

# J.P. Morgan Healthcare Conference

*January 12<sup>th</sup>, 2015*

**Perrigo**<sup>®</sup>



# Forward – Looking Statements



Certain statements in this presentation are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and are subject to the safe harbor created thereby. 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," "plan," "anticipate," "intend," "believe," "estimate," "predict," "potential" 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. These and other important factors, including those discussed under "Risk Factors" in the Perrigo Company's Form 10-K for the year ended June 28, 2014, as well as the Company's subsequent filings with the 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 presentation 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.

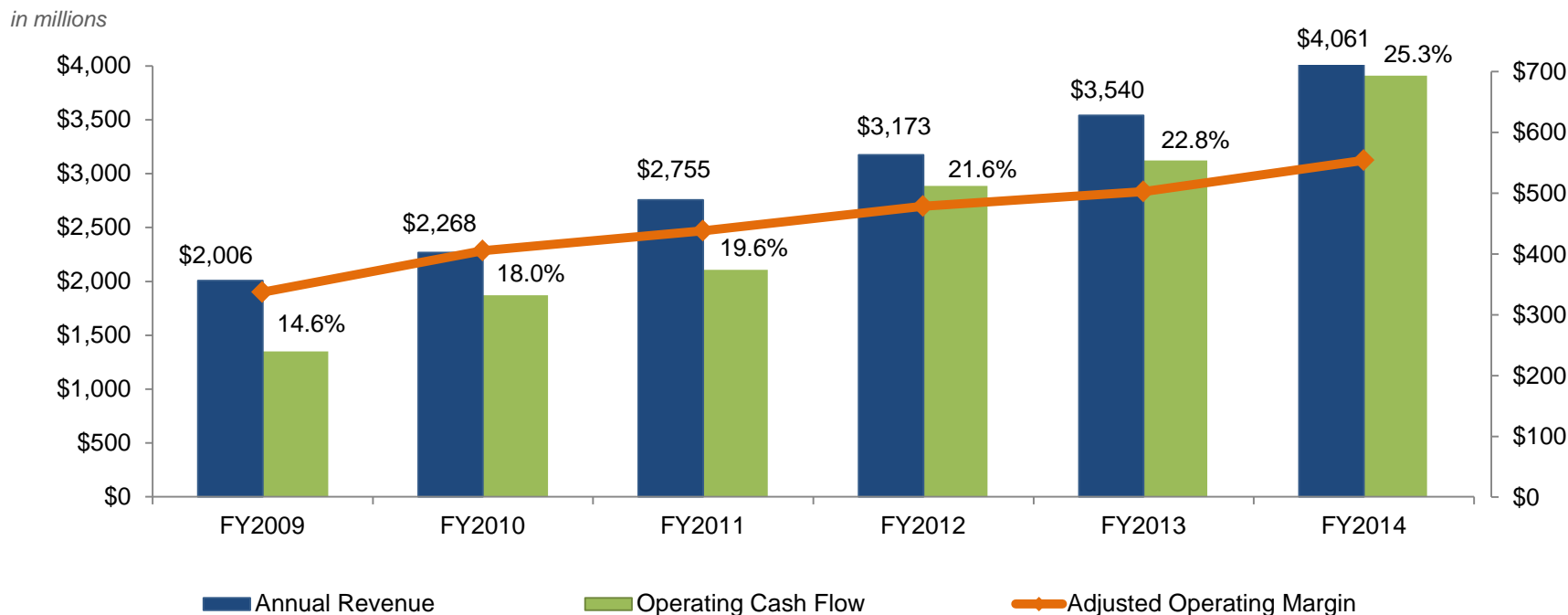
This Presentation contains non-GAAP measures. The reconciliation of those measures to the most comparable GAAP measures is included at the end of this presentation. A copy of this presentation, including the reconciliations, is available on our website at [www.perrigo.com](http://www.perrigo.com).

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# Perrigo Consolidated Key Financial Performance\*



