Drive organization effectiveness and build capabilities

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We have realigned our organization around the work

- ***Re-set our executive team*** *(40%+ new or new-in-role)*
- ***Consolidated global R&D and innovation*** *platforms*
- ***Reconfigured SI&OP*** *teams and processes*
- ***Established consumer-focused*** *capabilities in the Americas*
- *Installed robust* ***Business Intelligence*** *capabilities*
- ***Realigned compensation incentives***
- ***Streamlined IT and Master Data***
- *Formed* ***Transformation Office*** *to manage all the change*

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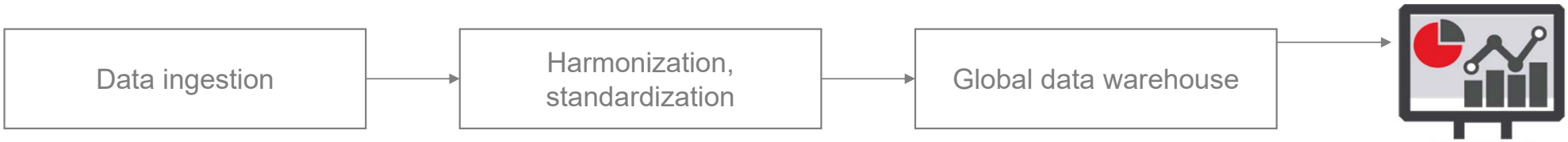
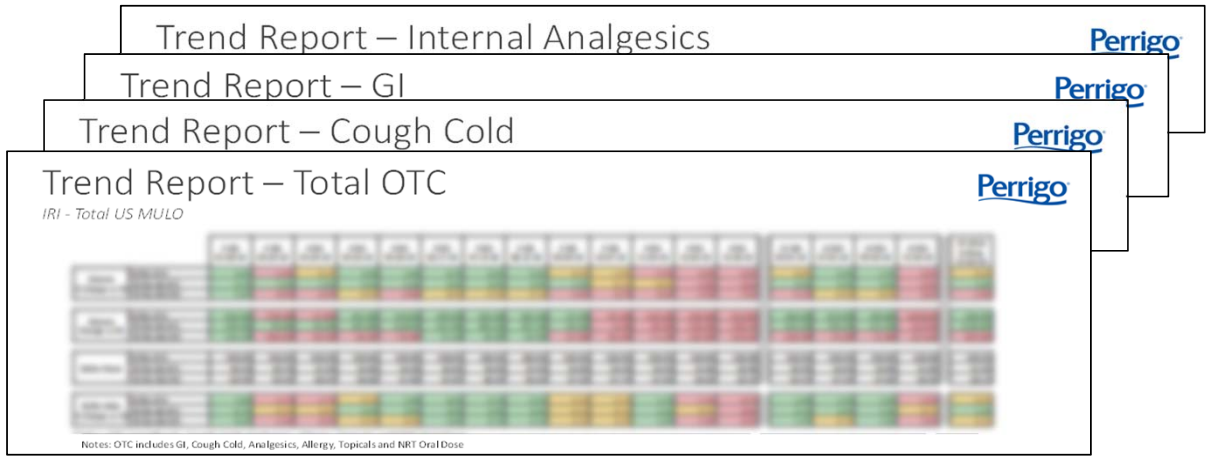
Business Intelligence capability will support increased proactive action

System Environment



Dashboards with drill down capacity and causal data



- *Powerful volume-based analytics*
- *Causal data to **improve:***
  - ***Sales forecasting***
  - ***Predictive analytics***
  - ***Category management***

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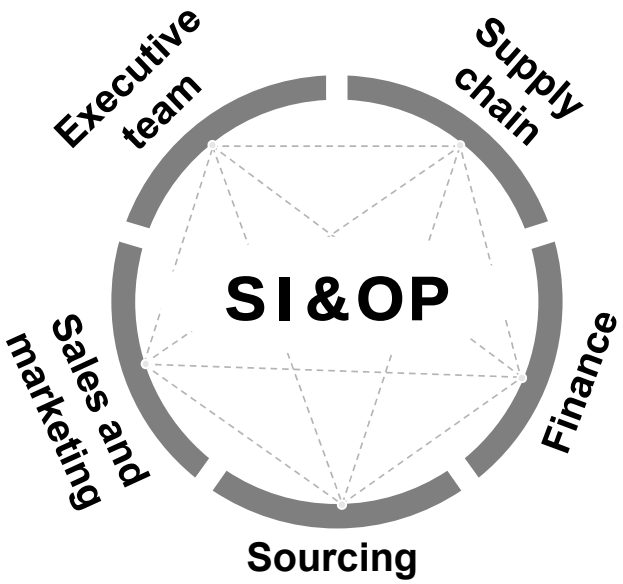
SI&OP processes will promote best-in-class customer service

