

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): May 6, 2021

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))

Title of each class
Common stock, par value \$0.01 per share

Securities registered pursuant to Section 12(b) of the Act:
Trading Symbol(s)
PBH

Name of each exchange on which registered
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 May 6, 2021, Prestige Consumer Healthcare Inc. (the “Company”) announced financial results for the fiscal quarter and year ended March 31, 2021. A copy of the press release announcing the Company’s earnings results for the fiscal quarter and year ended March 31, 2021 is attached to this Current Report on Form 8-K as Exhibit 99.1 and incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.

The information set forth in Item 2.02 above is incorporated by reference as if fully set forth herein.

On May 6, 2021, representatives of the Company began making presentations to investors regarding the Company’s financial results for the quarter and year ended March 31, 2021 using slides containing the information attached to this Current Report on Form 8-K as Exhibit 99.2 (the “Investor Presentation”). 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.

<u>Exhibit</u>	<u>Description</u>
99.1	Press Release dated May 6, 2021 announcing the Company's financial results for the fiscal quarter and year ended March 31, 2021.
99.2	Investor Relations Slideshow in use beginning May 6, 2021.

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: May 6, 2021

PRESTIGE CONSUMER HEALTHCARE INC.

By: /s/ Christine Sacco
Name: Christine Sacco
Title: Chief Financial Officer

Prestige Consumer Healthcare Inc. Reports Fiscal 2021 Fourth Quarter and Record Full-Year Results

- Company Exceeds Full Year 2021 Guidance for Revenue, Adjusted EPS and Free Cash Flow
- Revenue was \$237.8 Million in Q4 and \$943.4 in Full-Year Fiscal 2021
- Record Diluted EPS of \$3.25 for Full-Year Fiscal 2021
- Net Cash Provided by Operating Activities for Fiscal 2021 of \$235.6 million and Record Adjusted Free Cash Flow of \$213.4 Million in Full-Year Fiscal 2021
- Provides Full-Year Fiscal 2022 Outlook for Revenue and Earnings Per Share of \$957 to \$962 Million and \$3.58 or More, Respectively

TARRYTOWN, N.Y.--(GLOBE NEWSWIRE)--May 6, 2021-- Prestige Consumer Healthcare Inc. (NYSE:PBH) today reported financial results for its fourth quarter and fiscal year ended March 31, 2021.

“We exceeded full year 2021 guidance by generating solid earnings and cash flow growth along with market share gains. This performance is a testament to our proven business strategy and the benefits of our leading and diverse portfolio of brands, especially against the backdrop of the unique pandemic business environment that disrupted several of our categories in fiscal 2021. We expect our business attributes to continue to create value in the upcoming fiscal year as we anticipate returning to sales growth and continue to leverage our strong free cash flow to execute our capital allocation strategy,” said Ron Lombardi, Chief Executive Officer of Prestige Consumer Healthcare.

Fourth Fiscal Quarter Ended March 31, 2021

Reported revenues in the fourth quarter of fiscal 2021 decreased 5.4% to \$237.8 million versus \$251.2 million in the fourth quarter of fiscal 2020. Revenues decreased 6.6% excluding the impact of foreign currency. The revenue performance for the quarter was driven by strong performance across the majority of the Company’s key brands versus their respective categories, but was more than offset by reduced consumption for certain brands where the category has been disrupted by the COVID-19 virus, including the comparison against a sharp rise in consumption during the fourth quarter fiscal 2020 as consumers “stocked up” on products as a result of the COVID-19 virus.

Reported net income for the fourth quarter of fiscal 2021 totaled \$35.5 million, compared to the prior year quarter’s net income of \$37.0 million. Non-GAAP adjusted net income of \$39.9 million in the fourth quarter fiscal 2021 compared to the prior year quarter’s adjusted net income of \$41.9 million. Diluted earnings per share of \$0.70 for the fourth quarter of fiscal 2021 compared to \$0.73 in the prior year comparable period. Non-GAAP adjusted earnings per share were \$0.79 per share for fourth quarter fiscal 2021, compared to \$0.82 per share in fourth quarter fiscal 2020.

The adjustment of net income in the fourth quarter fiscal 2021 includes a loss on extinguishment of debt and the related income tax effects. Adjustments to net income in the fourth quarter of fiscal 2020 included costs associated with a new logistics provider and location and the related income tax effects of the adjustment.

Fiscal Year Ended March 31, 2021

Reported revenues for fiscal 2021 totaled \$943.4 million, a decrease of 2.0%, compared to revenues of \$963.0 million in fiscal 2020. The revenue performance for fiscal 2021 was driven by solid consumption across the majority of the Company's portfolio and a benefit associated with higher retailer order patterns to refill customer's supply chains, offset by reduced consumption for certain brands where the category has been impacted by the COVID-19 virus.

Reported net income for fiscal 2021 totaled \$164.7 million versus the prior year net income of \$142.3 million. Non-GAAP adjusted net income for fiscal 2021 was \$164.0 million, versus the prior year adjusted net income of \$151.3 million. Diluted earnings per share were \$3.25 for fiscal 2021 compared to \$2.78 per share in the prior year. Non-GAAP adjusted earnings per share were \$3.24 per share for fiscal 2021 compared to \$2.96 in the prior fiscal year.

The adjustments to net income in fiscal 2021 related to the final regulations issued during the second fiscal quarter 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, as well as a loss on extinguishment of debt and the related income tax effects of the adjustments.

Adjustments to net income in 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.

Free Cash Flow and Balance Sheet

The Company's net cash provided by operating activities for fourth quarter fiscal 2021 was \$59.1 million, compared to \$56.1 million during the prior year comparable period. Non-GAAP adjusted free cash flow in the fourth quarter of fiscal 2021 was \$54.2 million compared to \$52.5 million in the prior year. The Company's net cash provided by operating activities for fiscal 2021 was \$235.6 million, an increase compared to \$217.1 million during the prior year. Non-GAAP adjusted free cash flow in fiscal 2021 was \$213.4 million compared to \$206.8 million in the prior year. The change in free cash flow versus the prior year was attributable to higher operating income and lower interest costs.

