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 6, 2020

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

Delaware	001-32433	20-1297589
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(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 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 6, 2020, Prestige Consumer Healthcare Inc. (the “Company”) announced financial results for the fiscal quarter and nine months ended December 31, 2019. A copy of the press release announcing the Company's earnings results for the fiscal quarter and nine months ended December 31, 2019 is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Item 7.01 Regulation FD Disclosure.

On February 6, 2020, representatives of the Company began making presentations to investors regarding the Company's financial results for the quarter and nine months ended December 31, 2019 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, 2020.

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 6, 2020	PRESTIGE CONSUMER HEALTHCARE INC.	
	By:	/s/ Christine Sacco
		Christine Sacco
		Chief Financial Officer

EXHIBIT INDEX

Exhibit	Description
99.1	Press Release dated February 6, 2020 announcing the Company's financial results for the fiscal quarter and nine months ended December 31, 2019 (furnished only).
99.2	Investor Presentation in use beginning February 6, 2020 (furnished only).

Exhibit 99.1

Prestige Consumer Healthcare Inc. Reports Fiscal 2020 Third Quarter and Year-to-Date Results

- Revenue $241.6 Million in Q3 Fiscal 2020; Organic Revenue up 0.5% versus Prior Year Q3
- GAAP Diluted EPS of $0.75 in Q3 Fiscal 2020; Adjusted EPS of $0.81, Up 11% Versus Prior Year Q3
- Year-to-date Cash Flow From Operations of $161.0 Million; Non-GAAP Free Cash Flow of $154.3 Million
- Raising FY'20 EPS Outlook to $2.85 to $2.87 From $2.76 to $2.83 Previously

TARRYTOWN, N.Y.--(GLOBE NEWSWIRE)-February 6, 2020-- Prestige Consumer Healthcare Inc. (NYSE:PBH) today reported financial results for its third quarter and year-to-date fiscal 2020 ended December 31, 2019.

"Our third quarter and year to-date results reflect the benefits of our effective and proven three-pillar strategy. Positive organic top-line trends benefitted from continued strong consumption across our portfolio. We continue to generate strong cash flows and a consistent EBITDA margin profile, which allowed us to further reduce debt in Q3 and opportunistically repurchase shares year-to-date. Execution of our brand-building playbook combined with our disciplined and opportunistic capital deployment strategy are enabling us to raise our EPS outlook for full-year fiscal 2020," said Ron Lombardi, Chief Executive Officer of Prestige Consumer Healthcare.

Third Fiscal Quarter Ended December 31, 2019

Reported revenues in the third quarter of fiscal 2020 were $241.6 million compared to $241.4 million in the third quarter of fiscal 2019. Revenues were up 0.5% on an organic basis, which excludes the effect of foreign currency. The revenue performance for the quarter was driven by a strong international segment performance as well as consumption gains in the Company's core brand portfolio domestically, partially offset by continued retailer inventory reductions.

Reported gross profit margin in the third quarter fiscal 2020 was 56.9% compared to 57.7% in the prior year comparable period. Excluding transition costs associated with a new logistics provider and location, adjusted gross profit margin was 58.0% in third quarter fiscal 2020, a slight increase versus the prior year third quarter.

Reported net income for the third quarter of fiscal 2020 totaled $38.1 million, and $41.2 million in net income on a non-GAAP adjusted basis, versus the prior year comparable period net income of $38.2 million. Diluted earnings per share were $0.75 for the third quarter fiscal 2020, and $0.81 after one-time adjustments, compared to $0.73 per share in the prior year comparable period.

Adjustments to net income in the third quarter of fiscal 2020 included costs associated with a new logistics provider and location as well as a loss on extinguishment of debt, and the related income tax effects of each adjustment.

First Nine Months of Fiscal 2020 Ended December 31, 2019

Reported revenues for the first nine months of fiscal 2020 were $711.8 million compared to $734.8 million in the first nine months of fiscal 2019. Revenues were up slightly on an organic basis, which excludes the effect of foreign currency and the divestiture of the non-core Household Cleaning segment in the prior year. The revenue performance for the first nine months of fiscal 2020 was driven by strong international segment growth as well as consumption gains in the Company’s core brand portfolio domestically, partially offset by retailer inventory reductions.

Reported gross profit margin in the first nine months of fiscal 2020 was 57.4%, or 57.9% after excluding the one-time effects of the company’s transition to a new logistics provider and location, and compared to 56.8% for the first nine months of fiscal 2019.

Reported net income for the first nine months of fiscal 2020 totaled $105.2 million versus the prior year comparable period net income of $103.5 million. Diluted earnings per share were $2.05 for the first nine months of fiscal 2020, compared to $1.97 per share in the prior year comparable period. Non-GAAP adjusted net income for the first nine months of fiscal 2020 was $109.5 million, versus the prior year comparable period’s adjusted net income of $108.2 million. Non-GAAP adjusted earnings per share were $2.14 per share for the first nine months of fiscal 2020, compared to $2.06 per share in the first nine months of fiscal 2019.

Adjustments to net income in the first nine months of fiscal 2020 included costs associated with a new logistics provider and location as well as a loss on extinguishment of debt, and the related income tax effects of the adjustments. Adjustments to net income in the first nine months of fiscal 2019 included legal and various other costs and a gain associated with the Household Cleaning segment divestiture and the related income tax, as well as accelerated amortization of debt origination costs.

Free Cash Flow and Balance Sheet

The Company's net cash provided by operating activities for the third quarter fiscal 2020 increased to $58.0 million from $43.3 million during the same period a year earlier. Non-GAAP free cash flow for the third quarter fiscal 2020 was $56.3, million compared to $57.2 million in the prior year comparable period. For the first nine months of fiscal 2020 net cash provided by operating activities was $161.0 million compared to $138.4 million during the same period a year earlier. Non-GAAP free cash flow for the first nine months of fiscal 2020 was $154.3 million compared to $154.9 million in the prior year comparable period.

In fiscal 2020 year-to-date, the Company primarily used its cash flow to focus on debt reduction. The Company also fully executed an authorized $50 million share repurchase program during the first two fiscal quarters of 2020.

During the third quarter 2020 the Company completed a $400 million issuance of new senior notes which replaced the same amount of senior notes previously due in fiscal 2022. The new notes extend the maturity to fiscal 2028 at an approximate $1 million annual savings.