## Revenue, Cash Flow & Adjusted Operating Margin



### FOCUS ON GROSS AND OPERATING MARGIN EXPANSION

#### 5- Year CAGR:

Revenue – 15%

Op. Cash Flow – 22%

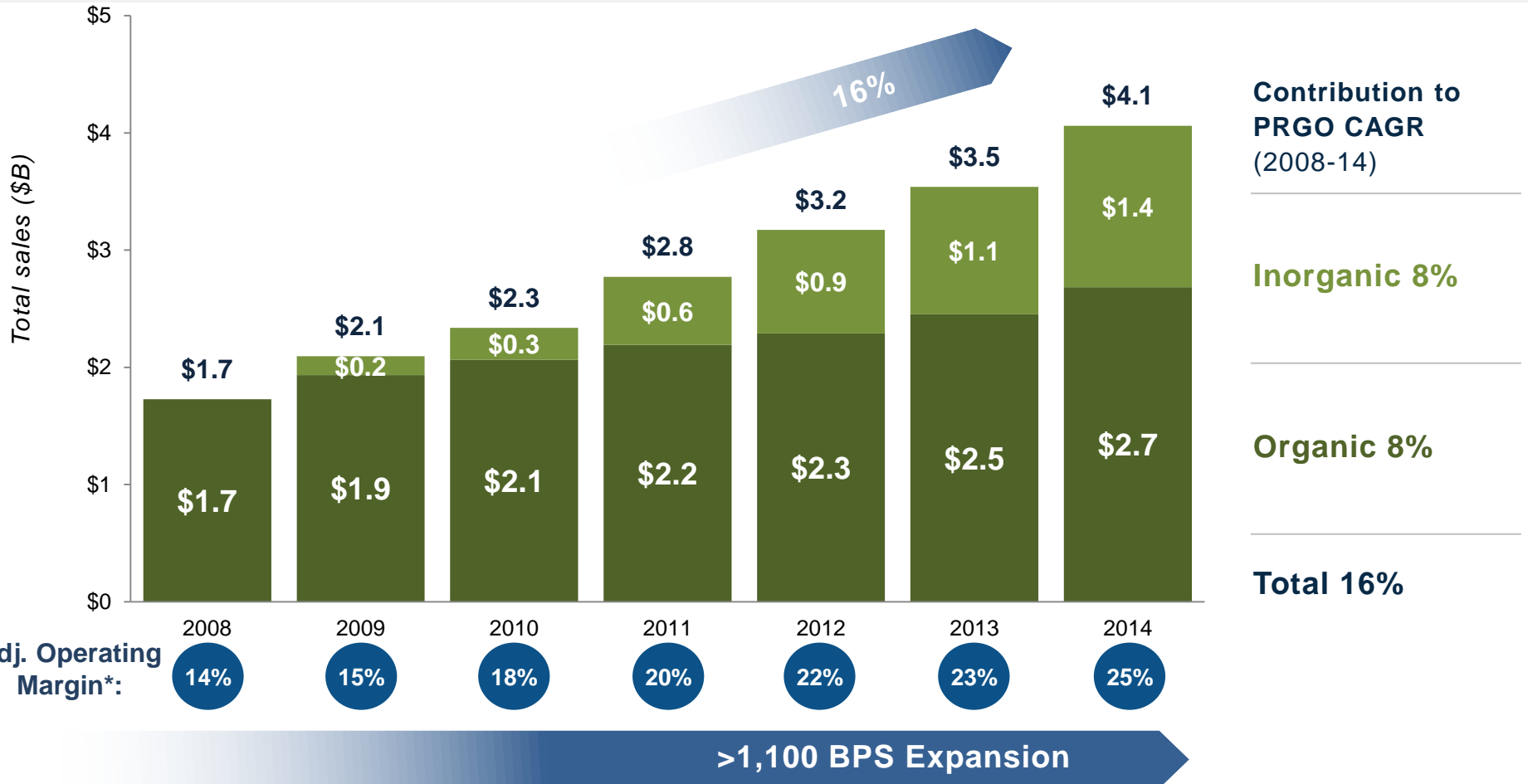
Adj. Op. Margin – 12%

\*See Appendix for reconciliation of adjusted operating margin to GAAP

# Focused on Both Organic and Inorganic Growth



## Balanced Combination of Organic and Inorganic Contribution



\*See Appendix for reconciliation of adjusted operating margin to GAAP

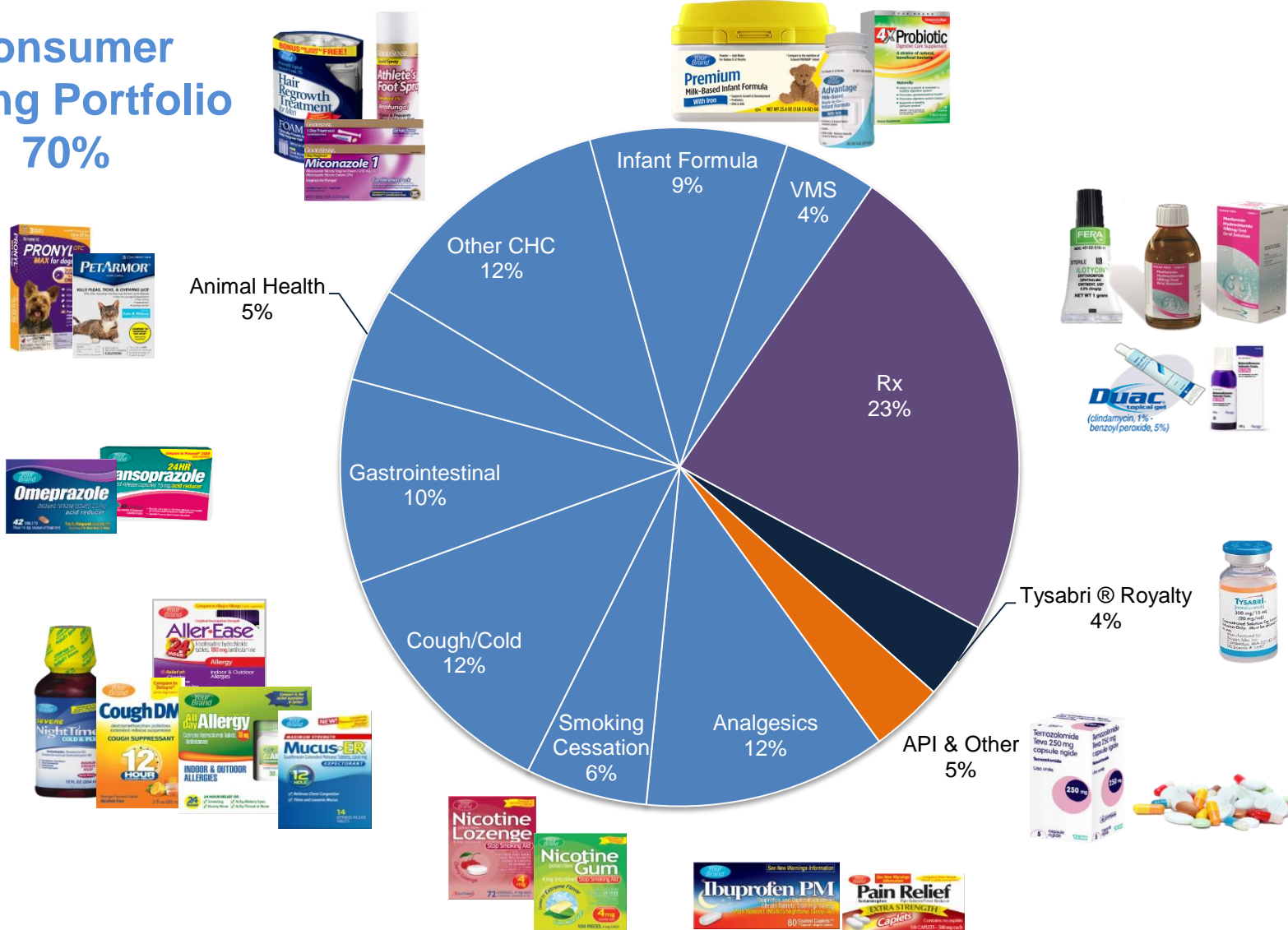
Note: Organic sales exclude the effects of acquisitions; acquisitions and their subsequent growth remain in inorganic sales in years following the acquisition; Adj. operating margin data prior to FY07 may not be comparable to succeeding years due to recasting of financials

# Portfolio of Leading Store Brands & Generics



FY2014 Portfolio by Sales (\$4.1B)