The Company's net debt position as of March 31, 2021 was approximately \$1.5 billion and the Company's covenant-defined leverage ratio was 4.2x. During the fourth quarter the Company reduced debt outstanding by \$65 million and repurchased approximately \$2 million in stock as authorized in the Company's share repurchase program. For the full year, the Company repurchased approximately \$12 million in stock as authorized in the Company's share repurchase program. On March 1st, 2021 the Company issued \$600 million of new senior notes which replaced the same principal of senior notes previously due in fiscal 2024. The new notes extend the maturity of the amount to April 1, 2031 with over \$15 million in annual interest savings.

Segment Review

North American OTC Healthcare: Segment revenues of \$211.5 million for the fourth quarter of fiscal 2021 compared to the prior year comparable quarter's revenues of \$219.8 million. The fourth quarter fiscal 2021 revenue performance was driven by strong performance across a majority of the Company's key brands versus their respective categories, but was more than offset by reduced consumption for certain brands where the category has been disrupted by the COVID-19 virus and the comparison against a sharp rise in consumption during the year earlier as consumers "stocked up" on products as a result of the COVID-19 virus.

For fiscal year 2021, reported revenues for the North American OTC Healthcare segment of \$849.3 million compared to \$859.4 million in the prior fiscal year. The modest decrease in revenue versus the prior year comparable period benefited from an increase in consumption levels for the majority of the Company's core brand portfolio as well as a benefit in the first quarter 2021 associated with higher retailer order patterns to refill customer's supply chains, offset primarily by a reduction in consumption for certain brands where the category consumption levels have been impacted by the COVID-19 virus.

International OTC Healthcare: Segment fiscal fourth quarter 2021 revenues totaled \$26.3 million, compared to \$31.4 million reported in the prior year comparable period. The revenue decrease versus the prior year related primarily to the comparison against a sharp rise in consumption during the fourth quarter fiscal 2020 as consumers "stocked up" on certain products such as Hydralyte as a result of the COVID-19 virus, partially offset by a foreign currency benefit of approximately \$3 million.

For fiscal year 2021, reported revenues for the International OTC Healthcare segment were \$94.0 million versus the prior year revenues of \$103.6 million, driven by reduced consumption for certain brands impacted by the COVID-19 virus, such as *Hydralyte* as well as a foreign currency benefit of approximately \$4 million.

Commentary and Outlook for Fiscal 2022

Ron Lombardi, Chief Executive Officer, stated, "A year ago, we entered fiscal 2021 with a backdrop of uncertainty prevalent across the economy due to many factors resulting from COVID-19. Our time-tested business attributes and strategy worked to our favor: leading #1 market share brand positions, agile marketing ability, a diversified brand portfolio, and a robust eCommerce strategy, among many others – all helping to generate continued market share gains. This enabled solid fiscal year financial results and we expect to benefit once again from these attributes in fiscal 2022 and beyond."

He continued, "In fiscal 2022, we expect organic growth to track in-line with our long-term expectations for our leading brand portfolio, except for certain COVID-disrupted categories, where we anticipate stable performance versus FY21 levels. Meanwhile, we anticipate our solid financial profile to enable cash flow growth in fiscal '22 and strong low-double-digit earnings growth. This financial outlook will continue to fuel our disciplined capital allocation strategy of continued debt reduction, enabling us to focus on long-term top- and bottom-line growth prospects," Mr. Lombardi concluded.

Fiscal 2022 Full-Year Outlook

Revenue	\$957 to 962 million
Organic Growth	1.5% to 2.0%
Adjusted E.P.S.	\$3.58 or more
Free Cash Flow	\$225 million or more

Fiscal Fourth Quarter and Full-Year 2021 Conference Call, Accompanying Slide Presentation and Replay

The Company will host a conference call to review its fourth quarter and full-year results today, May 6, 2021 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 5996287. 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 5996287.

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," "projection," "may," "will," "would," "expect," "anticipate," "believe," "enables," 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 earnings per share, and free cash flow, the Company's ability to execute on its capital allocation strategy and reduce debt, and the Company's ability to create long-term value for stakeholders. 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 promotional and new product development initiatives, customer inventory management initiatives, fluctuating foreign exchange rates, competitive pressures, 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, 2020 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.
Consolidated Statement of Income and Comprehensive Income
(Unaudited)

<i>(In thousands, except per share data)</i>	Three Months Ended March 31,		Year Ended March 31,	
	2021	2020	2021	2020
Total Revenues	237,761	251,235	943,365	963,010
Cost of Sales				
Cost of sales excluding depreciation	99,047	106,236	389,670	406,554
Cost of sales depreciation	1,658	1,089	6,223	4,233
Cost of sales	100,705	107,325	395,893	410,787
Gross profit	137,056	143,910	547,472	552,223
Operating Expenses				
Advertising and marketing	36,417	40,167	140,589	147,194
General and administrative	23,823	23,584	85,540	89,112
Depreciation and amortization	5,879	6,242	23,941	24,762
Total operating expenses	66,119	69,993	250,070	261,068
Operating income	70,937	73,917	297,402	291,155
Other (income) expense				
Interest expense, net	18,983	22,452	82,328	96,224
Loss on extinguishment of debt	12,327	—	12,327	2,155
Other (income) expense, net	(746)	930	(1,366)	1,625
Total other expense, net	30,564	23,382	93,289	100,004
Income before income taxes	40,373	50,535	204,113	191,151
Provision for income taxes	4,859	13,489	39,431	48,870
Net income	\$ 35,514	\$ 37,046	\$ 164,682	\$ 142,281
Earnings per share:				
Basic	\$ 0.71	\$ 0.74	\$ 3.28	\$ 2.81
Diluted	\$ 0.70	\$ 0.73	\$ 3.25	\$ 2.78
Weighted average shares outstanding:				
Basic	50,031	50,367	50,210	50,723
Diluted	50,512	50,878	50,605	51,140
Comprehensive income, net of tax:				
Currency translation adjustments	(2,106)	(12,052)	20,333	(12,363)
Unrealized gain (loss) on interest rate swaps	698	(4,864)	3,045	(4,864)
Unrecognized net (loss) gain on pension plans	(1,162)	(1,187)	1,172	(1,187)
Net gain on pension distribution reclassified to net income	—	—	(190)	—
Total other comprehensive (loss) income	(2,570)	(18,103)	24,360	(18,414)
Comprehensive income	\$ 32,944	\$ 18,943	\$ 189,042	\$ 123,867