The Company's net debt position as of December 31, 2019 was approximately $1.7 billion, compared to approximately $1.8 billion at December 31, 2018. At the end of the third quarter fiscal 2020 the Company's covenant-defined leverage ratio was 4.9x.

Segment Review

North American OTC Healthcare: Segment revenues totaled $214.9 million for the third quarter of fiscal 2020, compared to the prior year comparable quarter's revenues of $216.8 million. The third quarter fiscal 2020 revenue performance was attributable to increased consumption for the Company’s core OTC brands which was more than offset by retailer inventory reductions.

For the first nine months of the current fiscal year, reported revenues for the North American OTC Healthcare segment were $639.6 million compared to $647.5 million in the prior year comparable period. The first nine months of fiscal year 2020 were favorably impacted by increased consumption for the Company’s brand portfolio, but more than offset by inventory reductions at certain key retailers.

International OTC Healthcare: Segment fiscal third quarter 2020 revenues totaled $26.7 million, an approximate 8% increase versus $24.6 million reported in the prior year comparable period. Revenues versus the prior year third quarter benefitted from consumption and shipment growth in Australia and Asia-Pacific, partially offset by unfavorable foreign currency of approximately $1 million.

For the first nine months of the current fiscal year, reported revenues for the International OTC Healthcare segment were $72.2 million versus the prior year’s comparable period’s revenues of $67.4 million, attributable to consumption and shipment growth in the Asia-Pacific region, including the Company’s brand portfolio in Australia and Southeast Asia. Growth was partially offset by unfavorable foreign currency exchange rates of approximately $3 million.

Household Cleaning: The Company sold its Household Cleaning segment on July 2, 2018 and used net proceeds from the divestiture to pay down debt. For the first quarter of fiscal 2019, the Household Cleaning segment generated $19.8 million in revenues, with no reported revenue in subsequent quarters.

Commentary and Outlook for Fiscal 2020

Ron Lombardi, CEO, stated, “We are pleased with our third quarter results on a number of fronts. First, we experienced a continuation of solid consumption trends driven by our brand-building investment strategy. Second, we are more than halfway through the transition to a new third-party logistics provider and location which is proceeding as planned. Finally, we continue to generate strong cash flows from our leading financial profile, which we used for debt reduction in Q3."

Mr. Lombardi continued, "Our strong operating results and disciplined use of cash flow during the first nine months of the fiscal year has enabled us to raise our EPS outlook for full-year fiscal 2020. As we look ahead to fiscal 2021, we anticipate continuing to benefit from our diversified portfolio of leading brands which has us well positioned in a continued challenging retailer environment. We expect our robust financial profile, enhanced by our disciplined capital deployment strategy, to continue to create value for our stakeholders. These attributes and our year-to-date performance keep us well positioned to capitalize on our long-term growth prospects," Mr. Lombardi concluded.

	Fiscal 2020 Full-Year Outlook
Revenue	$947 to $957 million
Organic Growth Percentage*	Approximately Flat
Adjusted E.P.S.*	$2.85 to $2.87
Adjusted Free Cash Flow*	$200 million or more hh

** See the "About Non-GAAP Financial Measures" section of this report for further presentation information.*

Fiscal Q3 2020 Conference Call, Accompanying Slide Presentation and Replay
The Company will host a conference call to review its second quarter results today, February 6, 2020 at 8:30 a.m. ET. The toll-free dial-in numbers are 844-233-9440 within North America and 574-990-1016 outside of North America. The conference ID number is 5006769. 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 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 5006769.

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 "assumptions," "target," "guidance," "prospects," "outlook,"

"plans," "projection," "may," "will," "would," "expect," "intend," "estimate," "anticipate," "believe", "potential," 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 expected consumption trends and market share for the Company's products, costs and timing of the transition to a new logistics provider, the Company's expectations regarding future operating results including revenues, organic growth, earnings per share and free cash flow, the Company's disciplined capital allocation, the Company's ability to create value for its stakeholders and reduce debt and the Company's ability to position itself for long-term growth. 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 Company's advertising and promotional and new product development initiatives, customer inventory management initiatives, general economic and business conditions, fluctuating foreign exchange rates, consumer trends, competitive pressures, the impact of the transition to a new third party logistics provider, and the ability of the Company's third party manufacturers and logistics providers and suppliers to meet demand for its products and to reduce costs. 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, 2019 and other periodic reports filed with the Securities and Exchange Commission.

About Prestige Consumer Healthcare Inc.

Prestige Consumer Healthcare markets, sells, manufactures and distributes consumer healthcare products to retail outlets 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® 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)

(In thousands, except per share data)	Three Months Ended December 31, 2019	Three Months Ended December 31, 2018	Nine Months Ended December 31, 2019	Nine Months Ended December 31, 2018
Total revenues	$ 241,552	$ 241,414	$ 711,775	$ 734,751
Cost of Sales				
Cost of sales excluding depreciation	102,900	100,997	300,318	313,713
Cost of sales depreciation	1,157	1,182	3,144	3,708
Cost of sales	104,057	102,179	303,462	317,421
Gross profit	137,495	139,235	408,313	417,330
Operating Expenses				
Advertising and promotion	33,559	34,504	107,027	108,657
General and administrative	21,308	20,485	65,528	68,460
Depreciation and amortization	6,224	6,705	18,520	20,545
Gain on divestiture	—	—	—	(1,284)
Total operating expenses	61,091	61,694	191,075	196,378
Operating income	76,404	77,541	217,238	220,952
Other (income) expense				
Interest income	(245)	(39)	(320)	(172)
Interest expense	24,520	26,366	74,092	79,509
Other (income) expense, net	(580)	218	695	640
Loss on extinguishment of debt	2,155	—	2,155	—
Total other expense	25,850	26,545	76,622	79,977
Income before income taxes	50,554	50,996	140,616	140,975
Provision for income taxes	12,496	12,829	35,381	37,501
Net income	$ 38,058	$ 38,167	$ 105,235	$ 103,474
Earnings per share:				
Basic	$ 0.76	$ 0.74	$ 2.07	$ 1.99
Diluted	$ 0.75	$ 0.73	$ 2.05	$ 1.97
Weighted average shares outstanding:				
Basic	50,378	51,881	50,840	52,119
Diluted	50,831	52,202	51,226	52,431
Comprehensive income, net of tax:				
Currency translation adjustments	3,497	(2,020)	(311)	(7,139)
Total other comprehensive income (loss)	3,497	(2,020)	(311)	(7,139)
Comprehensive income	$ 41,555	$ 36,147	$ 104,924	$ 96,335

Prestige Consumer Healthcare Inc.