## Consumer Facing Portfolio 70%

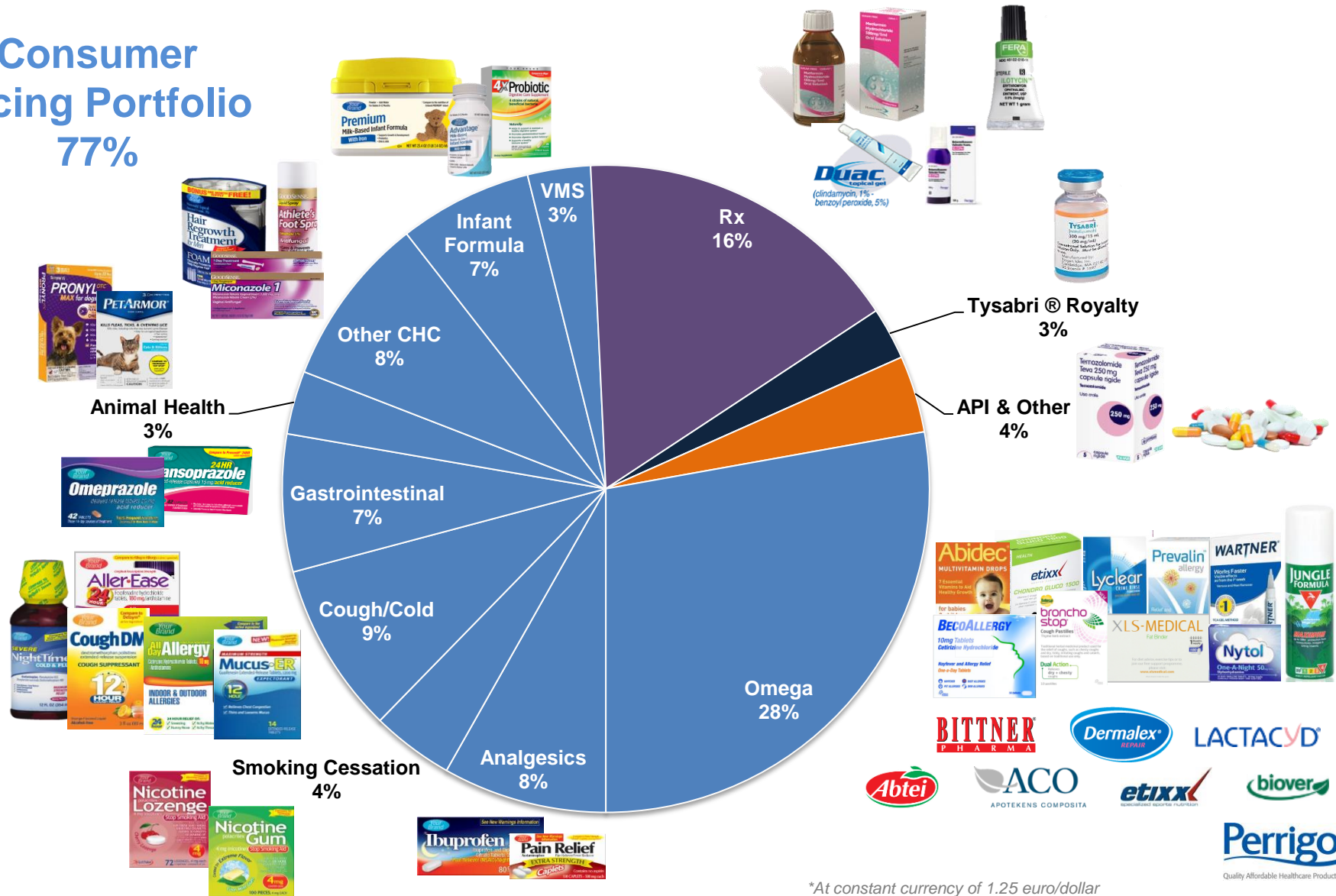


# Portfolio of Leading Consumer Products & Generics



Pro Forma FY2014 Portfolio by Sales (~\$5.7B)\*

Consumer Facing Portfolio  
77%



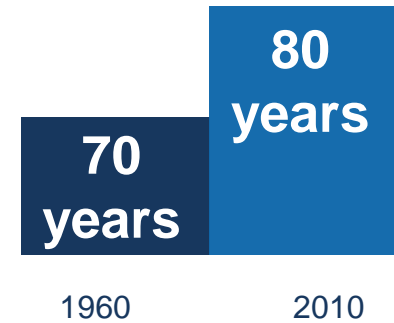
\*At constant currency of 1.25 euro/dollar

# Megatrends Will Drive Perrigo's Long-Term Growth

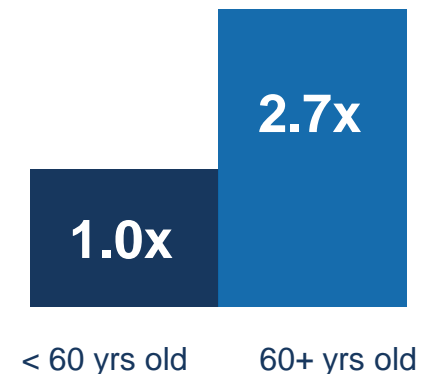


- 1 Demographics will drive increased OTC utilization**
- 2 Fewer people to fund healthcare, driving the need for greater efficiency**
- 3 OTC's deliver greater healthcare efficiency and value**
- 4 Store brand proposition further enhances OTC's efficiency and value**
- 5 More products will switch from Rx to OTC status**

✓ Average life expectancy has **increased by 10 years to 80 years since 1960**



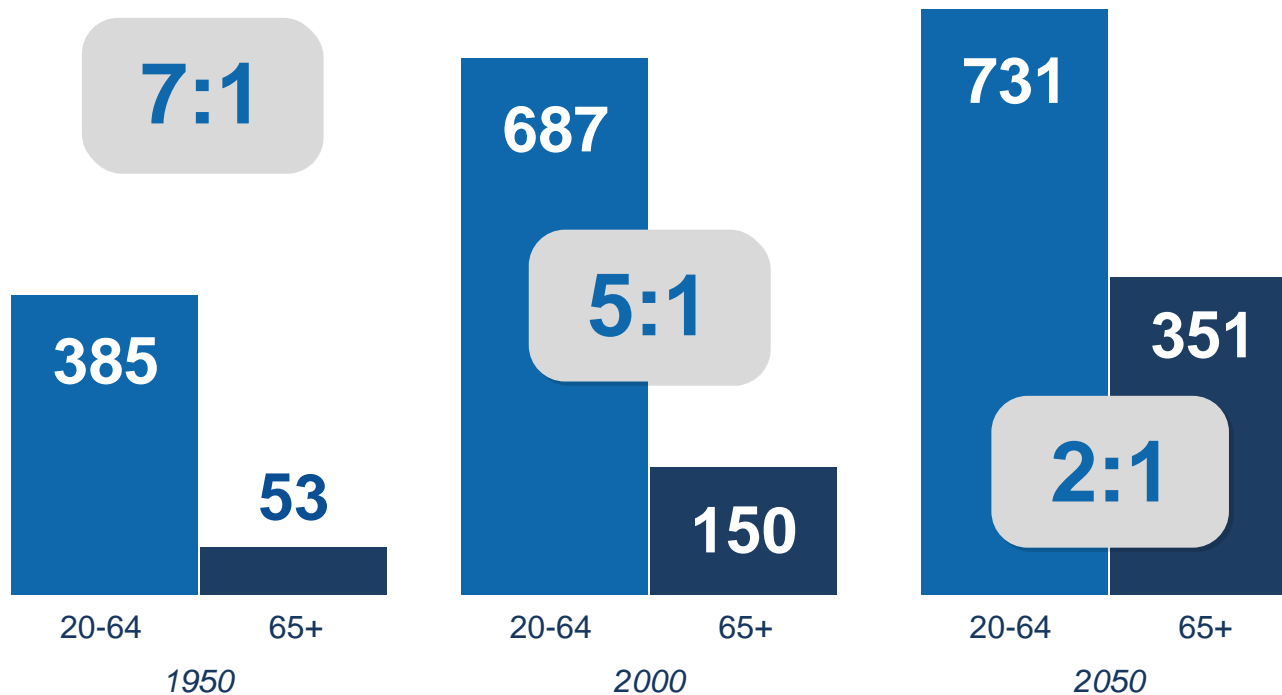
✓ People over the age of 60 consume pharmaceuticals (Rx & OTC) at **2.7x the rate** of people under the age of 60