Prestige Consumer Healthcare Inc.
Consolidated Balance Sheet
(Unaudited)

(In thousands)

	March 31,	
	2021	2020
Assets		
Current assets		
Cash and cash equivalents	\$ 32,302	\$ 94,760
Accounts receivable, net of allowance of \$16,457 and \$20,194, respectively	114,671	150,517
Inventories	114,959	116,026
Prepaid expenses and other current assets	7,903	4,351
Total current assets	269,835	365,654
Property, plant and equipment, net	70,059	55,988
Operating lease right-of-use assets	23,722	28,888
Finance lease right-of-use assets, net	8,986	5,842
Goodwill	578,079	575,179
Intangible assets, net	2,475,729	2,479,391
Other long-term assets	2,863	2,963
Total Assets	\$ 3,429,273	\$ 3,513,905
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 45,978	\$ 62,375
Accrued interest payable	6,312	9,911
Operating lease liabilities, current portion	5,858	5,612
Finance lease liabilities, current portion	2,588	1,220
Other accrued liabilities	61,402	70,763
Total current liabilities	122,138	149,881
Long-term debt, net	1,479,653	1,730,300
Deferred income tax liabilities	434,050	407,812
Long-term operating lease liabilities, net of current portion	19,706	24,877
Long-term finance lease liabilities, net of current portion	6,816	4,626
Other long-term liabilities	8,612	25,438
Total Liabilities	2,070,975	2,342,934
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 - 53,999 shares at March 31, 2021 and 53,805 shares at March 31, 2020	540	538
Additional paid-in capital	499,508	488,116
Treasury stock, at cost - 4,088 shares at March 31, 2021 and 3,719 at March 31, 2020	(130,732)	(117,623)
Accumulated other comprehensive loss, net of tax	(19,801)	(44,161)
Retained earnings	1,008,783	844,101
Total Stockholders' Equity	1,358,298	1,170,971
Total Liabilities and Stockholders' Equity	\$ 3,429,273	\$ 3,513,905

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

<i>(In thousands)</i>	Year Ended March 31,	
	2021	2020
Operating Activities		
Net income	\$ 164,682	\$ 142,281
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	30,164	28,995
Loss on sale or disposal of property and equipment	220	713
Deferred income taxes	18,628	13,852
Amortization of debt origination costs	4,979	3,812
Stock-based compensation costs	8,543	7,644
Loss on extinguishment of debt	12,327	2,155
Non-cash operating lease cost	7,082	8,786
Impairment loss	2,434	—
Other	(7,854)	84
Changes in operating assets and liabilities:		
Accounts receivable	36,872	(2,849)
Inventories	2,972	2,930
Prepaid expenses and other current assets	(3,227)	687
Accounts payable	(17,342)	6,210
Accrued liabilities	(14,912)	12,096
Operating lease liabilities	(6,718)	(8,824)
Other	(3,243)	(1,448)
Net cash provided by operating activities	235,607	217,124
Investing Activities		
Purchases of property, plant and equipment	(22,243)	(14,560)
Escrow receipt	—	750
Acquisition of tradename	—	(2,760)
Net cash used in investing activities	(22,243)	(16,570)
Financing Activities		
Proceeds from issuance of senior notes	600,000	400,000
Repayment of senior notes	(600,000)	(400,000)
Term Loan repayments	(195,000)	(48,000)
Borrowings under revolving credit agreement	15,000	100,000
Repayments under revolving credit agreement	(70,000)	(120,000)
Payment of debt costs	(17,718)	(6,584)
Payments of finance leases	(1,443)	(476)
Proceeds from exercise of stock options	2,851	1,324
Fair value of shares surrendered as payment of tax withholding	(1,242)	(974)
Repurchase of common stock	(11,867)	(56,721)
Net cash used in financing activities	(279,419)	(131,431)
Effects of exchange rate changes on cash and cash equivalents	3,597	(1,893)
(Decrease) increase in cash and cash equivalents	(62,458)	67,230
Cash and cash equivalents - beginning of year	94,760	27,530
Cash and cash equivalents - end of year	\$ 32,302	\$ 94,760
Interest paid	\$ 80,290	\$ 92,166
Income taxes paid	\$ 34,381	\$ 30,602

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

	Three Months Ended March 31, 2021		
<i>(In thousands)</i>	North American OTC Healthcare	International OTC Healthcare	Consolidated
Total segment revenues*	\$ 211,468	\$ 26,293	\$ 237,761
Cost of sales	91,321	9,384	100,705
Gross profit	120,147	16,909	137,056
Advertising and marketing	31,304	5,113	36,417
Contribution margin	<u>\$ 88,843</u>	<u>\$ 11,796</u>	<u>100,639</u>
Other operating expenses			29,702
Operating income			<u>\$ 70,937</u>

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

	Year Ended March 31, 2021		
<i>(In thousands)</i>	North American OTC Healthcare	International OTC Healthcare	Consolidated
Total segment revenues*	\$ 849,319	\$ 94,046	\$ 943,365
Cost of sales	359,100	36,793	395,893
Gross profit	490,219	57,253	547,472
Advertising and marketing	122,857	17,732	140,589
Contribution margin	<u>\$ 367,362</u>	<u>\$ 39,521</u>	<u>406,883</u>
Other operating expenses			109,481
Operating income			<u>\$ 297,402</u>

*Intersegment revenues of \$3.2 million were eliminated from the North American OTC Healthcare segment.

