

Perrigo Receives Binding Offer to Divest its HRA Pharma Rare Diseases Business for up to €275 Million

Proposed Divestment of Branded Prescription Pharma Business Further Supports Perrigo's Strategic Focus on Consumer Self-Care

Total Purchase Consideration of up to €275 Million, Consisting of €190 Million in Cash Upfront and up to €85 Million in Potential Earnouts; Based on 2023 Adjusted EBITDA of ~€20M, Total Consideration Would be Accretive to Perrigo's Current Enterprise Value-to-EBITDA Multiple

Expected Net Proceeds to be Redeployed for Debt Repayment

Expected Impact From this Proposed Divestment was Included in the Company's Previously Issued 2024 Outlook

DUBLIN, April 25, 2024 /[PRNewswire](#)/ -- Perrigo Company plc (NYSE PRGO) ("Perrigo" or the "Company"), a leading provider of Consumer Self-Care Products, today announced that pharmaceutical company Esteve Healthcare, S.L. ("ESTEVE") has signed a binding offer to acquire Perrigo's HRA Pharma Rare Diseases business for a total consideration of up to €275 million, consisting of an upfront cash payment of €190 million and up to €85 million in potential earnout payments based on the Rare Diseases business achieving certain sales milestones. Following the information and consultation process with HRA Pharma Works Council in France, Perrigo would be able to exercise the put option granted by ESTEVE and enter into a definitive agreement with ESTEVE for the sale of the Rare Diseases business. The proposed final transaction is expected to close during the third quarter of 2024, subject to the satisfaction of the HRA Works Council consultation and customary closing conditions, including receipt of regulatory approvals.

"Divesting the HRA Pharma Rare Diseases business further supports our position as a leading fast-moving consumer goods company," said Patrick Lockwood-Taylor, Perrigo President and Chief Executive Officer. "The cash upfront proceeds from this proposed transaction would enable us to reduce net leverage to below 4.0x by the end of 2024."

Lockwood-Taylor continued, "We are pleased that ESTEVE, with their successful track record, will benefit from this great business and team. We thank all HRA Rare Diseases colleagues for their dedication and wish them all the best on continuing to improve the lives of patients with rare diseases."

"This transaction aims to advance on the path of covering the unmet patients' needs, in line with ESTEVE's purpose of improving people's lives, and is another step towards the company's vision of being an international and specialist pharma company," said Staffan Schüberg, Chief Executive Officer of ESTEVE.

Advisors

Morgan Stanley & Co. LLC is serving as financial advisor to Perrigo, and Wachtell, Lipton, Rosen & Katz is serving as its legal counsel. Perella Weinberg Partners is serving as financial advisor to ESTEVE, and Clifford Chance is serving as its legal counsel.

About Perrigo

Perrigo Company plc (NYSE: PRGO) is a leading provider of *Consumer Self-Care Products* and over-the-counter (OTC) health and wellness solutions that enhance individual well-being by empowering consumers to proactively prevent or treat conditions that can be self-managed. Visit Perrigo online at www.perrigo.com.

About HRA Pharma Rare Diseases

HRA Pharma Rare Diseases (www.hra-pharma-rare-diseases.com), an affiliate of Perrigo Company plc, is dedicated to bringing the best care and services to people living with rare diseases and is committed to supporting healthcare professionals all over the world. Well established in Europe and in the USA, the company continues to grow and expand its geographical reach worldwide. With almost twenty years' experience in rare and ultra-rare diseases, HRA Pharma Rare Diseases has a portfolio of medicines that address Cushing's syndrome and Adrenalcortical Carcinoma (ACC).

About Esteve

ESTEVE (www.esteve.com) is a global pharmaceutical company with headquarters in Barcelona. Its purpose is to improve people's lives and, since it was founded in 1929, its focus has been to provide solutions for as yet unmet medical needs. ESTEVE has an important presence in Europe thanks to its affiliates in Spain, Portugal, Germany, France, UK and Italy and its own production centers dedicated to the development and manufacture of active pharmaceutical ingredients in Spain, Mexico, and China, as well as a pharmaceutical plant in Germany.

Perrigo Forward-Looking Statements

Certain statements in this press release are "forward-looking statements." These statements relate to future events or the Company's future financial performance and involve known and unknown risks, uncertainties and other factors that may cause the actual results, levels of activity, performance or achievements of the Company or its industry to be materially different from those expressed or implied by any forward-looking statements. In some cases, forward-looking statements can be identified by terminology such as "may," "will," "could," "would," "should," "expect," "forecast," "plan," "anticipate," "intend," "believe," "estimate," "predict," "potential" or the negative of those terms or other comparable terminology. The Company has based these forward-looking statements on its current expectations, assumptions, estimates and projections. While the Company believes these expectations, assumptions, estimates and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond the Company's control, including: the consummation and success of the proposed sale of the HRA Rare Diseases business, including the risk that the parties fail to obtain the required regulatory approvals or to fulfill the other conditions to closing on the expected timeframe or at all, the occurrence of any other event, change or circumstance that could delay the transaction or result in the termination of the put option or agreement or that the Company faces higher than anticipated costs in connection with the proposed sale; supply chain impacts on the Company's business, including those caused or exacerbated by armed conflict, trade and other economic sanctions and/or disease; general economic, credit, and market conditions; the impact of the war in Ukraine and the Middle East and any escalation thereof, including the effects of economic and political sanctions imposed by the United States, United

