

Perrigo Provides Detailed Plan to Consumerize, Simplify and Scale its Unique Global Self-Care Platform at its Virtual Investor Day

DUBLIN, Feb. 28, 2025 /PRNewswire/ -- Perrigo Company plc (NYSE: PRGO), a leading provider of *Consumer Self-Care Products*, today announced that at its Virtual Investor Day, scheduled to begin today at 8:00 AM EST, the management team will lay out its plan to consumerize, simplify and scale its global self-care platform, with a clear path to return to stable and reliable performance.

Perrigo's unique complementary businesses enables each individually to play a specific reinforcing role, where 1) store brands and infant formula generate cash for investments into the Company's key higher margin, higher growth or '*High-Grow*' brands, 2) branding and innovation capabilities that deliver brand and store brand demand generation leading to stronger customer partnerships, 3) consumer-led innovation that is scaled across brands, store brands and geographies, and 4) the Company's global supply chain scale and reach with 100-plus molecules, at 100% consumer price point coverage, serves the most consumers.

The Company's plan to drive cash flow and total shareholder return is anchored behind its 'Three-S' plan – 'Stabilizing' Consumer Self-Care Americas (CSCA) store brand and infant formula businesses; 'Streamlining' the global portfolio, enterprise operating model and Consumer Self-Care International (CSCI) business; and 'Strengthening' what is working by prioritizing and increasing investments behind key '*High-Grow*' brands.

President and CEO Patrick Lockwood-Taylor commented, "The team and I are incredibly excited about the significant opportunities ahead and our clear path forward. Over the past 21 months, we have faced challenges head-on, pivoted effectively and anchored our strategy to stabilize our business, streamline complexity and strengthen areas that are leading performance. These imperatives are expected to yield significant earnings growth and cash flow, and coupled with a high-quality and growing dividend, have the potential to translate into notable total shareholder returns. We look forward to presenting our plan at today's Virtual Investor Day."

In conjunction with its Investor Day, the Company is providing select financial targets for fiscal year 2025 and for fiscal years 2025 to 2027.

Fiscal Year 2025 Financial Targets¹ (fiscal year 2024 actuals as the baseline):

- All-in net sales growth of 1% to 3%.
- Organic net sales growth of 2.5% to 4.5%.
- Adjusted gross margin of approximately 40%.
- Adjusted operating margin of approximately 15%.
- Adjusted diluted earnings per share ("EPS") range of \$2.90 to \$3.10, equating to growth of 13% to 21%.
- Operating cash flow conversion to adjusted net income of approximately 100%.
- Free cash flow as a percentage of net sales of approximately 6%.
- Net leverage of approximately 3.5x adjusted EBITDA.

Fiscal Years 2025 to 2027 Financial Targets¹, (fiscal year 2024 actuals as the baseline):

- Organic net sales CAGR of 2.5% to 4.5%.
- Adjusted gross margin expansion of +200 to +400 basis points by 2027.
- Adjusted operating margin expansion of +150 to +250 basis points by 2027.

- Adjusted diluted EPS CAGR of high-single to low-double digit percentage.
- Operating cash flow conversion to adjusted net income of approximately 100% or more.
- Free cash flow as a percentage of net sales of approximately +200 basis points by 2027.
- Net leverage of less than 3x adjusted EBITDA in 2027.

1. Assumes exchange rates constant to fiscal year 2024 actual exchange rates (USD/EURO of approximately \$1.08).

Virtual Investor Day Details

Perrigo's 2025 Virtual Investor Day will start today, Friday, February 28, 2025, at 8:00 A.M. EST and will be available at <https://investor.perrigo.com/events-webcasts>. A replay will also be available.

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.

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: 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 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, including the Middle East; current and future impairment charges, including those related to the sale of the Héra SAS ("HRA Pharma") Rare Diseases Business, 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 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 benefits expected from its sale of the HRA Rare Diseases Business, including potential earnout payments, and the sale of Orion Laboratories Hospital & Specialty Business (the "Hospital & Specialty Business") and the risk that potential costs or liabilities incurred or retained in connection with those transactions may exceed the Company's estimates or adversely affect the Company's business or operations; the risk that potential costs or liabilities incurred or retained in connection with the sale of the Company's Rx business 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 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 in the Form 10-K (as defined below). Adverse results with respect to 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, 2024 ("Form 10-K"), 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.