Three Months Ended March 31, 2020

<i>(In thousands)</i>	North American OTC Healthcare	International OTC Healthcare	Consolidated
Total segment revenues*	\$ 219,814	\$ 31,421	\$ 251,235
Cost of sales	96,454	10,871	107,325
Gross profit	123,360	20,550	143,910
Advertising and marketing	33,338	6,829	40,167
Contribution margin	\$ 90,022	\$ 13,721	103,743
Other operating expenses			29,826
Operating income			\$ 73,917

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

Year Ended March 31, 2020

<i>(In thousands)</i>	North American OTC Healthcare	International OTC Healthcare	Consolidated
Total segment revenues*	\$ 859,368	\$ 103,642	\$ 963,010
Cost of sales	372,133	38,654	410,787
Gross profit	487,235	64,988	552,223
Advertising and marketing	127,972	19,222	147,194
Contribution margin	\$ 359,263	\$ 45,766	405,029
Other operating expenses			113,874
Operating income			\$ 291,155

* Intersegment revenues of \$3.5 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 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 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 certain transition and other costs associated with new warehouse.
- *Non-GAAP Adjusted Gross Margin Percentage*: Calculated as Non-GAAP Adjusted Gross Margin divided by GAAP Total Revenues.
- *Non-GAAP EBITDA*: GAAP Net Income before interest expense, net, income taxes provision, 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 certain transition and other costs associated with new warehouse, loss on disposal of assets 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 before certain transition and other costs associated with new warehouse, loss on disposal of assets, loss on extinguishment of debt, tax impact of adjustments, and normalized tax rate adjustment.
- *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.
- *Net Debt*: Calculated as total principal amount of debt outstanding (\$1,495,000 at March 31, 2021 and \$1,745,000 at March 31, 2020) less cash and cash equivalents (\$32,302 at March 31, 2021 and \$94,760 at March 31, 2020). 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 Change percentage:

	Three Months Ended March 31,		Year Ended March 31,	
	2021	2020	2021	2020
<i>(In thousands)</i>				
GAAP Total Revenues	\$ 237,761	\$ 251,235	\$ 943,365	\$ 963,010
Revenue Change	(5.4)%		(2.0)%	
Adjustments:				
Impact of foreign currency exchange rates	—	3,404	—	3,796
Total adjustments	—	3,404	—	3,796
Non-GAAP Organic Revenues	\$237,761	\$254,639	\$943,365	\$966,806
Non-GAAP Organic Revenue Change	(6.6)%		(2.4)%	

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

	Three Months Ended March 31,		Year Ended March 31,	
	2021	2020	2021	2020
<i>(In thousands)</i>				
GAAP Total Revenues	\$ 237,761	\$ 251,235	\$ 943,365	\$ 963,010
GAAP Gross Profit	\$ 137,056	\$ 143,910	\$ 547,472	\$ 552,223
GAAP Gross Profit as a Percentage of GAAP Total Revenue	57.6 %	57.3 %	58.0 %	57.3 %
Adjustments:				
Transition and other costs associated with new warehouse ⁽¹⁾	—	5,208	—	9,170
Total adjustments	—	5,208	—	9,170
Non-GAAP Adjusted Gross Margin	\$ 137,056	\$ 149,118	\$ 547,472	\$ 561,393
Non-GAAP Adjusted Gross Margin as a Percentage of GAAP Total Revenues	57.6 %	59.4 %	58.0 %	58.3 %

(1) Items related to new warehouse represent costs to transition to the new warehouse and duplicate costs incurred during the transition.

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 March 31,		Year Ended March 31,	
	2021	2020	2021	2020
<i>(In thousands)</i>				
GAAP Net Income	\$ 35,514	\$ 37,046	\$ 164,682	\$ 142,281
Interest expense, net	18,983	22,452	82,328	96,224
Provision for income taxes	4,859	13,489	39,431	48,870
Depreciation and amortization	7,537	7,331	30,164	28,995
Non-GAAP EBITDA	66,893	80,318	316,605	316,370
Non-GAAP EBITDA Margin	28.1 %	32.0 %	33.6 %	32.9 %
Adjustments:				
Transition and other costs associated with new warehouse in Cost of Goods Sold ⁽¹⁾	—	5,208	—	9,170
Loss on disposal of assets	—	382	—	382
Loss on extinguishment of debt	12,327	—	12,327	2,155
Total adjustments	12,327	5,590	12,327	11,707
Non-GAAP Adjusted EBITDA	\$ 79,220	\$ 85,908	\$ 328,932	\$ 328,077
Non-GAAP Adjusted EBITDA Margin	33.3 %	34.2 %	34.9 %	34.1 %

(1) Items related to new warehouse represent costs to transition to the new warehouse and duplicate costs incurred during the transition.

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

	Three Months Ended March 31,				Year Ended March 31,			
	2021	2021 Adjusted EPS	2020	2020 Adjusted EPS	2021	2021 Adjusted EPS	2020	2020 Adjusted EPS
<i>(In thousands, except per share data)</i>								
GAAP Net Income and Diluted EPS	\$ 35,514	\$ 0.70	\$ 37,046	\$ 0.73	\$ 164,682	\$ 3.25	\$ 142,281	\$ 2.78
Adjustments:								
Transition and other costs associated with new warehouse in Cost of Goods Sold ⁽¹⁾	—	—	5,208	0.10	—	—	9,170	0.18
Loss on disposal of assets	—	—	382	0.01	—	—	382	0.01
Loss on extinguishment of debt	12,327	0.24	—	—	12,327	0.24	2,155	0.04
Tax impact of adjustments ⁽²⁾	(2,986)	(0.06)	(1,420)	(0.03)	(2,986)	(0.06)	(2,974)	(0.06)
Normalized tax rate adjustment ⁽³⁾	(4,919)	(0.10)	653	0.01	(10,025)	(0.20)	318	0.01
Total adjustments	4,422	0.09	4,823	0.09	(684)	(0.01)	9,051	0.18
Non-GAAP Adjusted Net Income and Adjusted EPS	\$ 39,936	\$ 0.79	\$ 41,869	\$ 0.82	\$ 163,998	\$ 3.24	\$ 151,332	\$ 2.96

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.

(2) 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.

