operating lease cost	5,034	5,362
Other	—	937
Changes in operating assets and liabilities, net of effects from acquisition:		
Accounts receivable	(21,848)	36,725
Inventories	14,650	1,269
Prepaid expenses and other current assets	(5,622)	(1,439)
Accounts payable	(6,079)	(35,789)
Accrued liabilities	15,053	8,236
Operating lease liabilities	(4,807)	(5,085)
Other	(126)	(3,184)
Net cash provided by operating activities	196,796	176,520
Investing Activities		
Purchases of property, plant and equipment	(6,481)	(17,347)
Acquisitions	(246,914)	—
Other	177	—
Net cash used in investing activities	(253,218)	(17,347)
Financing Activities		
Term loan repayments	(545,000)	(130,000)
Proceeds from refinancing of Term Loan	597,000	—
Borrowings under revolving credit agreement	85,000	15,000
Repayments under revolving credit agreement	(85,000)	(70,000)
Payments of debt costs	(6,111)	—
Payments of finance leases	(2,145)	(918)
Proceeds from exercise of stock options	5,718	1,324
Fair value of shares surrendered as payment of tax withholding	(2,916)	(1,242)
Repurchase of common stock	—	(9,874)
Net cash provided by (used in) financing activities	46,546	(195,710)
Effects of exchange rate changes on cash and cash equivalents	(1,408)	3,880
Decrease in cash and cash equivalents	(11,284)	(32,657)
Cash and cash equivalents - beginning of period	32,302	94,760
Cash and cash equivalents - end of period	\$ 21,018	\$ 62,103
Interest paid	\$ 36,279	\$ 46,927
Income taxes paid	\$ 42,977	\$ 29,677

Prestige Consumer Healthcare Inc.
Condensed Consolidated Statements of Income
Business Segments
(Unaudited)

Three Months Ended December 31, 2021

<i>(In thousands)</i>	North American OTC Healthcare	International OTC Healthcare	Consolidated
Total segment revenues*	\$ 240,857	\$ 33,613	\$ 274,470
Cost of sales	106,790	12,620	119,410
Gross profit	134,067	20,993	155,060
Advertising and marketing	34,907	5,332	40,239
Contribution margin	<u>\$ 99,160</u>	<u>\$ 15,661</u>	<u>\$ 114,821</u>
Other operating expenses			32,227
Operating income			<u>\$ 82,594</u>

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

Nine Months Ended December 31, 2021

<i>(In thousands)</i>	North American OTC Healthcare	International OTC Healthcare	Consolidated
Total segment revenues*	\$ 734,978	\$ 84,898	\$ 819,876
Cost of sales	314,817	33,275	348,092
Gross profit	420,161	51,623	471,784
Advertising and marketing	106,630	13,778	120,408
Contribution margin	<u>\$ 313,531</u>	<u>\$ 37,845</u>	<u>\$ 351,376</u>
Other operating expenses			98,882
Operating income			<u>\$ 252,494</u>

*Intersegment revenues of \$2.4 million were eliminated from the North American OTC Healthcare segment.

Three Months Ended December 31, 2020

<i>(In thousands)</i>	North American OTC Healthcare	International OTC Healthcare	Consolidated
Total segment revenues*	\$ 210,618	\$ 28,170	\$ 238,788
Cost of sales	88,883	11,018	99,901
Gross profit	121,735	17,152	138,887
Advertising and marketing	32,859	5,222	38,081
Contribution margin	\$ 88,876	\$ 11,930	\$ 100,806
Other operating expenses			27,363
Operating income			\$ 73,443

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

Nine Months Ended December 31, 2020

<i>(In thousands)</i>	North American OTC Healthcare	International OTC Healthcare	Consolidated
Total segment revenues*	\$ 637,851	\$ 67,753	\$ 705,604
Cost of sales	267,779	27,409	295,188
Gross profit	370,072	40,344	410,416
Advertising and marketing	91,553	12,619	104,172
Contribution margin	\$ 278,519	\$ 27,725	\$ 306,244
Other operating expenses			79,779
Operating income			\$ 226,465

* Intersegment revenues of \$2.4 million were eliminated from the North American OTC Healthcare segment.