Non-GAAP Measures

This press release contains certain non-GAAP measures. A "non-GAAP financial measure" is defined as a numerical measure of a company's financial performance that excludes or includes amounts different from the most directly comparable measure calculated and presented in accordance with U.S. Generally Accepted Accounting Principles (GAAP) in the statements of operations, balance sheets or statements of cash flows of the Company.

These non-GAAP financial measures should be considered as supplements to the GAAP reported measures, should not be considered replacements for, or superior to the GAAP measures and may not be comparable to similarly named measures used by other companies. The Company presents these non-GAAP financial measures in order to provide transparency to our investors because they are measures that management uses to assess both management performance and the financial performance of our operations and to

allocate resources. In addition, management believes that these measures may assist investors with understanding and evaluating our initiatives to drive improved financial performance and enables investors to supplementally compare our operating performance with the operating performance of our competitors including with those of our competitors having different capital structures. While we have excluded certain of these items from historical non-GAAP financial measures, there is no guarantee that the items excluded from non-GAAP financial measures will not continue into future periods. For instance, we expect to continue to experience and report restructuring-related charges associated with continued execution of our strategic initiatives.

The Company provides non-GAAP financial measures as additional information that it believes is useful to investors and analysts in evaluating the performance of the Company's ongoing operating trends, facilitating comparability between periods and, where applicable, with companies in similar industries and assessing the Company's prospects for future performance. These non-GAAP financial measures exclude items, such as amortization expense, impairment charges, restructuring charges, and acquisition and integration-related charges, that by their nature affect comparability of operational performance or that we believe obscure underlying business operational trends. The intangible asset amortization excluded from these non-GAAP financial measures represents the entire amount recorded within the Company's GAAP financial statements and is excluded because the amortization, unlike the related revenue, is not affected by operations of any particular period unless an intangible asset becomes impaired or the estimated useful life of an intangible asset is revised. The revenue generated by the associated intangible assets has not been excluded from the related non-GAAP financial measure. The non-GAAP measures the Company provides are consistent with how management analyzes and assesses the operating performance of the Company, and disclosing them provides investor insight into management's view of the business. Management uses these adjusted financial measures for planning and forecasting in future periods, and evaluating segment and overall operating performance. In addition, management uses certain of the profit measures as factors in determining compensation.

Non-GAAP measures related to profit measurements, which may include adjusted gross margin, adjusted operating margin, adjusted EPS, operating cash flow conversion, free cash flow, and net leverage are useful to investors as they provide them with supplemental information to enhance their understanding of the Company's underlying business performance and trends, and enhance the ability of investors and analysts to compare the Company's period-to-period financial results. Management believes that adjusted gross margin and adjusted operating margin are useful to investors, in addition to the reasons discussed above, by allowing them to more easily compare and analyze trends in the Company's peer business group and assisting them in comparing the Company's overall performance to that of its competitors. The Company also discloses net sales growth excluding the impact of currency on an organic basis. The Company believes these supplemental financial measures provide investors with consistency in financial reporting, enabling meaningful comparisons of past and present underlying operating results, and also facilitate analysis of the Company's operating performance and acquisition and divestiture trends.

The Company cannot reconcile its expected fiscal year 2025 financial targets or fiscal years 2025-2027 financial targets without unreasonable effort because certain items that impact net income and other reconciling metrics are out of the Company's control and/or cannot be reasonably predicted at this time. These items include, but are not limited to,

timing of restructuring charges, acquisition/divestiture costs, gains or losses on sales of assets, and the income tax effects of these items.

Perrigo 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

SOURCE Perrigo Company plc

<https://investor.perrigo.com/2025-02-28-Perrigo-Provides-Detailed-Plan-to-Consumerize,-Simplify-and-Scale-its-Unique-Global-Self-Care-Platform-at-its-Virtual-Investor-Day>