(3) 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:

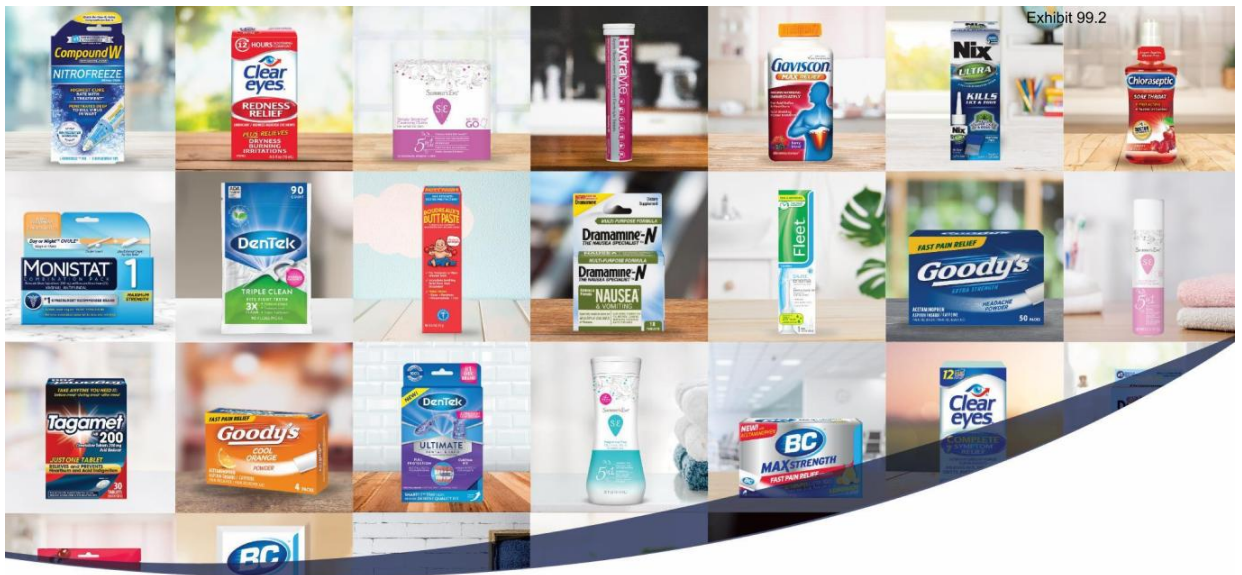
	Three Months Ended March 31,		Year Ended March 31,	
	2021	2020	2021	2020
<i>(In thousands)</i>				
GAAP Net Income	\$ 35,514	\$ 37,046	\$ 164,682	\$ 142,281
<u>Adjustments:</u>				
Adjustments to reconcile net income to net cash provided by operating activities as shown in the Statement of Cash Flows	29,904	20,056	76,523	66,041
Changes in operating assets and liabilities as shown in the Statement of Cash Flows	(6,331)	(976)	(5,598)	8,802
Total adjustments	23,573	19,080	70,925	74,843
GAAP Net cash provided by operating activities	59,087	56,126	235,607	217,124
Purchases of property and equipment	(4,896)	(5,505)	(22,243)	(14,560)
Non-GAAP Free Cash Flow	54,191	50,621	213,364	202,564
Transition and other payments associated with new warehouse ⁽¹⁾	—	1,876	—	4,203
Non-GAAP Adjusted Free Cash Flow	\$ 54,191	\$ 52,497	\$ 213,364	\$ 206,767

(1) Payments related to new warehouse represent costs to transition to the new warehouse and duplicate costs incurred during the transition.

Outlook for Fiscal Year 2022:

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

<i>(In millions)</i>	
Projected FY'22 GAAP Net cash provided by operating activities	\$ 240
Additions to property and equipment for cash	(15)
Projected Non-GAAP Free Cash Flow	\$ 225



Fourth Quarter & Full-Year FY 2021 Results

May 6th, 2021

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, EPS, free cash flow, and organic revenue growth; the Company’s ability to perform well in the currently evolving environment and execute on its brand-building strategy; the Company’s ability to reduce debt and increase profitability; the expected market share and consumption trends for the Company’s brands; and the Company’s disciplined capital allocation strategy. Words such as “trend,” “continue,” “will,” “expect,” “project,” “anticipate,” “focus,” “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 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 distribution and supply chain; 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, 2020. 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 May 6, 2021 earnings release in the “About Non-GAAP Financial Measures” section.

Agenda for Today's Discussion

I. FY 21 Recap

II. Financial Overview

III. FY 22 Outlook and The Road Ahead



I. FY 2021 Recap

Strategy and Execution Delivered Results

Long-Term Strategy

- Brand-building designed to grow categories and connect with consumers
- Strategy and tactics performing well in an evolving environment

Diverse Portfolio

- Portfolio of leading brands well-positioned in dynamic environment
- Trusted consumer brands driving market share growth

Agile Marketing

- Capitalizing on current opportunities while investing for the long-term
- Investments in most relevant channels and media to drive consumer engagement

Financial Profile & Cash Flow

- Leading financial profile and cash flow generation
- Continued focus on optimizing capital allocation optionality

Strong Fiscal 2021 Performance in a Difficult Backdrop

Revenue of \$943.4 million, down 2.4%⁽¹⁾ versus PY in constant currency

Consumption performance included market share gains led by strong brand-building

Gross Margin of 58.0%, approximate with Adjusted PY⁽³⁾ in-line with expectations

Adjusted EPS of \$3.24⁽³⁾, up 9.5% versus PY

Strong cash flow generation of \$213.4 million⁽³⁾ enabled by leading financial profile

Continuing to Win Across Categories Through Brand Building

Top PBH Brands	Rank	U.S. Market Share*	FY'21 vs Category
Summers Eye®	#1	50%	-
MONISTAT	#1	60%	+
BC Goody's	#1	100%/5%***	+
Clear Eyes	#1	35%	+
Dentek	#2	20%	+
Dramamine	#1	60%	+
LUDENS	#3	5%	+
Fleet	#1	55%	+
Compound W	#1	60%	+
Chloraseptic	#1	40%	-
Nix	#1	25%	+
Hydralyte**	#1	90%	-