Condensed Consolidated Balance Sheets

(Unaudited)

(In thousands)	**December 31, 2019**	**March 31, 2019**
Assets		
Current assets		
Cash and cash equivalents	$ 28,591	$ 27,530
Accounts receivable, net of allowance of $21,475 and $12,965, respectively	144,502	148,787
Inventories	121,363	119,880
Prepaid expenses and other current assets	5,913	4,741
Total current assets	300,369	300,938
Property, plant and equipment, net	53,233	51,176
Operating lease right-of-use asset	31,342	—
Finance lease right-of-use assets, net	5,895	—
Goodwill	577,635	578,583
Intangible assets, net	2,491,539	2,507,210
Other long-term assets	4,189	3,129
Total Assets	$ 3,464,202	$ 3,441,036
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	$ 50,408	$ 56,560
Accrued interest payable	14,482	9,756
Operating lease liabilities, current portion	6,377	—
Finance lease liabilities, current portion	1,159	—
Other accrued liabilities	76,610	60,663
Total current liabilities	149,036	126,979
Long-term debt, net	1,701,313	1,798,598
Deferred income tax liabilities	407,776	399,575
Long-term operating lease liabilities, net of current portion	26,200	—
Long-term finance lease liabilities, net of current portion	4,725	—
Other long-term liabilities	18,658	20,053
Total Liabilities	2,307,708	2,345,205
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 - 53,779 shares at December 31, 2019 and 53,670 shares at March 31, 2019	537	536
Additional paid-in capital	485,838	479,150
Treasury stock, at cost - 3,525 shares at December 31, 2019 and 1,871 shares at March 31, 2019	(110,878)	(59,928)
Accumulated other comprehensive loss, net of tax	(26,058)	(25,747)
Retained earnings	807,055	701,820
Total Stockholders' Equity	1,156,494	1,095,831
Total Liabilities and Stockholders' Equity	$ 3,464,202	$ 3,441,036

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

	Nine Months Ended December 31,	
(In thousands)	**2019**	**2018**
Operating Activities		
Net income	$ 105,235	$ 103,474
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	21,664	24,253
Gain on divestiture	—	(1,284)
Loss on disposal of property and equipment	184	197
Deferred income taxes	7,383	3,309
Amortization of debt origination costs	2,766	4,543
Stock-based compensation costs	5,682	6,160
Loss on extinguishment of debt	2,155	—
Non-cash operating lease cost	6,117	—
Interest expense relating to ROU assets	34	—
Other	—	247
Changes in operating assets and liabilities:		
Accounts receivable	4,624	5,398
Inventories	(817)	(11,081)
Prepaid expenses and other current assets	(879)	4,073
Accounts payable	(6,091)	(12,787)
Accrued liabilities	20,724	13,260
Operating lease liabilities	(6,430)	—
Other	(1,353)	(1,325)
Net cash provided by operating activities	160,998	138,437
Investing Activities		
Purchases of property, plant and equipment	(9,055)	(7,139)
Escrow receipt	750	—
Proceeds from divestiture	—	65,912
Net cash (used in) provided by investing activities	(8,305)	58,773
Financing Activities		
Proceeds from issuance of 5.125% Senior Notes	400,000	—
Repayment of 5.375% Senior Notes	(400,000)	—
Term loan repayments	(21,000)	(155,000)
Borrowings under revolving credit agreement	45,000	45,000
Repayments under revolving credit agreement	(120,000)	(45,000)
Payment of debt costs	(5,793)	—
Payments of finance leases	(252)	—
Proceeds from exercise of stock options	1,007	2,931
Fair value of shares surrendered as payment of tax withholding	(974)	(2,281)
Repurchase of common stock	(49,976)	(49,978)
Net cash used in financing activities	(151,988)	(204,328)
Effects of exchange rate changes on cash and cash equivalents	356	(758)
Increase in cash and cash equivalents	1,061	(7,876)
Cash and cash equivalents - beginning of period	27,530	32,548
Cash and cash equivalents - end of period	$ 28,591	$ 24,672
Interest paid	$ 66,305	$ 69,955
Income taxes paid	$ 21,212	$ 24,404

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

(In thousands)	Three Months Ended December 31, 2019			
	North American OTC Healthcare	International OTC Healthcare	Household Cleaning	Consolidated
Total segment revenues*	$ 214,892	$ 26,660	$ —	$ 241,552
Cost of sales	93,937	10,120	—	104,057
Gross profit	120,955	16,540	—	137,495
Advertising and promotion	29,025	4,534	—	33,559
Contribution margin	$ 91,930	$ 12,006	$ —	103,936
Other operating expenses				27,532
Operating income				76,404
Other expense				25,850
Income before income taxes				50,554
Provision for income taxes				12,496
Net income				$ 38,058

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

(In thousands)	Nine Months Ended December 31, 2019			
	North American OTC Healthcare	International OTC Healthcare	Household Cleaning	Consolidated
Total segment revenues*	$ 639,554	$ 72,221	$ —	$ 711,775
Cost of sales	275,679	27,783	—	303,462
Gross profit	363,875	44,438	—	408,313
Advertising and promotion	94,634	12,393	—	107,027
Contribution margin	$ 269,241	$ 32,045	$ —	301,286
Other operating expenses				84,048
Operating income				217,238
Other expense				76,622
Income before income taxes				140,616
Provision for income taxes				35,381
Net income				$ 105,235

*Intersegment revenues of $2.1 million were eliminated from the North American OTC Healthcare segment.

(In thousands)	Three Months Ended December 31, 2018 North American OTC Healthcare	International OTC Healthcare	Household Cleaning	Consolidated
Total segment revenues*	$ 216,776	$ 24,638	$ —	$ 241,414
Cost of sales	91,594	10,585	—	102,179
Gross profit	125,182	14,053	—	139,235
Advertising and promotion	30,316	4,188	—	34,504
Contribution margin	$ 94,866	$ 9,865	$ —	104,731
Other operating expenses				27,190
Operating income				77,541
Other expense				26,545
Income before income taxes				50,996
Provision for income taxes				12,829
Net income				$ 38,167

* Intersegment revenues of $1.3 million were eliminated from the North American OTC Healthcare segment.