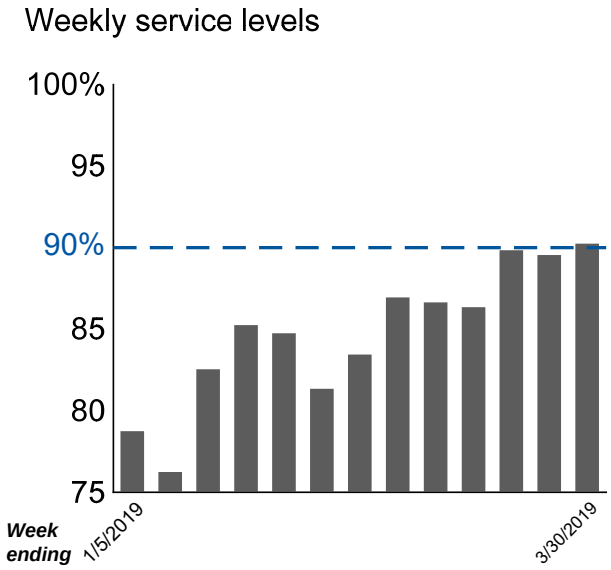
Fully integrated processes



Commitment to regain our competitive advantage

- Improved **service levels**
- Lower **inventory positions**
- Increased **forecast accuracy**
- Improved **organization alignment**

Positive momentum already (over the 1st Quarter)



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Transformation Office will lead us through the change

Financial support:

Develops business case and identifies sources of value

People support:

Change management and communication plans

Process support:

Maintains integrated view of all projects

Focused core team to manage the change

8 core team members in the Transformation Office

Driving **40+** transformative initiatives

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Our rewards system is aligned to the goals of the Transformation

From

A system that rewarded capital efficiency

- Return on capital
- Working capital
- Operating income
- Total shareholder return

To

A system that rewards where we're going

- Consumer revenue
- Consumer operating income
- Strategic goals
- Total shareholder return

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Takeaways – Driving organizational effectiveness and building capabilities for competitive advantage

1. We've realigned our team to organize around the work
2. We are committed to regaining our competitive advantage and promoting best-in-class service levels
3. Our Transformation Office will ensure it happens
4. Compensation programs will reward accomplishing the Transformation

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Fund growth sustainably

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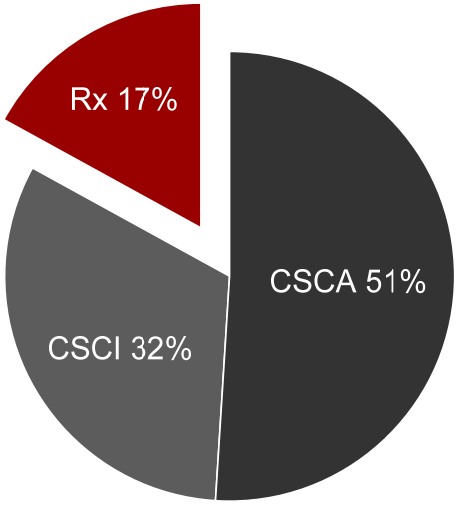
Lean operations is in Perrigo's DNA

- *Culture values efficiency*
- *Annual productivity goals to offset inflation*
- *History of Perrigo is grounded in Private Label*
- *Focus on best possible value to customers and consumers*
- *Embodied in things like office space and locations*

However, dis-synergies and investments for growth mandate a fresh look at our costs

Rx is a meaningful piece of today's business that absorbs cost…



…and we also have a number of growth investments to fund

- Innovation team
- Expansion into new, exciting adjacencies like CBD
- Cross the ocean initiatives
- Increased consumer marketing
- Infant nutrition capacity
- Tablet value stream capacity

A cost program will help fund the transformation

COSTS

We must responsibly fund our Transformation to the New Perrigo as we reshape the P&L to align with our CP peers

Source: Perrigo 10-K

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Project Momentum will fund growth investments and offset dis-synergies

1 Realign our operating model

- Realign our organization **to the strategy**
- Refocus our teams on **critical priorities**

2 Improve our maturity and operating efficiency

- **Reduce manual** processes
- **Remove inefficient** systems
- **Leverage automation**

3 Invest in capabilities we need

- **Strengthen consumer** capabilities
- **Enhance BI** tools
- **Improve SI&OP** processes

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We have line of sight to $100M+; quick wins already underway to impact 2019 (full program will take 2-3 years)

Execution plan

- We have line of sight to $100M+ net savings*
- Clean-sheet approach to re-design the way we work from the ground up
- We have an implementation roadmap to achieve our ambition over next 2-3 years
- We will reshape the P&L to align with CP peers, while reinvesting in critical capabilities and growth vectors
- Quick wins are already in execution and will impact 2019

Example opportunities

- Indirect procurement (e.g., lab supplies, temp labor, consulting, travel, etc.)
- Fines/cost of failure
- Redundant systems
- Stranded overhead cost

Note: Cost savings are net of strategic reinvestments, but exclude any restructuring charges

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Takeaways – Sustainably fund our growth

1. Being a lean company is in our DNA
2. Project Momentum will offset dis-synergies and help fund growth investments
3. $100M+ in savings will drive us towards high-performing CPG peers
4. Quick wins already in execution to impact 2019 results

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