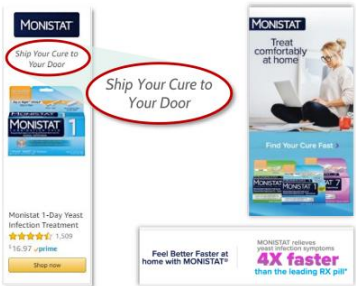


History of Winning
Continued in FY'21

10 of 12
Brands are #1 in Market Share, Many by
a Wide Margin

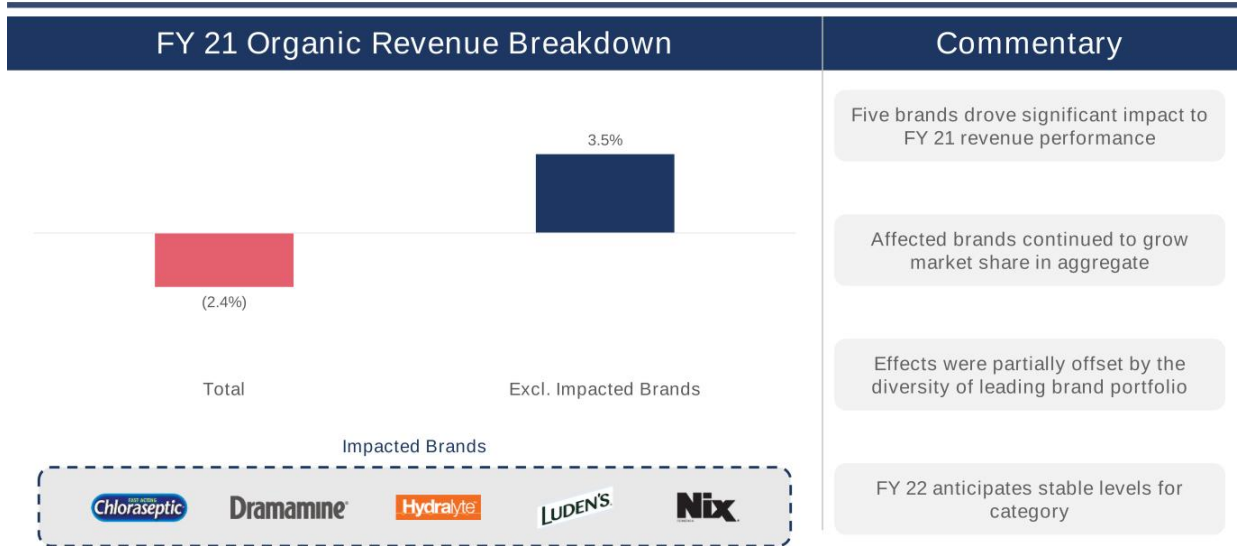
Majority
of Brands Expanded Market-Leading
Positions

*Approximate Market Share Reflects U.S. IRI MUJO + C-store + Amazon for the 52 weeks ended 3-21-21
**Hydralyte is IRI Australia data for the Grocery and Pharmacy channel for the 52 weeks ended 3-14-21
***Represents share in analgesic powders and analgesic tabs/powders respectively

Nimble Marketing Approach Paid Off

MONISTAT [®]	CompoundW [®] <small>(WART REMOVER)</small>	Clear eyes
 <ul style="list-style-type: none"> Successfully shifted media mix towards digital, addressable TV Reaching consumers at home with relevant messaging during COVID-19 	 <ul style="list-style-type: none"> Leading innovation for the consumer in warts 70% of consumers who click are new to the brand 	 <ul style="list-style-type: none"> "Thank you" essential worker donations Consumer brand promise: Brighter, whiter, and more comfortable New campaign across all key touchpoints: TV, Social, YouTube, Web
<p>+5% vs. Category⁽²⁾</p>	<p>+15% vs. Category⁽²⁾</p>	<p>+7% vs. Category⁽²⁾</p>

Behavior Changes Began to be Lapped at Year-End



E-Commerce: Winning in Consumer Shift to Online

E-Commerce as a % of Net Sales	Strong FY 21 Performance
<p>Bar chart showing E-commerce as a % of Net Sales for FY17, FY20, and FY21. The values are approximately 1%, 5%, and 11% respectively. An arrow indicates a +~11x increase from FY17 to FY21.</p> <ul style="list-style-type: none"> ■ Early mover advantage; continuing to benefit from early investments in E-Commerce behind brand portfolio ■ Growth across channel, with share often well above brick & mortar ■ Consistent financial profile across all channels, including E-Commerce 	<div data-bbox="879 241 1070 383"> <p>E-Commerce Ad Messaging for Treat-at-Home Remedies</p> </div> <div data-bbox="879 405 1070 546"> <p>Omnichannel Investments</p> </div> <ul style="list-style-type: none"> ■ ~100% E-Commerce growth⁽²⁾ in FY 21 ■ Increased and adjusted media spend to capture new consumers ■ Incremental consumer interest in omni-channel features like Click-and-Collect as well as a broader array of online retailers



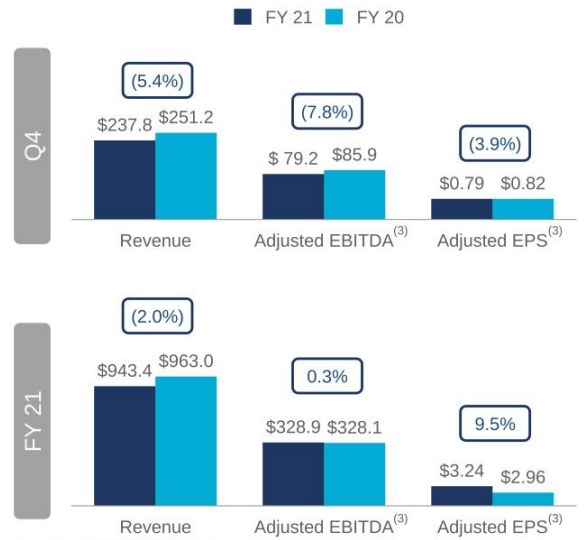
II. Financial Overview

Key Financial Results for Fourth Quarter and FY 21 Performance

Revenue of \$237.8 million, down versus unusual PY Q4

Q4 Adj. EBITDA⁽³⁾ of \$79.2 and 33.3% margin, consistent with long-term expectations