(In thousands)	Nine Months Ended December 31, 2018 North American OTC Healthcare	International OTC Healthcare	Household Cleaning	Consolidated
Total segment revenues*	$ 647,501	$ 67,439	$ 19,811	$ 734,751
Cost of sales	272,754	28,079	16,588	317,421
Gross profit	374,747	39,360	3,223	417,330
Advertising and promotion	96,899	11,328	430	108,657
Contribution margin	$ 277,848	$ 28,032	$ 2,793	308,673
Other operating expenses				87,721
Operating income				220,952
Other expense				79,977
Income before income taxes				140,975
Provision for income taxes				37,501
Net income				$ 103,474

* Intersegment revenues of $5.6 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 Growth 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 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 divestiture, allocated cost that remain after divestiture and impact of foreign currency exchange rates in the periods presented.
- *Non-GAAP Organic Revenue Growth 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 certain transition and other costs associated with new warehouse and divestiture.
- *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 certain transition and divestiture-related costs.
- *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 (Loss) before net interest expense (income), income taxes provision (benefit), 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 before certain transition, other costs associated with new warehouse and divestiture, 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 certain transition, other costs associated with new warehouse and divestiture, and loss on extinguishment of debt.
- *Non-GAAP Adjusted EPS*: Calculated as Non-GAAP Adjusted Net Income, divided by the weighted average number of common and potential common shares outstanding during the period.
- *Non-GAAP Free Cash Flow*: GAAP Net cash provided by operating activities less cash paid for capital expenditures.
- *Non-GAAP Adjusted Free Cash Flow*: Non-GAAP Free Cash Flow plus cash payments made for transition and other costs associated with new warehouse and divestiture.
- *Net Debt*: Calculated as total principal amount of debt outstanding ($1,717,000 at December 31, 2019) less cash and cash equivalents ($28,591 at December 31, 2019). Amounts in thousands.

The following tables set forth the reconciliations of each of our NGFMs 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 Growth percentage:

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2019	2018	2019	2018
In thousands)				
GAAP Total Revenues	$ 241,552	$ 241,414	$ 711,775	$ 734,751
Revenue Growth	0.1 %		(3.1)%	
Adjustments:				
Revenues associated with divestiture	—	—	—	(19,811)
Allocated costs that remain after divestiture	—	—	—	(659)
Impact of foreign currency exchange rates	—	(977)	—	(3,534)
Total adjustments	—	(977)	—	(24,004)
Non-GAAP Organic Revenues	$ 241,552	$ 240,437	$ 711,775	$ 710,747
Non-GAAP Organic Revenue Growth	0.5 %		0.1 %	

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

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2019	2018	2019	2018
(In thousands)				
GAAP Total Revenues	$ 241,552	$ 241,414	$ 711,775	$ 734,751
GAAP Gross Profit	$ 137,495	$ 139,235	$ 408,313	$ 417,330
GAAP Gross Profit as a Percentage of GAAP Total Revenue	56.9 %	57.7 %	57.4 %	56.8 %
Adjustments:				
Transition and other costs associated with new warehouse and divestiture (1)	2,555	—	3,962	170
Total adjustments	2,555	—	3,962	170
Non-GAAP Adjusted Gross Margin	$ 140,050	$ 139,235	$ 412,275	$ 417,500
Non-GAAP Adjusted Gross Margin as a Percentage of GAAP Total Revenues	58.0 %	57.7 %	57.9 %	56.8 %

(1) Items related to new warehouse represent costs to transition to the new warehouse and duplicate costs incurred during the transition. Items related to divestiture represent costs related to divesting of assets sold.

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,	
	2019	2018	2019	2018
(In thousands)				
GAAP General and Administrative Expense	$ 21,308	$ 20,485	$ 65,528	$ 68,460
GAAP General and Administrative Expense as a Percentage of GAAP Total Revenue	8.8 %	8.5 %	9.2 %	9.3 %
Adjustments:				
Transition and other costs associated with divestiture (1)	—	—	—	4,272
Total adjustments	—	—	—	4,272
Non-GAAP Adjusted General and Administrative Expense	$ 21,308	$ 20,485	$ 65,528	$ 64,188
Non-GAAP Adjusted General and Administrative Expense Percentage as a Percentage of GAAP Total Revenues	8.8 %	8.5 %	9.2 %	8.7 %

(1) Items related to divestiture represent costs related to divesting of assets sold, including (but not limited to) costs to exit or convert contractual obligations, severance and consulting costs; and certain costs related to the consummation of the divestiture process such as legal and other 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,	
	2019	2018	2019	2018
(In thousands)				
GAAP Net Income	$ 38,058	$ 38,167	$ 105,235	$ 103,474
Interest expense, net	24,275	26,327	73,772	79,337
Provision for income taxes	12,496	12,829	35,381	37,501
Depreciation and amortization	7,381	7,887	21,664	24,253
Non-GAAP EBITDA	82,210	85,210	236,052	244,565
Non-GAAP EBITDA Margin	34.0 %	35.3 %	33.2 %	33.3 %
Adjustments:				
Transition and other costs associated with new warehouse and divestiture in Cost of Goods Sold (1)	2,555	—	3,962	170
Transition and other costs associated with divestiture in General and Administrative Expense (2)	—	—	—	4,272
Loss on extinguishment of debt	2,155	—	2,155	—
Gain on divestiture	—	—	—	(1,284)
Total adjustments	4,710	—	6,117	3,158
Non-GAAP Adjusted EBITDA	$ 86,920	$ 85,210	$ 242,169	$ 247,723
Non-GAAP Adjusted EBITDA Margin	36.0 %	35.3 %	34.0 %	33.7 %

(1) Items related to new warehouse represent costs to transition to the new warehouse and duplicate costs incurred during the transition. Items related to divestiture represent costs related to divesting of assets sold.
(2) Items related to divestiture represent costs related to divesting of assets sold, including (but not limited to) costs to exit or convert contractual obligations, severance and consulting costs; and certain costs related to the consummation of the divestiture process such as legal and other related professional fees.