# Megatrends – Greater Need for Healthcare Efficiency

- ✓ There will be fewer people aged 20-64 per person aged 65+; **fewer people to fund healthcare for those 65+**



## ✓ Availability of OTC Medicines Provides **\$102B** Value to the U.S. Healthcare System Annually

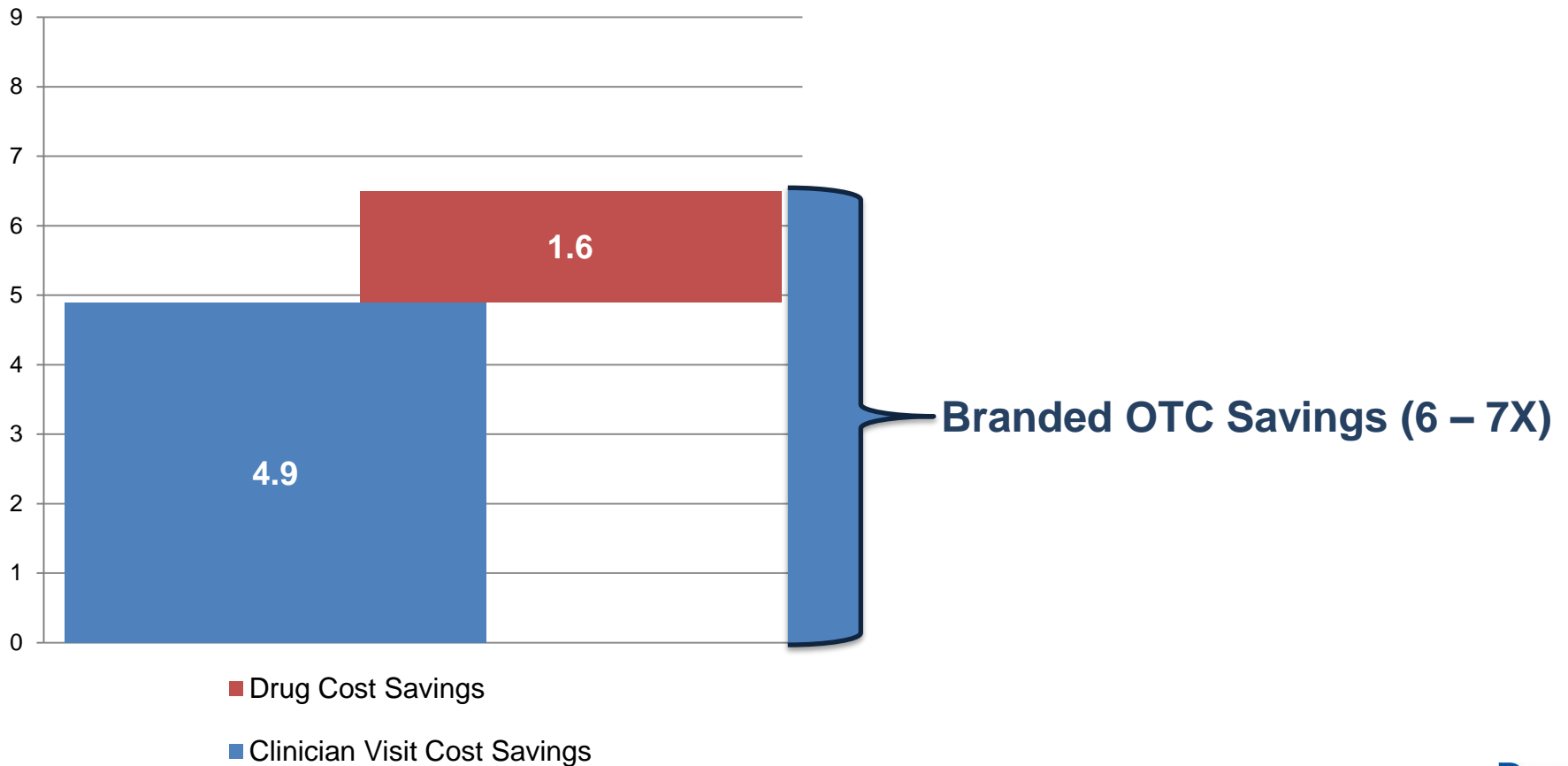
**Diverse  
Location  
Availability**

**Full / Equal  
Access**

**Patient  
Final  
Decision  
maker**

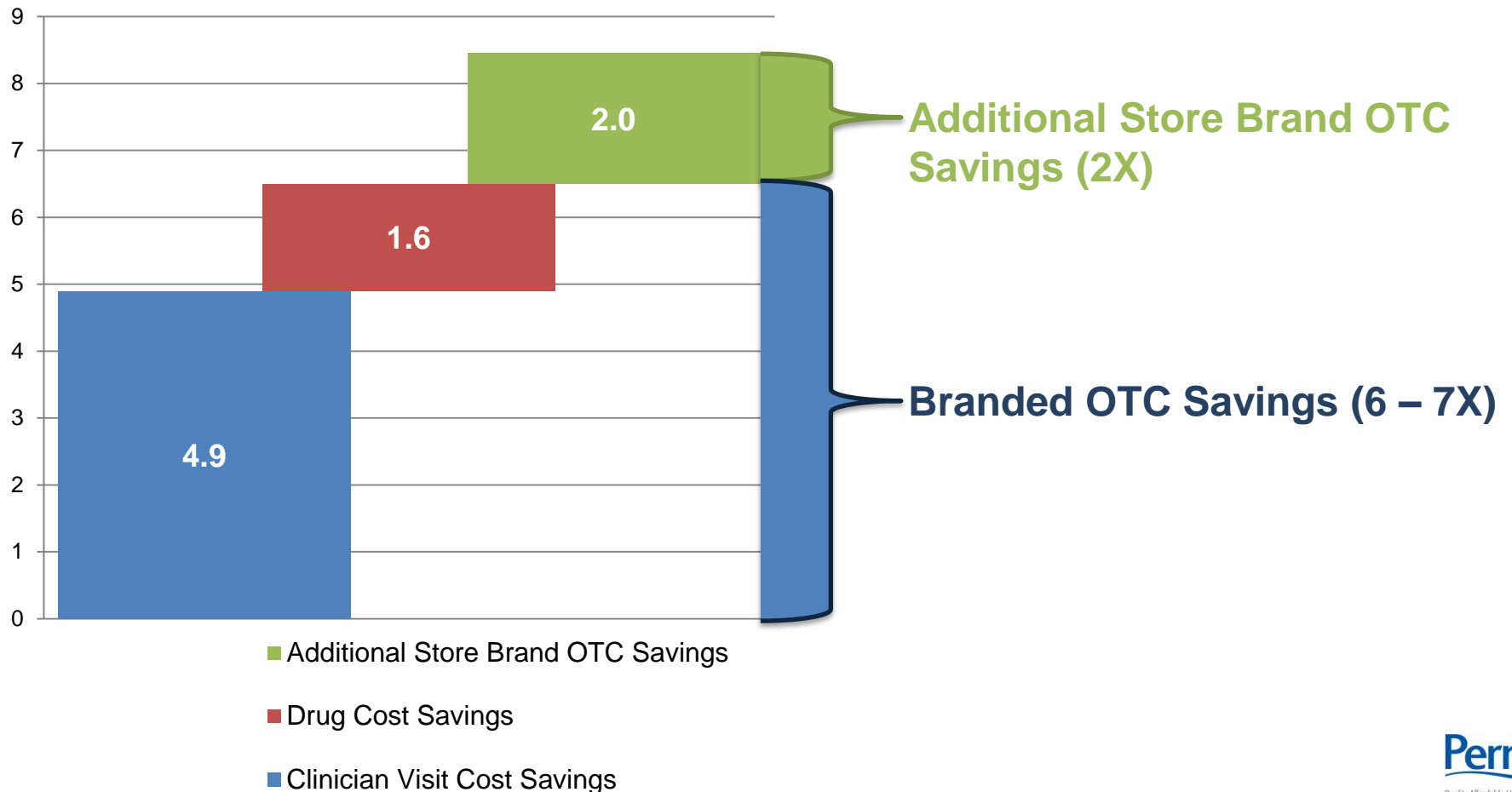
- ✓ If OTC medicines were not available, **the U.S. healthcare system would need an additional 56,000 medical practitioners**
- ✓ If OTC medicines were not available, **the estimated increase in ER visits would be \$4B**
- ✓ If OTC medicines were not available, **180M patients would not seek treatment**
- ✓ OTC medicines save the healthcare system **\$28M from unnecessary Medicaid and uninsured patient costs**