About Non-GAAP Financial Measures

In addition to financial results reported in accordance with GAAP, we disclose certain Non-GAAP financial measures ("NGFMs"), including, but not limited to, Non-GAAP Organic Revenues, Non-GAAP Organic Revenue Change Percentage, Non-GAAP Adjusted Gross Margin, Non-GAAP Adjusted Gross Margin Percentage, Non-GAAP Adjusted General and Administrative Expense, Non-GAAP Adjusted General and Administrative Expense Percentage, Non-GAAP EBITDA, Non-GAAP EBITDA Margin, Non-GAAP Adjusted EBITDA, Non-GAAP Adjusted EBITDA Margin, Non-GAAP Adjusted Net Income, Non-GAAP Adjusted EPS, Non-GAAP Free Cash Flow, Non-GAAP Adjusted Free Cash Flow, Non-GAAP Adjusted Diluted EPS, and Net Debt. We use these NGFMs internally, along with GAAP information, in evaluating our operating performance and in making financial and operational decisions. We believe that the presentation of these NGFMs provides investors with greater transparency, and provides a more complete understanding of our business than could be obtained absent these disclosures, because the supplemental data relating to our financial condition and results of operations provides additional ways to view our operation when considered with both our GAAP results and the reconciliations below. In addition, we believe that the presentation of each of these NGFMs is useful to investors for period-to-period comparisons of results in assessing shareholder value, and we use these NGFMs internally to evaluate the performance of our personnel and also to evaluate our operating performance and compare our performance to that of our competitors.

These NGFMs are not in accordance with GAAP, should not be considered as a measure of profitability or liquidity, and may not be directly comparable to similarly titled NGFMs reported by other companies. These NGFMs have limitations and they should not be considered in isolation from or as an alternative to their most closely related GAAP measures reconciled below. Investors should not rely on any single financial measure when evaluating our business. We recommend investors review the GAAP financial measures included in this earnings release. When viewed in conjunction with our GAAP results and the reconciliations below, we believe these NGFMs provide greater transparency and a more complete understanding of factors affecting our business than GAAP measures alone.

NGFMs Defined

We define our NGFMs presented herein as follows:

- *Non-GAAP Organic Revenues*: GAAP Total Revenues excluding revenues associated with products acquired in the current period and the impact of foreign currency exchange rates in the periods presented.
- *Non-GAAP Organic Revenue Change Percentage*: Calculated as the change in Non-GAAP Organic Revenues from prior year divided by prior year Non-GAAP Organic Revenues.
- *Non-GAAP Adjusted Gross Margin*: GAAP Gross Profit minus inventory step-up charges associated with acquisition.
- *Non-GAAP Adjusted Gross Margin Percentage*: Calculated as Non-GAAP Adjusted Gross Margin divided by GAAP Total Revenues.
- *Non-GAAP Adjusted General and Administrative Expense*: GAAP General and Administrative expenses minus costs associated with acquisition.
- *Non-GAAP Adjusted General and Administrative Expense Percentage*: Calculated as Non-GAAP Adjusted General and Administrative expense divided by GAAP Total Revenues.
- *Non-GAAP EBITDA*: GAAP Net Income before interest expense, net, provision for income taxes, and depreciation and amortization.
- *Non-GAAP EBITDA Margin*: Calculated as Non-GAAP EBITDA divided by GAAP Total Revenues.
- *Non-GAAP Adjusted EBITDA*: Non-GAAP EBITDA less inventory step-up charges, costs associated with acquisition in general and administrative expenses, and loss on extinguishment of debt.
- *Non-GAAP Adjusted EBITDA Margin*: Calculated as Non-GAAP adjusted EBITDA divided by GAAP Total Revenues.
- *Non-GAAP Adjusted Net Income*: GAAP Net Income (Loss) before inventory step-up charges, costs associated with acquisition in general and administrative expenses, loss on extinguishment of debt, applicable tax impact associated with these items and normalized tax rate adjustment.
- *Non-GAAP Adjusted Diluted EPS*: Calculated as Non-GAAP Adjusted Net Income, divided by the diluted weighted average number of shares outstanding during the period.
- *Non-GAAP Free Cash Flow*: Calculated as GAAP Net cash provided by operating activities less cash paid for capital expenditures.
- *Non-GAAP Adjusted Free Cash Flow*: Calculated as Non-GAAP free cash flow plus cash payments associated with acquisition.
- *Net Debt*: Calculated as total principal amount of debt outstanding (\$1,550,000 at December 31, 2021) less cash and cash equivalents (\$21,018 at December 31, 2021). Amounts in thousands.

The following tables set forth the reconciliations of each of our NGFMs (other than Net Debt, which is reconciled above) to their most directly comparable financial measures presented in accordance with GAAP.

Reconciliation of GAAP Total Revenues to Non-GAAP Organic Revenues and related Non-GAAP Organic Revenue Change percentage:

<i>(In thousands)</i>	Three Months Ended December 31,		Nine Months Ended December 31,	
	2021	2020	2021	2020
GAAP Total Revenues	\$ 274,470	\$ 238,788	\$ 819,876	\$ 705,604
Revenue Change	14.9 %		16.2 %	
Adjustments:				
Revenues associated with acquisition ⁽¹⁾	(13,712)	—	(26,086)	—
Impact of foreign currency exchange rates	—	929	—	5,887
Total adjustments	(13,712)	929	(26,086)	5,887
Non-GAAP Organic Revenues	\$ 260,758	\$ 239,717	\$ 793,790	\$ 711,491
Non-GAAP Organic Revenue Change	8.8 %		11.6 %	

(1) Revenues of our Akorn acquisition are excluded for purposes of calculating Non-GAAP organic revenues.