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

	Three Months Ended December 31,				Nine Months Ended December 31,			
	2019	2019 Adjusted EPS	2018	2018 Adjusted EPS	2019	2019 Adjusted EPS	2018	2018 Adjusted EPS
In thousands, except per share data)								
GAAP Net Income	$ 38,058	$ 0.75	$ 38,167	$ 0.73	$ 105,235	$ 2.05	$ 103,474	$ 1.97
Adjustments:								
Transition and other costs associated with new warehouse and divestiture in Cost of Goods Sold (1)	2,555	0.05	—	—	3,962	0.08	170	—
Transition and other costs associated with divestiture in General and Administrative Expense (2)	—	—	—	—	—	—	4,272	0.08
Loss on extinguishment of debt	2,155	0.04	—	—	2,155	0.04		—
Gain on divestiture	—	—	—	—	—	—	(1,284)	(0.02)
Accelerated amortization of debt origination costs	—	—	—	—	—	—	706	0.01
Tax impact of adjustments (3)	(1,196)	(0.02)	—	—	(1,554)	(0.03)	420	0.01
Normalized tax rate adjustment (4)	(345)	(0.01)	—	—	(335)	(0.01)	415	0.01
Total adjustments	3,169	0.06	—	—	4,228	0.08	4,699	0.09
Non-GAAP Adjusted Net Income and Adjusted EPS	$ 41,227	$ 0.81	$ 38,167	$ 0.73	$ 109,463	$ 2.14	$ 108,173	$ 2.06

Note: Amounts may not add due to rounding.
(1) Items related to new warehouse represent costs to transition to the new warehouse and duplicate costs incurred during the transition. Items related to divestiture represent costs related to divesting of assets sold.
(2) Items related to divestiture represent costs related to divesting of assets sold, including (but not limited to) costs to exit or convert contractual obligations, severance and consulting costs; and certain costs related to the consummation of the divestiture process such as legal and other 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.

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

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2019	2018	2019	2018
(In thousands)				
GAAP Net Income	$ 38,058	$ 38,167	$ 105,235	$ 103,474
Adjustments:				
Adjustments to reconcile net income to net cash provided by operating activities as shown in the Statement of Cash Flows	17,089	14,371	45,985	37,425
Changes in operating assets and liabilities as shown in the Statement of Cash Flows	2,851	(9,208)	9,778	(2,462)
Total adjustments	19,940	5,163	55,763	34,963
GAAP Net cash provided by operating activities	57,998	43,330	160,998	138,437
Purchases of property and equipment	(3,233)	(2,065)	(9,055)	(7,139)
Non-GAAP Free Cash Flow	54,765	41,265	151,943	131,298
Transition and other payments associated with new warehouse and divestiture (1)	1,517	3,284	2,327	10,902
Additional income tax payments associated with divestiture	—	12,656	—	12,656
Non-GAAP Adjusted Free Cash Flow	$ 56,282	$ 57,205	$ 154,270	$ 154,856

(1) Payments related to new warehouse represent costs to transition to the new warehouse and duplicate costs incurred during the transition. Payments related to divestiture represent costs related to divesting of assets sold, including (but not limited to) costs to exit or convert contractual obligations, severance and consulting costs; and certain costs related to the consummation of the divestiture process such as legal and other related professional fees.

Outlook for Fiscal Year 2020:

Reconciliation of Projected GAAP EPS to Projected Non-GAAP Adjusted EPS:

	2020 Projected EPS	
	Low	**High**
Projected FY'20 GAAP EPS	$ 2.67	$ 2.69
Adjustments:		
Integration of new logistics provider [1]	0.15	0.15
Loss on extinguishment of debt	0.03	0.03
Total Adjustments	0.18	0.18
Projected Non-GAAP Adjusted EPS	$ 2.85	$ 2.87

(1) Represents costs to integrate our new logistics provider into our operations.

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

(In millions)	**2020 Projected Free Cash Flow**
Projected FY'20 GAAP Net cash provided by operating activities	$ 205
Additions to property and equipment for cash	(15)
Projected Non-GAAP Free Cash Flow	190
Payments associated with integration of new logistics provider	10
Projected Non-GAAP Adjusted Free Cash Flow	$ 200

Exhibit 99.2

Prestige Consumer Healthcare

Third Quarter FY 2020 Results

February 6th, 2020

Safe Harbor Disclosure

This presentation contains certain "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995, suc as statements regarding the Company's expected financial performance, including Revenues, Organic Revenue, Adjusted EPS, and Adjusted Fre Cash Flow; the market share, expected growth and consumption trends for the Company's brands; the expected cost of transition to a new logistics provider; the impact of brand-building and product innovation and the related impact on the Company's revenues; the Company's disciplined capital allocation; the Company's use of cash to pay down debt and expected Leverage Ratio; the Company's international performance; and the impact and continuation of retailer destocking. Words such as "trend," "continue," "will," "expect," "project," "anticipate," "likely," "estimate," "may," "should," "could," "would," 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 facto that may cause actual results to differ materially from those expressed or implied by such forward-looking statements. These factors include, among others, general economic and business conditions, regulatory matters, competitive pressures, consumer trends, retail inventory management initiatives, supplier issues, the impact of the transition to a new third party logistics provider, unexpected costs or liabilities, 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, 2019. 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 schedul or in our February 6, 2020 earnings release in the "About Non-GAAP Financial Measures" section.

Agenda for Today's Discussion

I. Performance Highlights

II. Financial Overview

III. FY 20 Outlook

I. Performance Highlights

Solid Financial Performance in Q3 FY 20

Consistent Portfolio Performance

- Q3 Revenue of $241.6 million, up 0.5% versus prior year on an organic basis[(1)]
  - Strong growth in international segment driven by Australia
- Consumption growth[(2)] of ~2% continues to meaningfully outpace revenue growth

Strong Earnings and FCF

- Adjusted EPS[(3)] of $0.81, up 11.0% versus prior year
- Adjusted Gross Margin[(3)] of 58.0%, up slightly versus prior year
- Adjusted Free Cash Flow[(3)] of $56.3 million

Capital Allocation

- Total debt paydown of $50 million in the quarter, resulting in Leverage Ratio of 4.9x[(4)]
- Continued focus on de-leveraging enables future capital allocation optionality

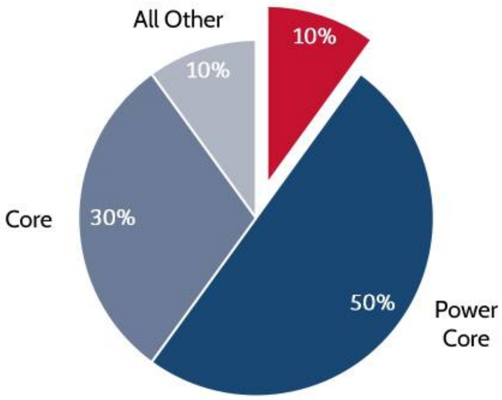
Strong Financial Performance YTD Q3 FY 20