- ✓ OTC medicines save **\$23B in potential lost job productivity**

## ✓ Branded OTC Medicines Results in 6 – 7X Savings vs. Branded Rx Products

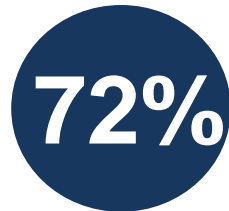


# Megatrends – Store Brand OTC’s Deliver Even More Efficiency

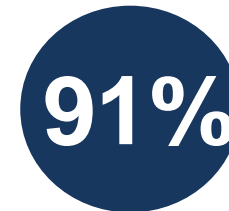
## ✓ Store Brand OTC Medicines Results in 8 – 9X Savings vs. Branded Rx Products



## Consumer selection of store brand



72% of educated consumers (MDs and RPh) chose store brands\*



Once consumers try store brand, 91% of the time, they stay with store brand\*\*

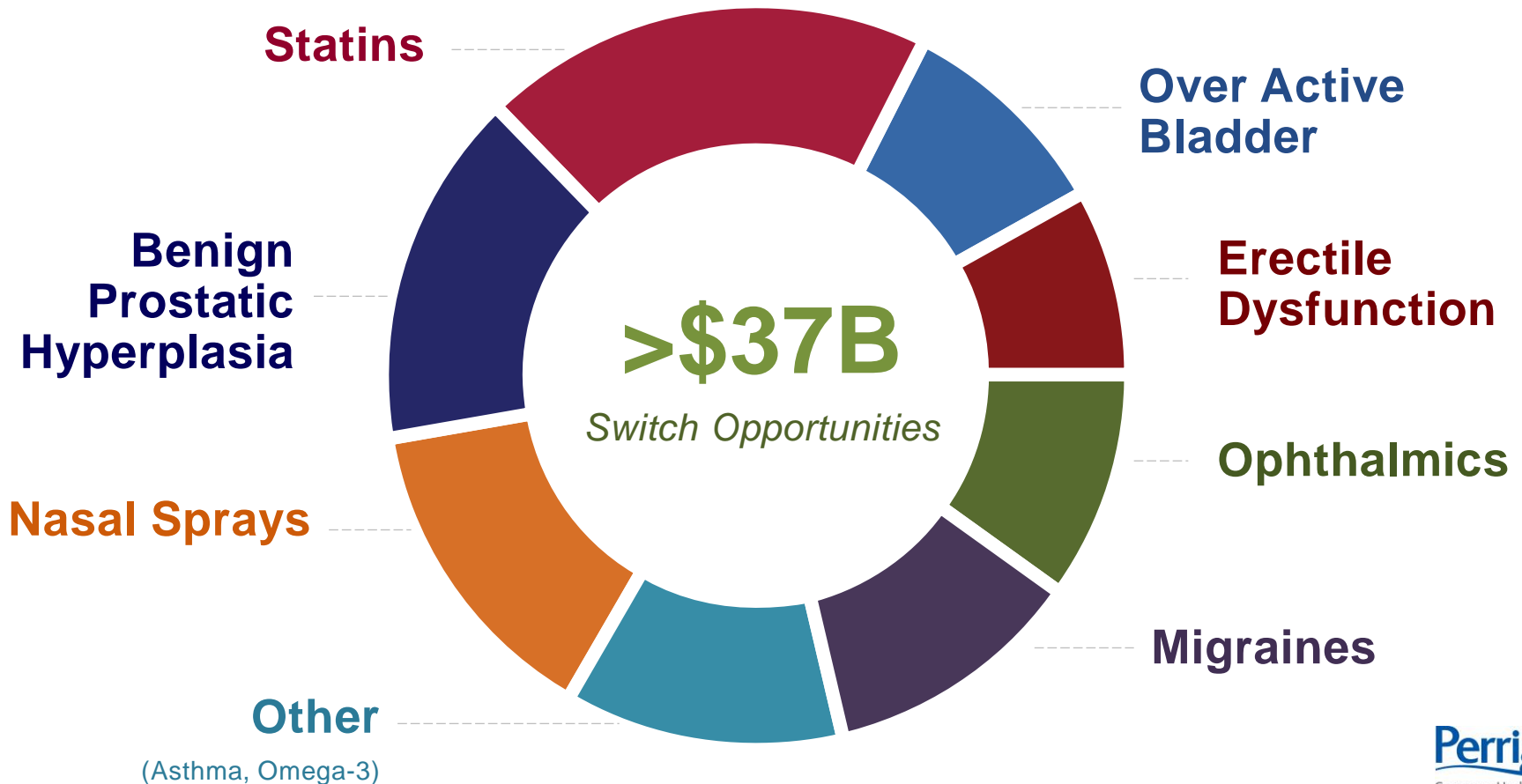
- ✓ Economics will continue to drive the move **from national brands to store brands**
- ✓ Retailers driven by store brand margins structure, **retailer traffic driven by store brand and repeat business**