Adjusted EPS⁽³⁾ of \$0.79 down slightly versus PY Q4



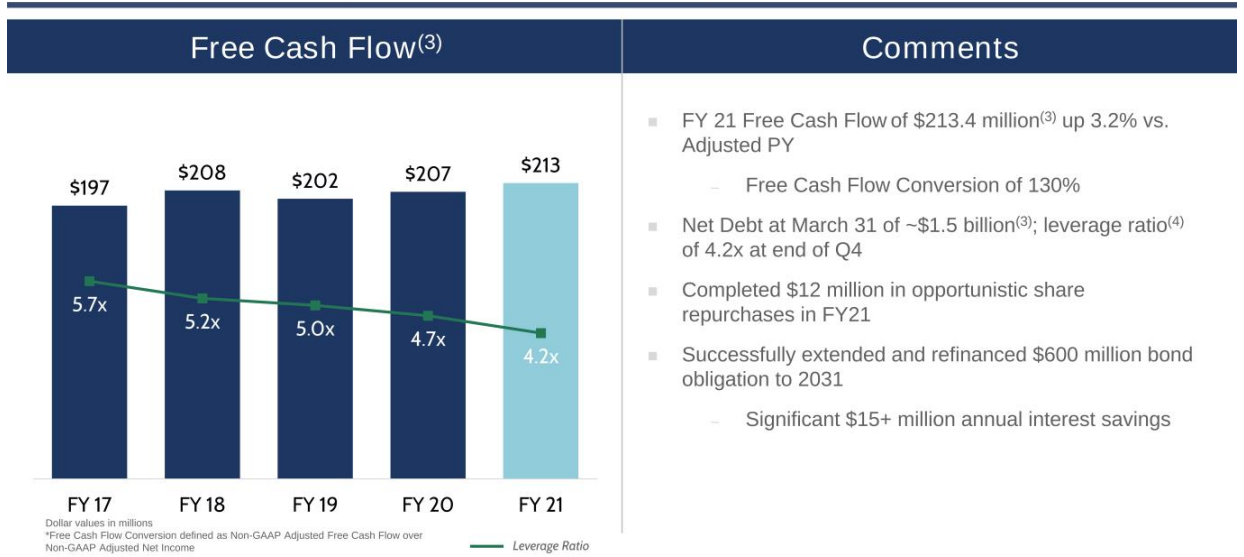
Dollar values in millions, except per share data.

Fourth Quarter and FY 21 Consolidated Financial Summary

	3 Months Ended			12 Months Ended			FY 21 Comments
	Q4 FY 21	Q4 FY 20	% Chg	FY 21	FY 20	% Chg	
Total Revenue	\$ 237.8	\$ 251.2	(5.4%)	\$ 943.4	\$ 963.0	(2.0%)	<ul style="list-style-type: none"> ■ Revenue down slightly vs. PY in constant currency <ul style="list-style-type: none"> – Broad & diverse portfolio helped offset consumption headwinds in COVID-19 disrupted categories – Triple-digit eCommerce consumption growth as consumers shopped online ■ Gross Margin of 58.0% consistent with Adjusted⁽³⁾ PY and expectations ■ A&M of 14.9% of Revenue ■ G&A of 9.1% of Revenue ■ EPS up 9.5% vs. Adjusted⁽³⁾ PY
Adj. Gross Margin ⁽³⁾	137.1	149.1	(8.1%)	547.5	561.4	(2.5%)	
% Margin	57.6%	59.4%		58.0%	58.3%		
A&M	36.4	40.2	(9.3%)	140.6	147.2	(4.5%)	
% Total Revenue	15.3%	16.0%		14.9%	15.3%		
G&A	23.8	23.6	1.0%	85.5	89.1	(4.0%)	
% Total Revenue	10.0%	9.4%		9.1%	9.3%		
D&A	5.9	6.2	(5.8%)	23.9	24.8	(3.3%)	
Adj. Operating Income ⁽³⁾	\$ 70.9	\$ 79.1	(10.3%)	\$ 297.4	\$ 300.3	(1.0%)	
% Margin	29.8%	31.5%		31.5%	31.2%		
Adj. Earnings Per Share ⁽³⁾	\$ 0.79	\$ 0.82	(3.9%)	\$ 3.24	\$ 2.96	9.5%	
Adj. EBITDA ⁽³⁾	\$ 79.2	\$ 85.9	(7.8%)	\$ 328.9	\$ 328.1	0.3%	
% Margin	33.3%	34.2%		34.9%	34.1%		

Dollar values in millions, except per share data
Amounts may not add due to rounding

Industry Leading Free Cash Flow Trends





III. FY 21 Outlook

Outlook: Continuing to Execute Proven Strategy

Top Line Trends

- Strategy intact with stable and well-positioned business
- Agile brand-building positions portfolio for further market share gains
- Anticipate FY 22 Revenue of approximately \$957 - \$962 million
 - Organic growth of 1.5 – 2.0%

EPS

- FY 22 EPS guidance of approximately \$3.58 or more
- Strong financial profile leading to increased profitability

Free Cash Flow & Allocation

- Anticipate FY 22 Free Cash Flow⁽⁵⁾ at \$225 million or more
- Recent refinancing provides additional flexibility and capacity



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 May 6, 2021 in the "About Non-GAAP Financial Measures" section.
- (2) Company consumption includes data sourced from domestic IRI multi-outlet + C-Store retail sales for the period ending March 21, 2021, retail sales 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 EPS, Adjusted Gross Margin, Adjusted Operating Income, EBITDA, EBITDA Margin, 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 May 6, 2021 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.

Reconciliation Schedules

Organic Revenue Change

(In Thousands)	Three Months Ended March 31,		Year Ended March 31,	
	2021	2020	2021	2020
GAAP Total Revenues	\$ 237,761	\$ 251,235	\$ 943,365	\$ 963,010
Revenue Change	(5.4%)		(2.0%)	
Adjustments:				
Impact of foreign currency exchange rates	-	3,404	-	3,796
Total adjustments	\$ -	\$ 3,404	\$ -	\$ 3,796
Non-GAAP Organic Revenues	\$ 237,761	\$ 254,639	\$ 943,365	\$ 966,806
Non-GAAP Organic Revenue Change	(6.6%)		(2.4%)	

Adjusted Gross Margin

(In Thousands)	Three Months Ended March 31,		Year Ended March 31,	
	2021	2020	2021	2020
GAAP Total Revenues	\$ 237,761	\$ 251,235	\$ 943,365	\$ 963,010
GAAP Gross Profit	\$ 137,056	\$ 143,910	\$ 547,472	\$ 552,223
GAAP Gross Profit as a Percentage of GAAP Total Revenue	57.6%	57.3%	58.0%	57.3%
Adjustments:				
Transition and other costs associated with new warehouse ^(a)	-	5,208	-	9,170
Total adjustments	-	5,208	-	9,170
Non-GAAP Adjusted Gross Margin	\$ 137,056	\$ 149,118	\$ 547,472	\$ 561,393
Non-GAAP Adjusted Gross Margin as a Percentage of GAAP Total Revenues	57.6%	59.4%	58.0%	58.3%

a) Items related to new warehouse represent costs to transition to the new warehouse and duplicate costs incurred during the transition.