- Revenue of $711.8 million, flat organically[1] versus prior year, as expected
- Consumption continues to meaningfully outpace revenue growth[2]
- Adjusted EPS of $2.14[3], up ~4% versus prior year
- Adjusted Free Cash Flow[3] of $154.3 million enabled efficient capital allocation
- Raising FY 20 Adjusted EPS[5] Guidance

Attractive International Business

Growing International Presence

% of YTD Revenue



Key Brands in Key Geographies

	% Intl. Revenue	Key Brands	YTD Growth
Australia 	57%	Fess, Hydralyte, Murine	17%
Singapore & ROW 	29%	DenTek, Fleet, Little Remedies, Summer's Eve	9%
Europe 	14%	DenTek, Murine, Ultra Chloraseptic	(1%)

Sustained Growth

Year-to-Date
12%
Growth

Long-Term
5%+
Growth Target

Note: All growth figures exclude the effect of currency fluctuations

Hydralyte: Playbook for Brand Building & Long-Term Growth

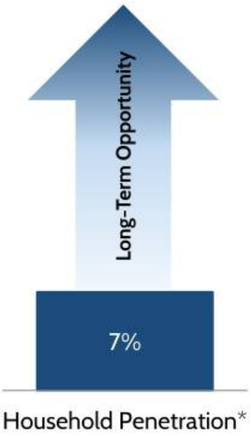
Hydra

Category Defining Brand

Oral Rehydration #1 Brand

Market 93% Share

YTD Revenue 22% Growth



Initiatives to Increase Penetration

Product Extensions

- Shifting marketing: traditional to digital
- Consumer purchases driven by flavor and format

Corporate Social Responsibili

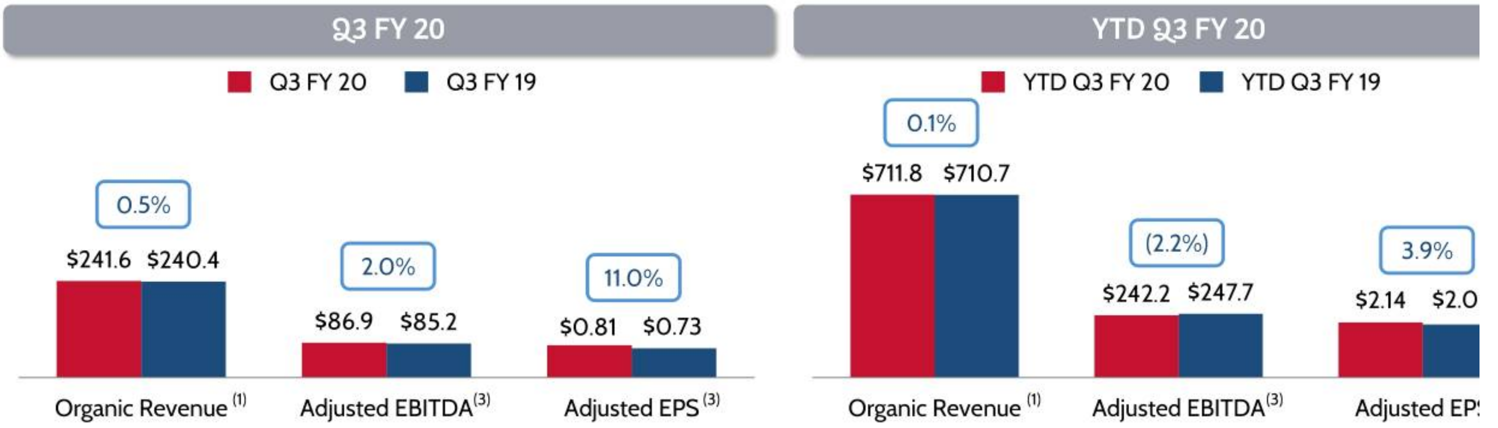
- Working with Foodbank Australia and Rural Fireservice to donate product an in affected areas

*IRI ORS Category MAT 24.11.19

II. Financial Overview

Key Financial Results for Third Quarter & YTD Q3 Performance

- Overall financial performance as expected in the quarter:
  - Q3 Revenue of $241.6 million, up 0.5% organically[1] versus prior year
  - Q3 Adjusted EBITDA[3] of $86.9 million, up 2.0% versus prior year
  - Q3 Adjusted EPS[3] of $0.81, an increase of 11.0% versus prior year, and YTD FY 20 Adjusted EPS[3] of $2.14



Dollar values in millions, except per share data.

FY 20 Third Quarter Consolidated Financial Summary

	3 Months Ended			9 Months Ended		
	Q3 FY 20	Q3 FY 19	% Chg	Q3 FY 20	Q3 FY 19	% Chg
Total Revenue	$ 241.6	$ 241.4	*0.1%*	$ 711.8	$ 734.8	*(3.1%)*
Adjusted Gross Margin[3]	140.1	139.2	*0.6%*	412.3	417.5	*(1.3%)*
% Margin	*58.0%*	*57.7%*		*57.9%*	*56.8%*	
A&P	33.6	34.5	*(2.7%)*	107.0	108.7	*(1.5%)*
% Total Revenue	*13.9%*	*14.3%*		*15.0%*	*14.8%*	
Adjusted G&A[3]	21.3	20.5	*4.0%*	65.5	64.2	*2.1%*
% Total Revenue	*8.8%*	*8.5%*		*9.2%*	*8.7%*	
D&A (ex. COGS D&A)	6.2	6.7	*(7.2%)*	18.5	20.5	*(9.9%)*
% Total Revenue	*2.6%*	*2.8%*		*2.6%*	*2.8%*	
Adjusted Operating Income[3]	$ 79.0	$ 77.5	*1.8%*	$ 221.2	$ 224.1	*(1.3%)*
% Margin	*32.7%*	*32.1%*		*31.1%*	*30.5%*	
Adjusted Earnings Per Share[3]	$ 0.81	$ 0.73	*11.0%*	$ 2.14	$ 2.06	*3.9%*
Adjusted EBITDA[3]	$ 86.9	$ 85.2	*2.0%*	$ 242.2	$ 247.7	*(2.2%)*
% Margin	*36.0%*	*35.3%*		*34.0%*	*33.7%*	