\*Bart J. Bronnenberg, Jean-Pierre Dubé, Matthew Gentzkow, Jesse M. Shapiro. Do Pharmacists Buy Bayer? Sophisticated Shoppers and the Brand Premium. University of Chicago working paper. 2013

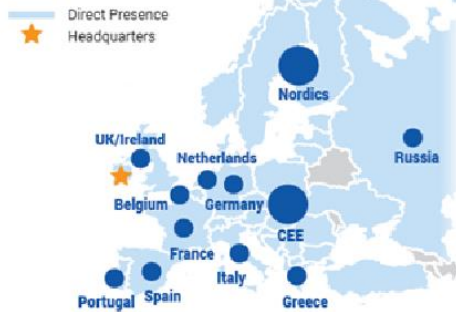
\*\* Private Label Manufacturers Association Consumer Research Report, 2009

# Megatrends – Increasing Rx to OTC Switches

✓ Potential Rx to OTC switches – **\$10B** in **branded sales potential** over the next 5 years



## Geographic Scale



- ✓ 35 countries with commercial presence
- ✓ +2,500 employees
- ✓ Top 5 global OTC player

## Commercial Infrastructure



- ✓ Access to 211K pharmacists, 105K retail stores and 4K para-pharmacies
- ✓ +3,000 products
- ✓ Platform for EU bolt-on acquisitions

## Financially Attractive



- ✓ \$1.7 billion in revenue
- ✓ Immediately accretive
- ✓ Supply chain and revenue synergy opportunities

# Combination Enhances Financial Position



	Perrigo Standalone	Combined Pro Forma
Revenue <sup>1</sup>	\$4.1B	\$5.7B
Geographic Distribution of Sales <sup>2</sup>	81% US / 19% ROW	57% US / 43% ROW
Adjusted Operating Income <sup>1</sup>	\$1.1B	\$1.3B
Cash Flow <sup>1</sup>	\$1.0B	\$1.2B

Note: excludes impact of synergies and is at constant currency of 1.25 euro/dollar

<sup>1</sup> Figures represent last twelve months as of September 31, 2014 and adjusted for \$180 million of Elan transaction expenses

<sup>2</sup> Figure current for Perrigo as of the end of fiscal 2014 with the addition of Omega's last twelve months as of September 31, 2014

<sup>3</sup> Operating cash flow calculated as net income, plus depreciation & amortization, less increase in working capital





# Unique Sustainable Competitive Position

1

Quality excellence across  
**23 global sites**

2

Strong **customer partnerships**

3

Critical mass – **+50B dosages per year**

4

**Mass customization** – 3,000  
unique formulas plus 18,000 SKUs

5

**No. 1 position:**

- ✓ Consumer (SB)
- ✓ Infant formula (SB)
- ✓ Extended topicals (GRx)
- ✓ Animal health (SB)

6

New product pipeline / innovation –  
**160 filings awaiting approval**

7

**Disciplined M&A / integration**

8

**Vertical integration capabilities**

9

**Global sourcing**

10

**Competitive tax rate**

1

**Shift our fiscal year to match the calendar year!**

2

**Guidance**

- ✓ Continue to provide Perrigo Standalone Guidance ex-Omega financing until deal closes (anticipate calendar Q1:15)
- ✓ Will change to reflect segments, calendar year and Omega acquisition post-close

3

**Animal Health flea & tick new product launch**

- ✓ Litigation initiated against innovator
- ✓ Market exclusivity at risk

4

**Recent cough/cold/flu season strength**

1

## **Close Omega acquisition and continue solid execution on branded OTC strategy in Europe**

- ✓ Drive revenue and supply chain synergy opportunities

2

## **Strong new product launches**

- ✓ Store and value brand versions of Frontline<sup>®</sup> Plus
- ✓ Store brand versions of Ensure<sup>®</sup>
- ✓ Gummy Vitamin Supply Agreement
- ✓ Testosterone Gel 1.0% - AB rated to Androgel<sup>®</sup> 1.0%
- ✓ Generic version of Clobex<sup>®</sup> Spray 0.05%

# Corporate and Consumer Healthcare Growth



✓ Across ALL segments, we expect to launch >100 new products



## Consumer Healthcare FY 15 Pipeline Highlights

## Branded Sales (\$M)

SB version of Mucinex® Allergy	\$50 – Launched*
SB version of Vagisil® Feminine Wash	\$25 – Launched
SB version of Advil® Congestion Relief	\$17 – Launched
Branded and SB versions Flea and Tick products	>\$100 – Launched*
SB versions of Nasal Corticosteroid Sprays	>\$200*
SB version of Prilosec® Wildberry	\$45
SB version of Adult & Children's Delsym® Liquid - Grape	\$41
SB version of Claritin® 24HR Liqui-Gel	\$40
SB version of Mucinex® Fast Max Severe Congestion	\$14



# Infant Formula New Product Pipeline



## Unique Formulations

- ✓ Ultra-Kosher
- ✓ Organic Low Lactose, Organic Toddler, Organic Soy

## Core Formula Upgrades

- ✓ Dual Prebiotic (Compare to Enfamil®)
- ✓ Soy +Prebiotic +Lutein (Compare to Isomil®)
- ✓ Partially Hydrolyzed & Reduced Lactose (Compare to Similac® Total Comfort™)
- ✓ Organic +Prebiotic (Compare to Similac® Organic)
- ✓ Reduced Calorie Staged Formulas (Compare to Similac® OptiGRO™)



# New Adult Nutritionals and Gummy Vitamins Offerings



## Perrigo Product Offering

- ✓ NBE Product: Ensure® & Ensure Plus®
- ✓ Flavors: Vanilla, Chocolate, Strawberry
- ✓ Liquid Process: Aseptic
- ✓ Bottle: 8oz. Re-closable, Plastic bottle, No Foil



## Perrigo is well positioned to capture Gummy market share

- ✓ Large, growing category expected to reach \$1B by 2017
- ✓ Gummy market is expanding beyond multivitamins
- ✓ Store brand market is underpenetrated



## 31 ANDAs Pending FDA Approval

- ✓ ANDAs represent \$4.1B in branded sales
- ✓ 5 confirmed first-to-file ANDAs
- ✓ Additional 2 FTF ANDAs have final approval with later certain launch dates

## 4 Paragraph IV Litigations

- ✓ Testosterone 1.62% Gel (Androgel®)
- ✓ Testosterone 2% Topical Solution (Axiron®)
- ✓ Desoximetasone Spray, 0.25% (Topicort®)
- ✓ Testosterone Undecanoate Injection (Aveed®)