Reconciliation Schedules (Continued)

Adjusted EBITDA Margin

(In Thousands)	Three Months Ended March 31,		Year Ended March 31,	
	2021	2020	2021	2020
GAAP Net Income	\$ 35,514	\$ 37,046	\$ 164,682	\$ 142,281
Interest expense, net	18,983	22,452	82,328	96,224
Provision for income taxes	4,859	13,489	39,431	48,870
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Non-GAAP EBITDA	66,893	80,318	316,605	316,370
Non-GAAP EBITDA Margin	28.1%	32.0%	33.6%	32.9%
Adjustments:				
Transition and other costs associated with new warehouse in Cost of Goods				
Sold ^(a)	-	5,208	-	9,170
Loss on disposal of assets	-	382	-	382
Loss on extinguishment of debt	12,327	-	12,327	2,155
Total adjustments	12,327	5,590	12,327	11,707
Non-GAAP Adjusted EBITDA	\$ 79,220	\$ 85,908	\$ 328,932	\$ 328,077
Non-GAAP Adjusted EBITDA Margin	33.3%	34.2%	34.9%	34.1%

a) Items related to new warehouse represent costs to transition to the new warehouse and duplicate costs incurred during the transition.

Reconciliation Schedules (Continued)

Adjusted Net Income & Adjusted EPS

	Three Months Ended March 31,				Year Ended March 31,			
	2021		2020		2021		2020	
	Net Income	Adjusted EPS	Net Income	Adjusted EPS	Net Income	Adjusted EPS	Net Income	Adjusted EPS
(In Thousands, except per share data)								
GAAP Net Income	\$ 35,514	\$ 0.70	\$ 37,046	\$ 0.73	\$ 164,682	\$ 3.25	\$ 142,281	\$ 2.78
Adjustments:								
Transition and other costs associated with new warehouse in Cost of Goods Sold ^(a)	-	-	5,208	0.10	-	-	9,170	0.18
Loss on disposal of assets	-	-	382	0.01	-	-	382	0.01
Loss on extinguishment of debt	12,327	0.24	-	-	12,327	0.24	2,155	0.04
Tax impact of adjustments ^(b)	(2,986)	(0.06)	(1,420)	(0.03)	(2,986)	(0.06)	(2,974)	(0.06)
Normalized tax rate adjustment ^(c)	(4,919)	(0.10)	653	0.01	(10,025)	(0.20)	318	0.01
Total Adjustments	4,422	0.09	4,823	0.09	(684)	(0.01)	9,051	0.18
Non-GAAP Adjusted Net Income and Adjusted EPS	\$ 39,936	\$ 0.79	\$ 41,869	\$ 0.82	\$ 163,998	\$ 3.24	\$ 151,332	\$ 2.96

a) Items related to new warehouse represent costs to transition to the new warehouse and duplicate costs incurred during the transition.
b) 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.
c) Income tax adjustment to adjust for discrete income tax items.

Reconciliation Schedules (Continued)

Adjusted Free Cash Flow

(In Thousands)	Three Months Ended March 31,		Year Ended March 31,	
	2021	2020	2021	2020
GAAP Net Income	\$ 35,514	\$ 37,046	\$ 164,682	\$ 142,281
Adjustments:				
Adjustments to reconcile net income to net cash provided by operating activities as shown in the Statement of Cash Flows	29,904	20,056	76,523	66,041
Changes in operating assets and liabilities as shown in the Statement of Cash Flows	(6,331)	(976)	(5,598)	8,802
Total adjustments	23,573	19,080	70,925	74,843
GAAP Net cash provided by operating activities	59,087	56,126	235,607	217,124
Purchase of property and equipment	(4,896)	(5,505)	(22,243)	(14,560)
Non-GAAP Free Cash Flow	54,191	50,621	213,364	202,564
Transition and other payments associated with new warehouse ^(a)	-	1,876	-	4,203
Non-GAAP Adjusted Free Cash Flow	\$ 54,191	\$ 52,497	\$ 213,364	\$ 206,767

a) Payments related to new warehouse represent costs to transition to the new warehouse and duplicate costs incurred during transition.

Reconciliation Schedules (Continued)

Adjusted Free Cash Flow

(In Thousands)	2017	2018	2019
GAAP Net Income (Loss)	\$ 69,395	\$ 339,570	\$ (35,800)
Adjustments			
Adjustments to reconcile net income to net cash provided by operating activities as shown in the statement of cash flows	92,613	(113,698)	233,400
Changes in operating assets and liabilities, net of effects from acquisitions as shown in the statement of cash flows	(13,336)	(15,762)	(8,316)
Total adjustments	79,277	(129,460)	225,084
GAAP Net cash provided by operating activities	148,672	210,110	189,284
Purchases of property and equipment	(2,977)	(12,532)	(10,480)
Non-GAAP Free Cash Flow	145,695	197,578	178,804
Additional expense as a result of debt refinancing	9,184	182	-
Integration, transition and other payments associated with acquisitions & divestitures	10,448	10,358	10,902
Pension contribution	6,000	-	-
Additional income tax payments associated with divestitures	25,545	-	12,656
Total adjustments	51,177	10,540	23,558
Non-GAAP Adjusted Free Cash Flow	\$ 196,872	\$ 208,118	\$ 202,362

Projected Free Cash Flow

(In millions)		
Projected FY22 GAAP Net Cash provided by operating activities	\$	240
Additions to property and equipment for cash		(15)
Projected Non-GAAP Adjusted Free Cash Flow	\$	225