Reconciliation of GAAP Gross Profit to Non-GAAP Adjusted Gross Margin and related Non-GAAP Adjusted Gross Margin percentage:

<i>(In thousands)</i>	Three Months Ended December 31,		Nine Months Ended December 31,	
	2021	2020	2021	2020
GAAP Total Revenues	\$ 274,470	\$ 238,788	\$ 819,876	\$ 705,604
GAAP Gross Profit	\$ 155,060	\$ 138,887	\$ 471,784	\$ 410,416
GAAP Gross Profit as a Percentage of GAAP Total Revenue	56.5 %	58.2 %	57.5 %	58.2 %
Adjustments:				
Inventory step-up charges associated with acquisition ⁽¹⁾	—	—	1,567	—
Total adjustments	—	—	1,567	—
Non-GAAP Adjusted Gross Margin	\$ 155,060	\$ 138,887	\$ 473,351	\$ 410,416
Non-GAAP Adjusted Gross Margin as a Percentage of GAAP Total Revenues	56.5 %	58.2 %	57.7 %	58.2 %

(1) Inventory step-up charges relate to our North American OTC Healthcare segment.

Reconciliation of GAAP General and Administrative Expense and related GAAP General and Administrative Expense percentage to Non-GAAP Adjusted General and Administrative Expense and related Non-GAAP Adjusted General and Administrative Expense percentage:

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2021	2020	2021	2020
<i>(In thousands)</i>				
GAAP General and Administrative Expense	\$ 25,983	\$ 21,395	\$ 80,706	\$ 61,717
GAAP General and Administrative Expense as a Percentage of GAAP Total Revenue	9.5 %	9.0 %	9.8 %	8.7 %
Adjustments:				
Costs associated with acquisition ⁽¹⁾	—	—	5,127	—
Total adjustments	—	—	5,127	—
Non-GAAP Adjusted General and Administrative Expense	\$ 25,983	\$ 21,395	\$ 75,579	\$ 61,717
Non-GAAP Adjusted General and Administrative Expense Percentage as a Percentage of GAAP Total Revenues	9.5 %	9.0 %	9.2 %	8.7 %

(1) Costs related to the consummation of the acquisition process such as insurance costs, legal and other acquisition related professional fees.

Reconciliation of GAAP Net Income to Non-GAAP EBITDA and related Non-GAAP EBITDA Margin, Non-GAAP Adjusted EBITDA and related Non-GAAP Adjusted EBITDA Margin:

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2021	2020	2021	2020
<i>(In thousands)</i>				
GAAP Net Income	\$ 50,215	\$ 40,873	\$ 153,295	\$ 129,168
Interest expense, net	16,924	20,138	48,314	63,345
Provision for income taxes	15,278	12,803	48,198	34,572
Depreciation and amortization	8,050	7,609	23,607	22,627
Non-GAAP EBITDA	\$ 90,467	\$ 81,423	\$ 273,414	\$ 249,712
Non-GAAP EBITDA Margin	33.0 %	34.1 %	33.3 %	35.4 %
Adjustments:				
Inventory step-up charges associated with acquisition in Cost of Sales ⁽¹⁾	—	—	1,567	—
Costs associated with acquisition in General and Administrative Expense ⁽²⁾	—	—	5,127	—
Loss on extinguishment of debt	—	—	2,122	—
Total adjustments	—	—	8,816	—
Non-GAAP Adjusted EBITDA	\$ 90,467	\$ 81,423	\$ 282,230	\$ 249,712
Non-GAAP Adjusted EBITDA Margin	33.0 %	34.1 %	34.4 %	35.4 %

(1) Inventory step-up charges relate to our North American OTC Healthcare segment.

(2) Costs related to the consummation of the acquisition process such as insurance costs, legal and other acquisition related professional fees.

Reconciliation of GAAP Net Income to Non-GAAP Adjusted Net Income and related Non-GAAP Adjusted Diluted Earnings Per Share:

	Three Months Ended December 31,				Nine Months Ended December 31,			
	2021	2021 Diluted EPS	2020	2020 Diluted EPS	2021	2021 Diluted EPS	2020	2020 Diluted EPS
<i>(In thousands, except per share data)</i>								
GAAP Net Income and Diluted EPS	\$ 50,215	\$ 0.99	\$ 40,873	\$ 0.81	\$ 153,295	\$ 3.02	\$ 129,168	\$ 2.55
Adjustments:								
Inventory step-up charges associated with acquisition in Cost of Sales ⁽¹⁾	—	—	—	—	1,567	0.03	—	—
Costs associated with acquisition in General and Administrative Expense ⁽²⁾	—	—	—	—	5,127	0.10	—	—
Loss on extinguishment of debt	—	—	—	—	2,122	0.04	—	—
Tax impact of adjustments ⁽³⁾	—	—	—	—	(2,134)	(0.04)	—	—
Normalized tax rate adjustment ⁽⁴⁾	—	—	—	—	—	—	(5,106)	(0.10)
Total adjustments	—	—	—	—	6,682	0.13	(5,106)	(0.10)
Non-GAAP Adjusted Net Income and Adjusted Diluted EPS	\$ 50,215	\$ 0.99	\$ 40,873	\$ 0.81	\$ 159,977	\$ 3.15	\$ 124,062	\$ 2.45