Comments

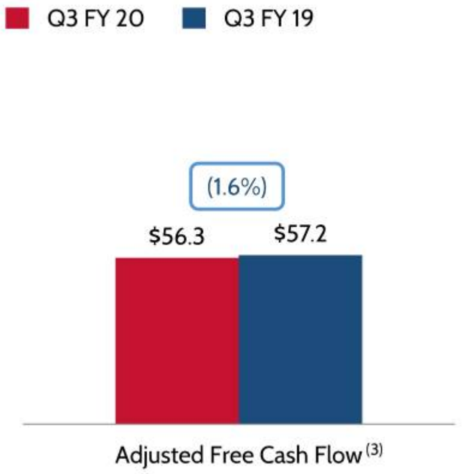
- Organic Revenue growth approximately flat versus p year[1]
  - Consumption growth continues to meaning outpace revenue grow
- Adjusted Gross Margin[3] of 58.0% in Q3, flat sequentia and up ~30 bps versus prio
- A&P was 15.0% of YTD Rev lower in second half as exp
- Adjusted EBITDA[3] was 34. YTD Revenue, in-line with expectations and prior year

Dollar values in millions, except per share data.

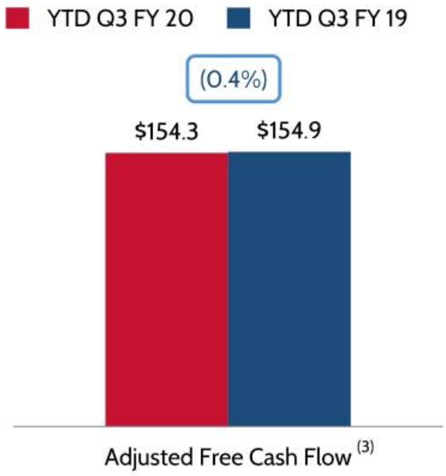
Industry Leading Free Cash Flow Trends

Adjusted Free Cash Flow[3]

Q3 FY 20



YTD Q3 FY 20



Comments

- Net Debt[3] at December 31 of $1.7 billion; Leve
  Ratio of 4.9x[4] at end of Q3
  - Successfully repriced and extended maturi
    $400 million Senior Notes
- $50 million debt paydown in Q3 and ~$100 n
  YTD
- Significant progress made in transitioning to n
  warehouse
  - Still anticipate ~$10 million in one-time tra
    costs
- Continue to expect $200 million+ Adjusted Fr
  Cash Flow[6] for FY 20

Dollar values in millions.

III. FY 20 Outlook

Raising FY 20 Full Year EPS Outlook

Top Line Trends	▪ Continuing to gain market share with consumers and grow categories for retailers ▪ Portfolio of need-based brands continues to be well positioned for long-term growth, offsetting inventory reductions at retail ▪ Expect no change to retailer de-stocking trends in medium term, particularly in the drug channel
Revenue	▪ Reported Revenue of $947 to $957 million, Organic Revenue[1] expected to be approximately flat – Expect full-year consumption growth in excess of shipment growth – Expect continued strong international performance
EPS	▪ Increasing FY 20 Adjusted EPS[5] guidance to $2.85-$2.87 from $2.76-$2.83 previously
Free Cash Flow & Allocation	▪ Adjusted Free Cash Flow[6] of $200 million or more ▪ Continue to execute disciplined capital allocation strategy ▪ Target Leverage Ratio[4] of approximately 4.7x by fiscal year end

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 in the "About Non-GAAP Financial Measures" section.

(2) Total company consumption is based on domestic IRI multi-outlet + C-Store retail sales for the period ending 12-29-19, direct point of sale consumption 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, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Operating Income, Adjusted Net Income, Adjusted EPS, Free Cash Flow, 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 in the "About Non-GAAP Financial Measures" section.

(4) Leverage Ratio reflects net debt / covenant defined EBITDA.

(5) Adjusted EPS for FY 20 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 integration of our new logistics provider and loss on extinguishment of debt.

(6) Adjusted Free Cash Flow for FY 20 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 payments associated with the integration of our new logistics provider.

Reconciliation Schedules

Organic Revenue Growth

	Three Months Ended Dec. 31, 2019	Three Months Ended Dec. 31, 2018	Nine Months Ended Dec. 31, 2019	Nine Months Ended Dec. 31, 2018
(In Thousands)				
GAAP Total Revenues	$ 241,552	$ 241,414	$ 711,775	$ 734,751
Revenue Growth	0.1%		(3.1%)	
Adjustments:				
Revenue associated with divestiture	-	-	-	(19,811)
Allocated costs that remain after divestiture	-	-	-	(659)
Impact of foreign currency exchange rates	-	(977)	-	(3,534)
Total Adjustments	$ -	$ (977)	$ -	$ (24,004)
Non-GAAP Organic Revenues	$ 241,552	$ 240,437	$ 711,775	$ 710,747
Non-GAAP Organic Revenues Growth	0.5%		0.1%	

Reconciliation Schedules (Continued)

Adjusted Gross Margin

	Three Months Ended Dec. 31,		Nine Months Ended Dec. 31,	
	2019	2018	2019	2018
(In Thousands)				
GAAP Total Revenues	$ 241,552	$ 241,414	$ 711,775	$ 734,751
GAAP Gross Profit	$ 137,495	$ 139,235	$ 408,313	$ 417,330
GAAP Gross Profit as a Percentage of GAAP Total Revenue	56.9%	57.7%	57.4%	56.8%
Adjustments:				
Transition and other costs associated with new warehouse and divestiture [a]	2,555	-	3,962	170
Total adjustments	2,555	-	3,962	170
Non-GAAP Adjusted Gross Margin	$ 140,050	$ 139,235	$ 412,275	$ 417,500
Non-GAAP Adjusted Gross Margin as a Percentage of GAAP Total Revenues	58.0%	57.7%	57.9%	56.8%

a) Items related to new warehouse represent costs to transition to the new warehouse and duplicate costs incurred during the transition. Items related to divestiture represent costs related to divesting of assets sold.

Adjusted G&A

	Three Months Ended Dec. 31,		Nine Months Ende
	2019	2018	2019
(In Thousands)			
GAAP General and Administrative Expense	$ 21,308	$ 20,485	$ 65,528
GAAP General and Administrative Expense as a Percentage of GAAP Total Revenue	8.8%	8.5%	9.2%
Adjustments:			
Transition and other costs associated with divestiture [a]	-	-	-
Total adjustments	-	-	-
Non-GAAP Adjusted General and Administrative Expense	$ 21,308	$ 20,485	$ 65,528
Non-GAAP Adjusted General and Administrative Expense Percentage as a Percentage of GAAP Total Revenues	8.8%	8.5%	9.2%

a) Items related to divestiture represent costs related to divesting of assets sold including (but not limited to), cos
or convert contractual obligations, severance and consulting costs; and certain costs related to the consummat
divestiture process such as insurance costs, legal and other related professional fees.