Kingdom, European Union, and other countries related thereto; the outbreak or escalation of conflict in other regions where we do business; future impairment charges, if we determine that the carrying amount of specific assets may not be recoverable from the expected future cash flows of such assets; customer acceptance of new products; competition from other industry participants, some of whom have greater marketing resources or larger market shares in certain product categories than the Company does; pricing pressures from customers and consumers; resolution of uncertain tax positions and any litigation relating thereto, ongoing or future government investigations and regulatory initiatives; uncertainty regarding the Company's ability to obtain and maintain its regulatory approvals; potential costs and reputational impact of product recalls or sales halts; potential adverse changes to U.S. and foreign tax, healthcare and other government policy; the effect of the coronavirus (COVID-19) pandemic and its variants, or other epidemic or pandemic disease; the timing, amount and cost of any share repurchases (or the absence thereof) and/or any refinancing of outstanding debt at or prior to maturity; fluctuations in currency exchange rates and interest rates; the Company's ability to achieve the benefits expected from the sale of its Rx business and the risk that potential costs or liabilities incurred or retained in connection with that transaction may exceed the Company's estimates or adversely affect the Company's business or operations; the Company's ability to achieve the benefits expected from the acquisitions of Héra SAS ("HRA Pharma") and Nestlé's Gateway infant formula plant along with the U.S. and Canadian rights to the GoodStart® infant formula brand and other related formula brands ("Gateway") and/or the risks that the Company's synergy estimates are inaccurate or that the Company faces higher than anticipated integration or other costs in connection with the acquisitions; risks associated with the integration of HRA Pharma and Gateway, including the risk that growth rates are adversely affected by any delay in the integration of sales and distribution networks; the consummation and success of other announced and unannounced acquisitions or dispositions, and the Company's ability to realize the desired benefits thereof; and the Company's ability to execute and achieve the desired benefits of announced cost-reduction efforts and other strategic initiatives and investments, including the Company's ability to achieve the expected benefits from its ongoing restructuring programs described herein. Adverse results with respect to the Company's appeal of any material outstanding tax assessments or pending litigation could have a material adverse impact on the Company's operating results, cash flows and liquidity, and could ultimately require the use of corporate assets to pay damages, reducing assets that would otherwise be available for other corporate purposes. These and other important factors, including those discussed under "Risk Factors" in the Company's Form 10-K for the year ended December 31, 2023, as well as the Company's subsequent filings with the United States Securities and Exchange Commission, may cause actual results, performance or achievements to differ materially from those expressed or implied by these forward-looking statements. The forward-looking statements in this press release are made only as of the date hereof, and unless otherwise required by applicable securities laws, the Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

PERRIGO COMPANY PLC
RECONCILIATION OF NON-GAAP
MEASURES
(in thousands)
(unaudited)

HRA Rare Diseases Business	Twelve Months Ended December 31, 2023	
Loss from continuing operations⁽¹⁾	\$	(84,097)
Income tax expense ⁽²⁾		5,410
Interest expense, net		—
Depreciation and amortization		9,655
EBITDA		<u>(69,032)</u>
Impairment charges		89,978
Adjusted EBITDA		<u>20,946</u>

- (1) The Rare Diseases reporting unit is a fully integrated component of the Consumer Self-Care International ("CSCI") segment, and as a result reported values are not separately tracked. Loss from continuing operations is estimated for this purpose as revenue less cost of goods sold (determined in each case in accordance with U.S. GAAP), less a proportionate share of selling, general and administrative expenses of the CSCI reporting segment, based on the fraction of revenue of the Rare Diseases business bears to CSCI revenue. Depreciation and amortization is based on U.S. GAAP charges for the Rare Diseases business.
- (2) Calculation of the effective tax rate for the Rare Disease business is impractical. Accordingly, Income tax expense is estimated for this purpose based on the French corporate income tax rate in effect during the period, which we believe is a reasonable approximation of the effective tax rate that would be applicable to the business on a stand-alone basis.

SOURCE Perrigo Company plc

For further information: CONTACTS: Perrigo Investor Contact: Bradley Joseph, Vice President, Global Investor Relations & Corporate Communications; (269) 686-3373; e-mail: bradley.joseph@perrigo.com, Nicholas Gallagher, Senior Manager, Global Investor Relations & Corporate Communications; (269) 686-3238, e-mail: nicholas.gallagher@perrigo.com

<https://investor.perrigo.com/2024-04-25-Perrigo-Receives-Binding-Offer-to-Divest-its-HRA-Pharma-Rare-Diseases-Business-for-up-to-EUR275-Million>