(1) Inventory step-up charges relate to our North American OTC Healthcare segment.

(2) Costs related to the consummation of the acquisition process such as insurance costs, legal and other acquisition related professional fees.

(3) The income tax adjustments are determined using applicable rates in the taxing jurisdictions in which the above adjustments relate and includes both current and deferred income tax expense (benefit) based on the specific nature of the specific Non-GAAP performance measure.

(4) Income tax adjustment to adjust for discrete income tax items.

Note: Amounts may not add due to rounding.

Reconciliation of GAAP Net Income to Non-GAAP Free Cash Flow:

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2021	2020	2021	2020
<i>(In thousands)</i>				
GAAP Net Income	\$ 50,215	\$ 40,873	\$ 153,295	\$ 129,168
Adjustments:				
Adjustments to reconcile net income to net cash provided by operating activities as shown in the Statement of Cash Flows	17,052	16,844	52,280	46,619
Changes in operating assets and liabilities as shown in the Statement of Cash Flows	(970)	(8,490)	(8,779)	733
Total adjustments	16,082	8,354	43,501	47,352
GAAP Net cash provided by operating activities	66,297	49,227	196,796	176,520
Purchases of property and equipment	(2,229)	(5,728)	(6,481)	(17,347)
Non-GAAP Free Cash Flow	\$ 64,068	\$ 43,499	\$ 190,315	\$ 159,173
Payments associated with acquisition ⁽¹⁾	—	—	3,465	—
Non-GAAP Adjusted Free Cash Flow	\$ 64,068	\$ 43,499	\$ 193,780	\$ 159,173

(1) Payments related to the consummation of the acquisition process such as insurance costs, legal and other acquisition related professional fees.

Outlook for Fiscal Year 2022:**Reconciliation of Projected GAAP Diluted EPS to Projected Non-GAAP Adjusted Diluted EPS:**

	2022 Projected EPS	
	Low	High
Projected FY'22 GAAP Diluted EPS	\$ 3.87	\$ 3.91
Adjustments:		
Costs associated with acquisition, net of tax ⁽¹⁾	0.10	0.10
Loss on extinguishment of debt, net of tax	0.03	0.03
Total Adjustments	0.13	0.13
Projected Non-GAAP Adjusted Diluted EPS	\$ 4.00	\$ 4.04

(1) Costs related to the consummation of the acquisition process such as inventory step-up charges, insurance costs, legal and other acquisition related professional fees.

Reconciliation of Projected GAAP Net cash provided by operating activities to Projected Non-GAAP Adjusted Free Cash Flow:

(In millions)	
Projected FY'22 GAAP Net cash provided by operating activities	\$ 255
Purchases of property and equipment	(10)
Projected Non-GAAP Free Cash Flow	245
Payments associated with acquisition ⁽¹⁾	5
Projected Non-GAAP Adjusted Free Cash Flow	\$ 250

(1) Payments related to the consummation of the acquisition process such as insurance costs, legal and other acquisition related professional fees.



Exhibit 99.2

February 3rd, 2022

PrestigeConsumer
HEALTHCARE

Third Quarter FY 2022 Results

Safe Harbor Disclosure

This presentation contains certain “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995, such as statements regarding the Company’s expected financial performance, including revenues, adjusted diluted EPS, and free cash flow; the Company’s ability to perform well in the currently evolving environment and execute on its brand-building strategy; the expected market share and consumption trends for the Company’s brands, and the recovery of COVID-impacted categories; the integration of the TheraTears® acquisition; and the Company’s ability to execute on its disciplined capital allocation strategy. Words such as “trend,” “continue,” “will,” “expect,” “project,” “may,” “should,” “could,” “would,” “positioned,” and similar expressions identify forward-looking statements. Such forward-looking statements represent the Company’s expectations and beliefs and involve a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those expressed or implied by such forward-looking statements. These factors include, among others, the impact of the COVID-19 pandemic, including on economic and business conditions, government actions, consumer trends, retail management initiatives, and disruptions to the manufacturing, distribution and supply chain and related price increases; labor shortages; competitive pressures; the impact of the Company’s advertising and promotional and new product development initiatives; customer inventory management initiatives; fluctuating foreign exchange rates; and other risks set forth in Part I, Item 1A. Risk Factors in the Company’s Annual Report on Form 10-K for the year ended March 31, 2021. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date this presentation. Except to the extent required by applicable law, the Company undertakes no obligation to update any forward-looking statement contained in this presentation, whether as a result of new information, future events, or otherwise.