## 6 Projects in Clinical Studies



<u>Rx FY 15 Pipeline Highlights</u>	<u>Branded Sales (\$M)</u>
Generic version of Androgel® 1.0%	\$320 – Launched
Generic version of Clobex® Spray	\$100 – Launched
Generic version (AG) of Protopic® Ointment	\$175 – Launched
Generic version of Pennsaid® Topical Solution	\$40 – Launched
Generic version of Zutripro® Oral	\$15 – Launched
>5 undisclosed products	>\$600



1

## **Close Omega acquisition and continue solid execution on branded OTC strategy in Europe**

- ✓ Drive revenue and supply chain synergy opportunities

2

## **Strong new product launches**

- ✓ Store and value brand versions of Frontline<sup>®</sup> Plus
- ✓ Store brand versions of Ensure<sup>®</sup>
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- ✓ Testosterone Gel 1.0% - AB rated to Androgel<sup>®</sup> 1.0%
- ✓ Generic version of Clobex<sup>®</sup> Spray 0.05%

3

## **Positive momentum for Tysabri<sup>®</sup>**

- ✓ 25% royalty rate on global net sales above \$2B
- ✓ SPMS optionality

# Specialty Sciences – Tysabri® Royalty Revenue

CY2013 Tysabri® global net sales ~ \$1.8B

- ✓ FDA approved for Relapsing forms of MS in the U.S. and Relapsing-Remitting MS in the E.U.
- ✓ Commercialized globally by Biogen Idec
- ✓ WW MS market was ~\$15.4B in 2013 and is expected to grow to ~\$19.3B in 2018 (~4.6% CAGR)<sup>(1)</sup>
- ✓ Royalty of 18% on global net sales up to \$2B;  
**25% royalty on global net sales above \$2B**
- ✓ Safety (REMS) and biologic profile raise the **barriers to entry** for biosimilars

## 2015 AND BEYOND GROWTH DRIVERS

- ✓ Increasing Royalty Rate
- ✓ Favourable Market Dynamics
- ✓ Compelling Efficacy
- ✓ SPMS Option



1

## **Close Omega acquisition and continue solid execution on branded OTC strategy in Europe**

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## **Strong new product launches**

- ✓ Store and value brand versions of Frontline<sup>®</sup> Plus
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3

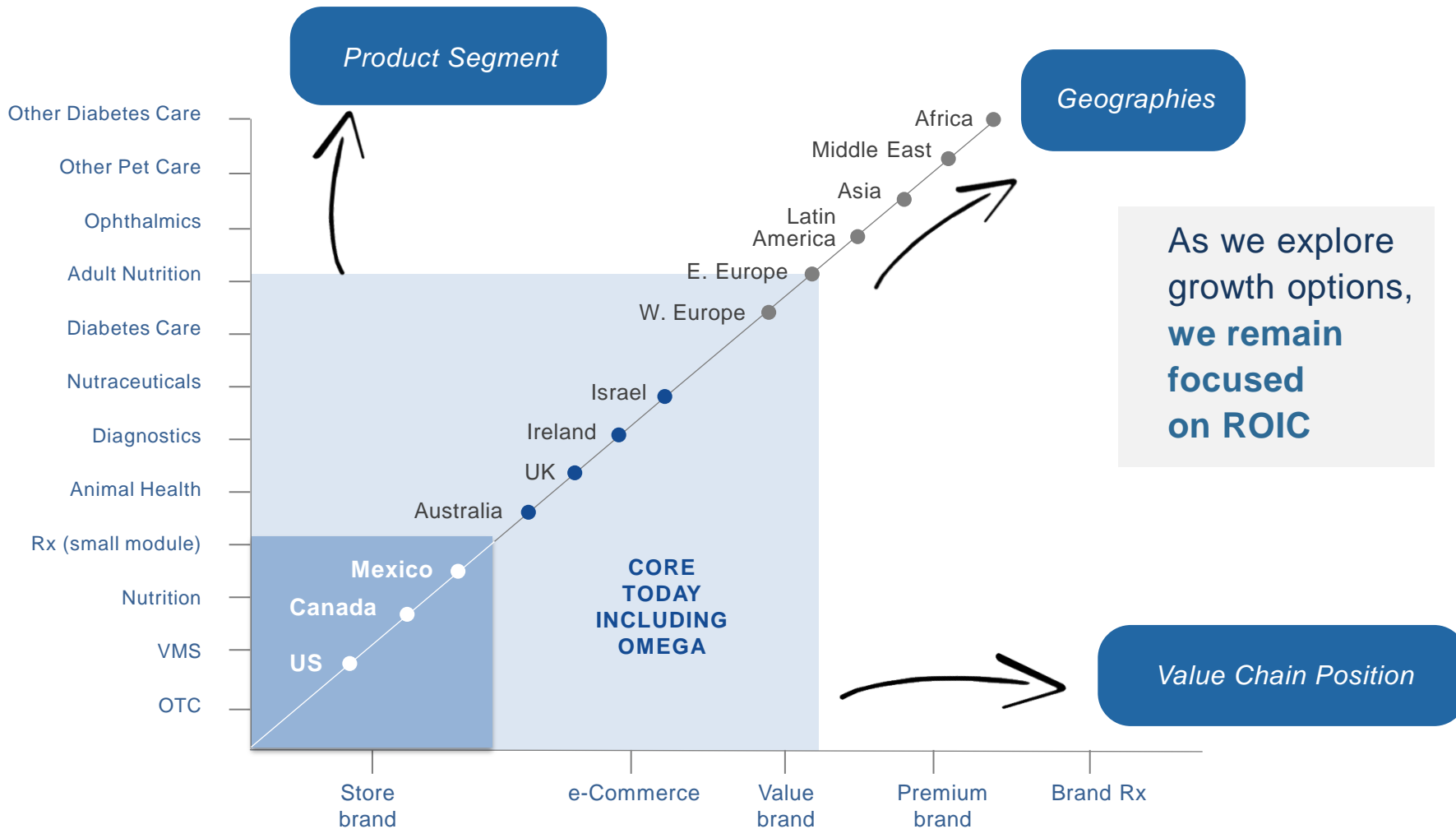
## **Positive momentum for Tysabri<sup>®</sup>**

- ✓ 25% royalty rate on global net sales above \$2B
- ✓ SPMS optionality

4

## **Disciplined M&A strategy**

# Broad Range of Inorganic Growth Opportunities



- 1 Megatrends Continue to be Tailwinds**
- 2 Unique Sustainable Competitive Position**
- 3 Omega Enhances Durable Model**
- 4 2015 & Beyond Growth Drivers**

# Questions?

## Contacts

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# APPENDIX

**Table I**  
**PERRIGO COMPANY PLC**  
**RECONCILIATION OF NON-GAAP MEASURES**  
(in millions, except per share amounts)  
(unaudited)