Reconciliation Schedules (Continued)

Adjusted EBITDA

	Three Months Ended Dec. 31, 2019	Three Months Ended Dec. 31, 2018	Nine Months Ended Dec. 31, 2019	Nine Months Ended Dec. 31, 2018
(In Thousands)				
GAAP Net Income	$ 38,058	$ 38,167	$ 105,235	$ 103,474
Interest expense, net	24,275	26,327	73,772	79,337
Provision for income taxes	12,496	12,829	35,381	37,501
Depreciation and amortization	7,381	7,887	21,664	24,253
Non-GAAP EBITDA	82,210	85,210	236,052	244,565
Non-GAAP EBITDA Margin	34.0%	35.3%	33.2%	33.3%
Adjustments:				
Transition and other costs associated with new warehouse and divestiture in Cost of Goods Sold [a]	2,555	-	3,962	170
Transition and other costs associated with divestiture in General and Administrative Expense [b]	-	-	-	4,272
Loss on extinguishment of debt	2,155	-	2,155	
Gain on divestiture	-	-	-	(1,284)
Total adjustments	4,710	-	6,117	3,158
Non-GAAP Adjusted EBITDA	$ 86,920	$ 85,210	$ 242,169	$ 247,723
Non-GAAP Adjusted EBITDA Margin	36.0%	35.3%	34.0%	33.7%

a) Items related to new warehouse represent costs to transition to the new warehouse and duplicate costs incurred during the transition. Items related to divestiture represent costs related to divesting of assets sold.

b) Items related to divestiture represent costs related to divesting of assets sold including (but not limited to), costs to exit or convert contractual obligations, severance and consulting costs; and certain costs related to the consummation of the divestiture process such as insurance costs, legal and other related professional fees.

Reconciliation Schedules (Continued)

Adjusted Net Income and Adjusted EPS

	Three Months Ended Dec. 31,				Nine Months Ended Dec. 31,			
	2019		2018		2019		2018	
	Net Income	EPS	Net Income	EPS	Net Income	EPS	Net Income	EPS
(In Thousands, except per share data)								
GAAP Net Income	$ 38,058	$ 0.75	$ 38,167	$ 0.73	$ 105,235	$ 2.05	$ 103,474	$ 1.97
Adjustments:								
Transition and other costs associated with new warehouse and divestiture in Cost of Goods Sold [a]	2,555	0.05	-	-	3,962	0.08	170	-
Transition and other costs associated with divestiture in General and Administrative Expense [b]	-	-	-	-	-	-	4,272	0.08
Loss on extinguishment of debt	2,155	0.04	-	-	2,155	0.04	-	-
Gain on divestiture	-	-	-	-	-	-	(1,284)	(0.02)
Accelerated amortization of debt origination costs	-	-	-	-	-	-	706	0.01
Tax impact of adjustments [c]	(1,196)	(0.02)	-	-	(1,554)	(0.03)	420	0.01
Normalized tax rate adjustment [d]	(345)	(0.01)	-	-	(335)	(0.01)	415	0.01
Total Adjustments	3,169	0.06	-	-	4,228	0.08	4,699	0.09
Non-GAAP Adjusted Net Income and Adjusted EPS	$ 41,227	$ 0.81	$ 38,167	$ 0.73	$ 109,463	$ 2.14	$ 108,173	$ 2.06

Note: Amounts may not add due to rounding.

a) Items related to new warehouse represent costs to transition to the new warehouse and duplicate costs incurred during the transition. Items related to divestiture represent costs related to divesting of assets sold.

b) Items related to divestiture represent costs related to divesting of assets sold including (but not limited to), costs to exit or convert contractual obligations, severance and consulting costs; and certain costs related to the consummation of the divestiture process such as insurance costs, legal and other 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.

Reconciliation Schedules (Continued)

Adjusted Free Cash Flow

	Three Months Ended Dec. 31,		Nine Months Ended Dec. 31,	
	2019	2018	2019	2018
(In Thousands)				
GAAP Net Income	$ 38,058	$ 38,167	$ 105,235	$ 103,474
Adjustments:				
Adjustments to reconcile net income to net cash provided by operating activities as shown in the Statement of Cash Flows	17,089	14,371	45,985	37,425
Changes in operating assets and liabilities as shown in the Statement of Cash Flows	2,851	(9,208)	9,778	(2,462)
Total Adjustments	19,940	5,163	55,763	34,963
GAAP Net cash provided by operating activities	57,998	43,330	160,998	138,437
Purchase of property and equipment	(3,233)	(2,065)	(9,055)	(7,139)
Non-GAAP Free Cash Flow	54,765	41,265	151,943	131,298
Transition and other payments associated with new warehouse and divestiture [(a)]	1,517	3,284	2,327	10,902
Additional income tax payments associated with divestiture	-	12,656	-	12,656
Non-GAAP Adjusted Free Cash Flow	$ 56,282	$ 57,205	$ 154,270	$ 154,856

a) Payments related to new warehouse represent costs to transition to the new warehouse and duplicate costs incurred during the transition. Payments related to divestiture represent costs related to divesting of assets sold, including (but not limited to) costs to exit or convert contractual obligations, severance and consulting costs; and certain costs related to the consummation of the divestiture process such as legal and other related professional fees.

Reconciliation Schedules (Continued)

Projected EPS

	2020 Projected EPS			
	Low		High	
Projected FY'20 GAAP EPS	$	2.67	$	2.69
Adjustments:				
Integration of new logistics provider [(a)]		0.15		0.15
Loss on extinguishment of debt		0.03		0.03
Total Adjustments		0.18		0.18
Projected Non-GAAP Adjusted EPS	$	2.85	$	2.87

a) Represents costs to integrate our new logistics provider into our operations.

Projected Free Cash Flow

		2020 Projected Free Cash Flow
(In millions)		
Projected FY'20 GAAP Net Cash provided by operating activities	$	205
Additions to property and equipment for cash		(15
Projected Non-GAAP Free Cash Flow		190
Payments associated with integration of new logistics provider		10
Projected Non-GAAP Adjusted Free Cash Flow	$	200