All adjusted GAAP numbers presented are footnoted and reconciled to their closest GAAP measurement in the attached reconciliation schedule or in our February 3, 2022 earnings release in the “About Non-GAAP Financial Measures” section.

Agenda for Today's Discussion

I. Performance Update

II. Financial Overview

III. FY 22 Outlook



I. Performance Update

Strong Q3 Results Driving Increased FY 22 Outlook

Q3 Sales Drivers

- Strong sales growth continued in Q3, up 14.9% vs. PY
- Recovery continued in COVID-19 impacted categories
- Record revenue in International segment




Superior Earnings and FCF

- Gross margin as expected in dynamic supply chain environment
- Strong double-digit earnings growth in Q3
- Solid financial profile and resulting Free Cash Flow⁽³⁾ generation

Disciplined Capital Allocation

- TheraTears acquisition tracking as expected
- Continued focus on disciplined capital allocation resulting in leverage of 3.9x⁽⁴⁾

Strong Performance in Dynamic Macro Environment

Diversified Portfolio	COVID-19 Recovery	Supply Chain
<p>Leading portfolio positioned to benefit from changing consumer dynamics</p>  <ul style="list-style-type: none">■ Enables nimble marketing across consumer healthcare categories■ Consumers continue to seek trusted brands	<p>Strong recovery in multiple COVID-19 impacted categories</p>  <ul style="list-style-type: none">■ Stronger than expected cough/cold season■ Hydralite made headlines as a treat-at-home essential during pandemic	<p>Strategically working to ensure supply in a dynamic environment</p>  <ul style="list-style-type: none">■ Business demonstrating strength in volatile supply environment■ Continuity plans continue to protect service levels
<p>Continue to Deliver Strong Results in Evolving Environment</p>		



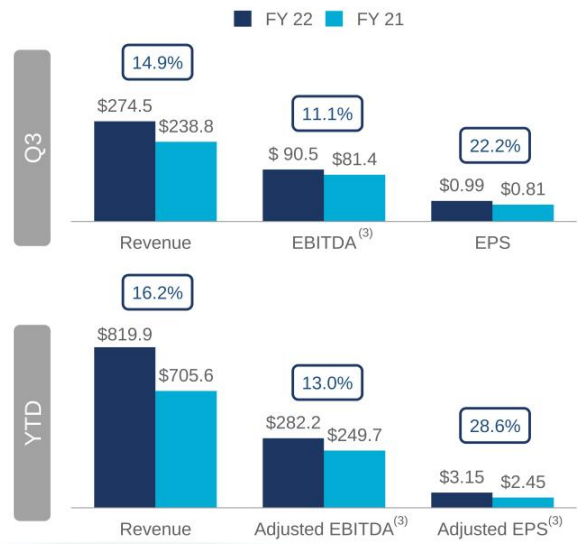
II. Financial Overview

Key Financial Results for Third Quarter and YTD FY 22 Performance

Revenue of \$274.5 million, up 8.8% vs. PY on an organic basis⁽¹⁾

EBITDA⁽³⁾ of \$90.5 million resulted in 33.0% margin, consistent with long-term expectations