	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>
<b>Consolidated - from continuing operations</b>							
Reported net sales	\$1,727.5	\$2,005.6	\$2,268.2	\$2,755.0	\$3,173.2	\$3,539.8	\$4,060.8
Reported operating income	\$ 192.8	\$ 249.5	\$ 335.9	\$ 490.2	\$ 569.2	\$ 679.1	\$ 567.0
Acquisition-related amortization <sup>(1)</sup>	24.2	23.6	25.1	46.8	74.8	94.0	281.0
Acquisition costs	-	-	8.2	3.2	9.4	9.5	109.3
Restructuring charges	2.3	14.6	9.5	1.0	8.8	2.9	47.0
Loss contingency accrual	-	-	-	-	-	-	15.0
Write-offs of in-process R&D	2.8	0.3	19.0	-	2.0	9.0	6.0
Litigation settlements	-	-	-	-	-	-	5.3
Contingent consideration adjustment	-	-	-	-	-	-	1.1
Escrow settlement	-	-	-	-	-	-	(2.5)
Inventory step-ups	5.8	2.9	10.9	-	27.2	10.8	-
Impairment of intangible asset	10.3	-	-	-	-	-	-
Impairment of fixed assets	-	1.6	-	-	-	-	-
Loss on asset exchange	-	0.6	-	-	-	-	-
Proceeds from sale of pipeline development projects	-	-	-	-	(4.8)	-	-
Adjusted operating income	<u>\$ 238.2</u>	<u>\$ 293.1</u>	<u>\$ 408.6</u>	<u>\$ 541.2</u>	<u>\$ 686.6</u>	<u>\$ 805.3</u>	<u>\$1,029.2</u>
Adjusted operating income %	13.8%	14.6%	18.0%	19.6%	21.6%	22.8%	25.3%

(1) Amortization of acquired intangible assets related to business combinations and asset acquisitions

**Table II**  
**PERRIGO COMPANY PLC**  
**RECONCILIATION OF NON-GAAP MEASURES**  
(in millions)  
(unaudited)

	<u>FY 2011*</u>	<u>FY 2012*</u>	<u>FY 2013*</u>	<u>FY 2014*</u>
<b>Consumer Healthcare</b>				
Reported net sales	\$ 1,684.9	\$ 1,815.8	\$ 2,089.0	\$2,219.0
Reported operating income	\$ 309.0	\$ 315.3	\$ 363.2	\$ 368.6
Acquisition-related amortization <sup>(1)</sup>	8.4	9.3	17.4	22.1
Restructuring charges	1.0	-	2.9	5.3
Acquisition costs	-	-	2.7	0.7
Inventory step-ups	-	-	7.7	-
Escrow settlement	-	-	-	(2.5)
Adjusted operating income	<u>\$ 318.4</u>	<u>\$ 324.6</u>	<u>\$ 393.8</u>	<u>\$ 394.2</u>
Adjusted operating income %	18.9%	17.9%	18.9%	17.8%
<b>Nutritionals</b>				
Reported net sales	\$ 503.3	\$ 501.0	\$ 508.4	\$ 551.7
Reported operating income	\$ 60.2	\$ 25.4	\$ 35.2	\$ 40.5
Acquisition-related amortization <sup>(1)</sup>	23.2	29.3	29.2	29.3
Litigation settlements	-	-	-	2.8
Restructuring charges	-	8.8	-	-
Adjusted operating income	<u>\$ 83.4</u>	<u>\$ 63.5</u>	<u>\$ 64.4</u>	<u>\$ 72.6</u>
Adjusted operating income %	16.6%	12.7%	12.7%	13.2%

\* All information based on continuing operations.

(1) Amortization of acquired intangible assets related to business combinations and asset acquisitions



# APPENDIX

Table II cont.  
**PERRIGO COMPANY PLC**  
**RECONCILIATION OF NON-GAAP MEASURES**  
(in millions)  
(unaudited)



	<u>FY 2011*</u>	<u>FY 2012*</u>	<u>FY 2013*</u>	<u>FY 2014*</u>
<b>Rx Pharmaceuticals</b>				
Reported net sales	\$ 343.7	\$ 617.4	\$ 709.5	\$ 927.1
Reported operating income	\$ 114.6	\$ 213.5	\$ 263.2	\$ 349.8
Acquisition-related amortization <sup>(1)</sup>	11.0	32.4	43.8	72.7
Loss contingency accrual	-	-	-	15.0
Write-offs of in-process R&D	-	2.0	9.0	6.0
Litigation settlement	-	-	-	2.5
Restructuring charges	-	-	-	1.7
Contingent consideration adjustment	-	-	-	1.1
Inventory step-ups	-	27.2	3.1	-
Acquisition costs	-	3.8	1.5	-
Proceeds from sale of pipeline development projects	-	(4.8)	-	-
Adjusted operating income	<u>\$ 125.6</u>	<u>\$ 278.9</u>	<u>\$ 320.6</u>	<u>\$ 448.8</u>
Adjusted operating income %	36.5%	45.2%	45.2%	48.4%
<b>API</b>				
Reported net sales	\$ 155.7	\$ 165.8	\$ 159.3	\$ 137.6
Reported operating income	\$ 36.2	\$ 53.9	\$ 48.9	\$ 46.1
Acquisition-related amortization <sup>(1)</sup>	2.5	2.0	2.0	2.1
Restructuring charges	-	-	-	0.2
Adjusted operating income	<u>\$ 38.7</u>	<u>\$ 55.9</u>	<u>\$ 50.8</u>	<u>\$ 48.4</u>
Adjusted operating income %	24.9%	33.7%	31.9%	35.2%

\* All information based on continuing operations.

(1) Amortization of acquired intangible assets related to business combinations and asset acquisitions

**Table VII**  
**PERRIGO COMPANY PLC**  
**RECONCILIATION OF NON-GAAP MEASURES**  
(in millions)  
(unaudited)

	Perrigo*	Omega**	Combined
LTM reported operating income	\$ 524.5	\$ 246.0	\$ 770.5
Acquisition-related amortization <sup>(1)</sup>	357.6	—	357.6
Acquisition-related costs	98.5	—	98.5
Restructuring and impairments	47.5	14.0	61.5
Loss contingency accrual	15.0	—	15.0
Charges associated with write-offs of in-process R&D	6.0	—	6.0
Charges associated with litigation settlements	2.8	—	2.8
Charge associated with contingent consideration adjustment	0.9	—	0.9
Earnings associated with escrow settlement	(2.5)	—	(2.5)
LTM adjusted operating income	<u>\$ 1,050.3</u>	<u>\$ 260.0</u>	<u>\$ 1,310.3</u>

\* Perrigo last twelve months as of September 27, 2014

\*\* Omega last twelve months as of September 30, 2014

(1) Amortization of acquired intangible assets related to business combinations and asset acquisitions.