EPS of \$0.99 up 22.2% vs. PY

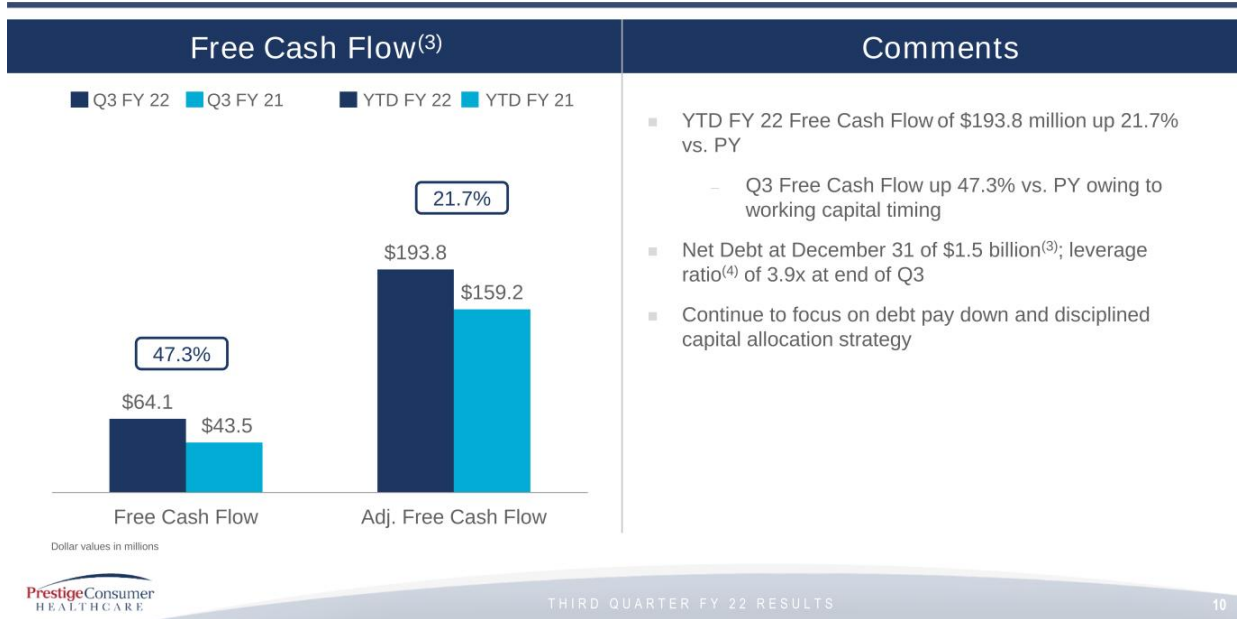


FY 22 Third Quarter and YTD Consolidated Financial Summary

	3 Months Ended			9 Months Ended			Q3 YTD Comments
	Q3 FY 22	Q3 FY 21	% Chg	YTD FY 22	YTD FY 21	% Chg	
Total Revenue	\$ 274.5	\$ 238.8	14.9%	\$ 819.9	\$ 705.6	16.2%	<ul style="list-style-type: none"> ■ Organic Revenue⁽¹⁾ up 11.6% vs. PY <ul style="list-style-type: none"> – Driven by broad & diverse portfolio coupled with upside in COVID-19 disrupted categories – Continued eCommerce consumption growth as consumers continue to shop online ■ Adj. Gross Margin⁽³⁾ of 57.7%, as anticipated ■ A&M of 14.7% of Revenue, tracking with higher sales ■ Adj. G&A⁽³⁾ approximately 9% of sales ■ Adj. EPS⁽³⁾ up 28.6% vs. PY
Adj. Gross Margin⁽³⁾	155.1	138.9	11.6%	473.4	410.4	15.3%	
<i>% Margin</i>	56.5%	58.2%		57.7%	58.2%		
A&M	40.2	38.1	5.7%	120.4	104.2	15.6%	
<i>% Total Revenue</i>	14.7%	15.9%		14.7%	14.8%		
Adj. G&A⁽³⁾	26.0	21.4	21.4%	75.6	61.7	22.5%	
<i>% Total Revenue</i>	9.5%	9.0%		9.2%	8.7%		
D&A	6.2	6.0	4.6%	18.2	18.1	0.6%	
Adj. Operating Income⁽³⁾	\$ 82.6	\$ 73.4	12.5%	\$ 259.2	\$ 226.5	14.4%	
<i>% Margin</i>	30.1%	30.8%		31.6%	32.1%		
Adj. Earnings Per Share⁽³⁾	\$ 0.99	\$ 0.81	22.2%	\$ 3.15	\$ 2.45	28.6%	
Adj. EBITDA⁽³⁾	\$ 90.5	\$ 81.4	11.1%	\$ 282.2	\$ 249.7	13.0%	
<i>% Margin</i>	33.0%	34.1%		34.4%	35.4%		

Dollar values in millions, except per share data

Industry Leading Free Cash Flow Trends





III. FY 22 Outlook

Raising FY 22 Full Year Outlook

Top Line Trends

- Brand-building continues to enable long-term market share gains & sales growth
- Q4 anticipates continued recovery in certain COVID-impacted categories
- Anticipate FY 22 Revenue of \$1.075 – \$1.080 billion

EPS

- Strong financial profile leading to increased profitability
- FY 22 Adjusted Diluted EPS⁽⁶⁾ estimate of \$4.00 – \$4.04

Free Cash Flow & Allocation

- Continue to execute disciplined capital allocation strategy
- Anticipate FY 22 Free Cash Flow⁽⁵⁾ of \$250 million or more

Looking Ahead

- To provide initial FY 23 outlook in May
- Anticipate FY 23 top and bottom-line growth enabled by proven business strategy



Q&A

Appendix

- (1) Organic Revenue is a Non-GAAP financial measure and is reconciled to the most closely related GAAP financial measure in the attached Reconciliation Schedules and / or our earnings release dated February 3, 2022 in the "About Non-GAAP Financial Measures" section.
- (2) Company consumption and market share are based on domestic IRI multi-outlet + C-Store retail sales for the period ending December 26, 2021, retail sales data from other 3rd parties for certain untracked channels in North America for leading retailers, Australia consumption based on IMS data, and other international net revenues as a proxy for consumption.
- (3) Adjusted Gross Margin, Adjusted G&A, Adjusted Operating Income, Adjusted EPS, EBITDA & EBITDA Margin, Adjusted EBITDA & Adjusted EBITDA Margin, Adjusted Free Cash Flow, and Net Debt are Non GAAP financial measures and are reconciled to their most closely related GAAP financial measures in the attached Reconciliation Schedules and / or in our earnings release dated February 3, 2022 in the "About Non GAAP Financial Measures" section.
- (4) Leverage ratio reflects net debt / covenant defined EBITDA.
- (5) Adjusted Free Cash Flow for FY 22 is a projected Non-GAAP financial measure, is reconciled to projected GAAP Net Cash Provided by Operating Activities in the attached Reconciliation Schedules and / or in our earnings release in the "About Non-GAAP Financial Measures" section and is calculated based on projected Net Cash Provided by Operating Activities less projected capital expenditures plus cash payments associated with acquisition.
- (6) Adjusted Diluted EPS for FY 22 is a projected Non-GAAP financial measure, is reconciled to projected GAAP EPS in the attached Reconciliation Schedules and / or in our earnings release in the "About Non-GAAP Financial Measures" section and is calculated based on projected GAAP EPS plus adjustments relating to the acquisition of Akorn, loss on extinguishment of debt, and related income tax effects of the adjustments.

Reconciliation Schedules

Organic Revenue Change

(In Thousands)	Three Months Ended December 31,		Nine Months Ended December 31,	
	2021	2020	2021	2020
GAAP Total Revenues	\$ 274,470	\$ 238,788	\$ 819,876	\$ 705,604
Revenue Change	14.9%		16.2%	
Adjustments:				
Revenues associated with acquisition ^(a)	(13,712)	-	(26,086)	-
Impact of foreign currency exchange rates	-	929	-	5,887
Total adjustments	\$(13,712)	\$ 929	\$(26,086)	\$ 5,887
Non-GAAP Organic Revenues	\$ 260,758	\$ 239,717	\$ 793,790	\$ 711,491
Non-GAAP Organic Revenue Change	8.8%		11.6%	

a) Revenues of our Akorn acquisition are excluded for purposes of calculating Non-GAAP organic revenues.

Adjusted Gross Margin

(In Thousands)	Three Months Ended December 31,		Nine Months Ended December 31,	
	2021	2020	2021	2020
GAAP Total Revenues	\$ 274,470	\$ 238,788	\$ 819,876	\$ 705,604
GAAP Gross Profit	\$ 155,060	\$ 138,887	\$ 471,784	\$ 410,416
GAAP Gross Profit as a Percentage of GAAP Total Revenue	56.5%	58.2%	57.5%	58.2%
Adjustments:				
Inventory step-up charges associated with acquisition ^(a)	-	-	1,567	-
Total adjustments	-	-	1,567	-
Non-GAAP Adjusted Gross Margin	\$ 155,060	\$ 138,887	\$ 473,351	\$ 410,416
Non-GAAP Adjusted Gross Margin as a Percentage of GAAP Total Revenues	56.5%	58.2%	57.7%	58.2%

a) Inventory step-up charges relate to our North American OTC Healthcare segment.

Reconciliation Schedules (Continued)

Adjusted G&A

(In Thousands)	Three Months Ended December 31,		Nine Months Ended December 31,	
	2021	2020	2021	2020
GAAP General and Administrative Expense	\$ 25,983	\$ 21,395	\$ 80,706	\$ 61,717
GAAP General and Administrative Expense as a Percentage of GAAP Total Revenue	9.5%	9.0%	9.8%	8.7%
Adjustments:				
Costs associated with acquisition ^(a)	-	-	5,127	-
Total adjustments	-	-	5,127	-
Non-GAAP Adjusted General and Administrative Expense	\$ 25,983	\$ 21,395	\$ 75,579	\$ 61,717
Non-GAAP Adjusted General and Administrative Expense Percentage as a Percentage of GAAP Total Revenues	9.5%	9.0%	9.2%	8.7%

a) Costs related to the consummation of the acquisition process such as insurance costs, legal and other acquisition related professional fees.

Reconciliation Schedules (Continued)

Adjusted EBITDA Margin

(In Thousands)	Three Months Ended December 31,		Nine Months Ended December 31,	
	2021	2020	2021	2020
GAAP Net Income	\$ 50,215	\$ 40,873	\$ 153,295	\$ 129,168
Interest expense, net	16,924	20,138	48,314	63,345
Provision for income taxes	15,278	12,803	48,198	34,572
Depreciation and amortization	8,050	7,609	23,607	22,627
Non-GAAP EBITDA	90,467	81,423	273,414	249,712
Non-GAAP EBITDA Margin	33.0%	34.1%	33.3%	35.4%
Adjustments:				
Inventory step-up charges associated with acquisition in Cost of Sales ^(a)	-	-	1,567	-
Costs associated with acquisition in General and Administrative Expense ^(b)	-	-	5,127	-
Loss on extinguishment of debt	-	-	2,122	-
Total adjustments	-	-	8,816	-
Non-GAAP Adjusted EBITDA	\$ 90,467	\$ 81,423	\$ 282,230	\$ 249,712
Non-GAAP Adjusted EBITDA Margin	33.0%	34.1%	34.4%	35.4%

a) Inventory step-up charges relate to our North American OTC Healthcare segment.

b) Costs related to the consummation of the acquisition process such as insurance costs, legal and other acquisition related professional fees.

Reconciliation Schedules (Continued)

Adjusted Net Income & Adjusted EPS

	Three Months Ended December 31,				Nine Months Ended December 31,			
	2021		2020		2021		2020	
	Net Income	EPS	Net Income	EPS	Net Income	EPS	Net Income	EPS
<i>(In Thousands, except per share data)</i>								
GAAP Net Income	\$ 50,215	\$ 0.99	\$ 40,873	\$ 0.81	\$ 153,295	\$ 3.02	\$ 129,168	\$ 2.55
Adjustments:								
Inventory step-up charges associated with acquisition in								
Cost of Sales ^(a)	-	-	-	-	1,567	0.03	-	-
Costs associated with acquisition in General and								
Administrative Expense ^(b)	-	-	-	-	5,127	0.10	-	-
Loss on extinguishment of debt	-	-	-	-	2,122	0.04	-	-
Tax impact of adjustments ^(c)	-	-	-	-	(2,134)	(0.04)	-	-
Normalized tax rate adjustment ^(d)	-	-	-	-	-	-	(5,106)	(0.10)
Total Adjustments	-	-	-	-	6,682	0.13	(5,106)	(0.10)
Non-GAAP Adjusted Net Income and Adjusted EPS	\$ 50,215	\$ 0.99	\$ 40,873	\$ 0.81	\$ 159,977	\$ 3.15	\$ 124,062	\$ 2.45

a) Inventory step-up charges relate to our North American OTC Healthcare segment.

b) Costs related to the consummation of the acquisition process such as insurance costs, legal and other acquisition related professional fees.

c) The income tax adjustments are determined using applicable rates in the taxing jurisdictions in which the above adjustments relate and includes both current and deferred income tax expense (benefit) based on the specific nature of the specific Non-GAAP performance measure.

d) Income tax adjustment to adjust for discrete income tax items.

Note: Amounts may not add due to rounding.

Reconciliation Schedules (Continued)

Adjusted Free Cash Flow

(In Thousands)	Three Months Ended December 31,		Nine Months Ended December 31,	
	2021	2020	2021	2020
GAAP Net Income	\$ 50,215	\$ 40,873	\$ 153,295	\$ 129,168
Adjustments:				
Adjustments to reconcile net income to net cash provided by operating activities as shown in the Statement of Cash Flows	17,052	16,844	52,280	46,619
Changes in operating assets and liabilities as shown in the Statement of Cash Flows	(970)	(8,490)	(8,779)	733
Total adjustments	16,082	8,354	43,501	47,352
GAAP Net cash provided by operating activities	66,297	49,227	196,796	176,520
Purchase of property and equipment	(2,229)	(5,728)	(6,481)	(17,347)
Non-GAAP Free Cash Flow	64,068	43,499	190,315	159,173
Payments associated with acquisition ^(a)	-	-	3,465	-
Non-GAAP Adjusted Free Cash Flow	\$ 64,068	\$ 43,499	\$ 193,780	\$ 159,173

a) Payments related to the consummation of the acquisition process such as insurance costs, legal and other acquisition related professional fees.

Reconciliation Schedules (Continued)

Projected EPS

	2022 Projected EPS	
	Low	High
Projected FY'22 GAAP Diluted EPS	\$ 3.87	\$ 3.91
Adjustments:		
Costs associated with acquisition, net of tax ^(a)	0.10	0.10
Loss on extinguishment of debt, net of tax	0.03	0.03
Total Adjustments	0.13	0.13
Projected Non-GAAP Adjusted EPS	\$ 4.00	\$ 4.04

^(a) Costs related to the consummation of the acquisition process such as inventory step-up charges, insurance costs, legal and other acquisition related professional fees.

Projected Free Cash Flow

(In millions)	
Projected FY'22 GAAP Net cash provided by operating activities	\$ 255
Purchases of property and equipment	(10)
Projected Non-GAAP Free Cash Flow	245
Payments associated with acquisition ^(a)	5
Projected Non-GAAP Adjusted Free Cash Flow	\$ 250

^(a) Payments related to the consummation of the acquisition process such as insurance costs, legal and other acquisition related professional fees.

