

Perrigo®



Second Quarter 2020 Financial Results August 5, 2020



**Bradley Joseph,
VP Investor Relations and
Corporate Communications**

Forward Looking Statements

Certain statements in this presentation 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 effect of the novel coronavirus (COVID-19) pandemic and the associated economic downturn and supply chain impacts on the Company’s business; the timing, amount and cost of any share repurchases; future impairment charges; 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, including the Company’s appeal of the Notice of Assessment (the “NoA”) issued by the Irish tax authority and the Notices of Proposed Assessment (“NOPAs”) issued by the U.S. Internal Revenue Service and the impact that an adverse result in such proceedings would have on operating results, cash flows, and liquidity; potential third-party claims and litigation, including litigation relating alleged price-fixing in the generic pharmaceutical industry, alleged class action and individual securities law claims and allege product liability claims, and litigation relating to uncertain tax positions, including the NoA and the NOPAs; potential impacts of ongoing or future government investigations and regulatory initiatives; potential costs and reputational impact of product recalls or sales halts; the impact of tax reform legislation and healthcare policy; general economic conditions; fluctuations in currency exchange rates and interest rates; the consummation of announced acquisitions or dispositions and the success of such transactions, 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 strategic and other initiatives. Statements regarding the separation of the RX business, including the expected benefits, anticipated timing, form of any such separation and whether the separation ultimately occurs, are all subject to various risks and uncertainties, including future financial and operating results, our ability to separate the business, the effect of existing interdependencies with our manufacturing and shared service operations, and the tax consequences of the planned separation to the Company or its shareholders.. These and other important factors, including those discussed under “Risk Factors” in the Company’s Form 10-K for the year ended December 31, 2019, 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 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.

Non-GAAP Measures: This presentation contains Non-GAAP measures. The reconciliation of those measures to the most comparable GAAP measures are included at the end of this presentation.



**Murray S. Kessler,
President & CEO**



A big thank you to ALL

Perrigo® colleagues

Q2 2020 - On Track with Our FY20 Operational Objectives And Advancing Transformation to a Consumer Self-Care Company

- ✓ Maintained **uninterrupted operations at ALL 27 manufacturing plants** worldwide
- ✓ Divested Rosemont for **~\$195M in cash** at an attractive multiple
- ✓ Provided assurance of liquidity by completing a \$750 million bond offering to refinance 2021 bonds; repaid \$100 million revolver
- ✓ Company's **cash position increased to ~\$850M** after 2021 debt repayment in early Q3
- ✓ **> 200% cash conversion** to adjusted Q2 net income
- ✓ Closed the **Dr. Fresh** oral-care acquisition
- ✓ Announced **Kazmira** partnership focused on large scale production and supply of cGMP compliant, THC-free CBD
- ✓ Began roll-out of new **Business Intelligence** platform to enhance decision making
- ✓ **7th consecutive quarter of meeting or beating expectations**

Current Business Dynamics

Reaffirmed 2020 Adj. Diluted EPS Guidance Despite \$0.18 - \$0.21 from COVID-19 Related Impacts and Divested Rosemont Business

KNOWN

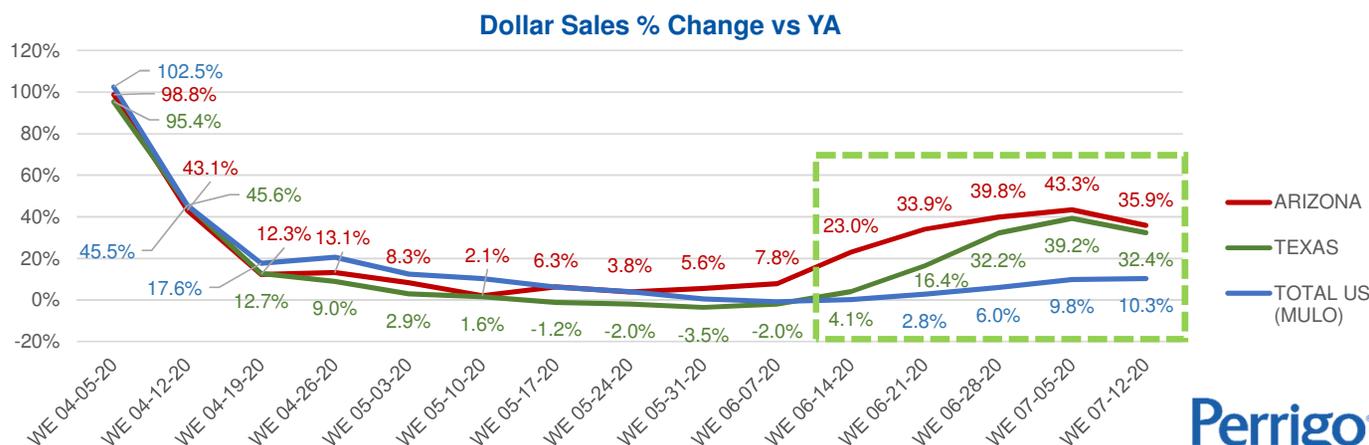
- ✓ Best-in-class facility safety and tracing protocols
- ✓ Remote colleagues remain highly productive
 - ✓ Transformational initiatives remain largely on-track
- ✓ Depleted retail/wholesale inventories mostly restored
- ✓ Replenishing Perrigo inventories
- ✓ Channel shifting to e-Commerce
- ✓ Surge in cases typically = surge in demand
- ✓ Expected to retain half of initial consumer pantry load
- ✓ Half of H1 A&P savings re-invested in H2
- ✓ COVID-19 incremental costs
- ✓ CARES Act tax benefit
- ✓ Impact from Rosemont divestiture

UNKNOWN

- ✓ Recovery time for patient visits, non-essential categories
- ✓ Timing and impact of potential broadscale second-wave of COVID-19
- ✓ Extent of future lockdowns and stay-at-home orders



Analgesics Sales - Total USA (MULO) vs. Arizona & Texas



Performing Ahead of Expectations YTD

H1 Net Sales +14% (ex. Divested Businesses and Currency**), Adjusted Operating Income +10%, Adjusted EPS +12%

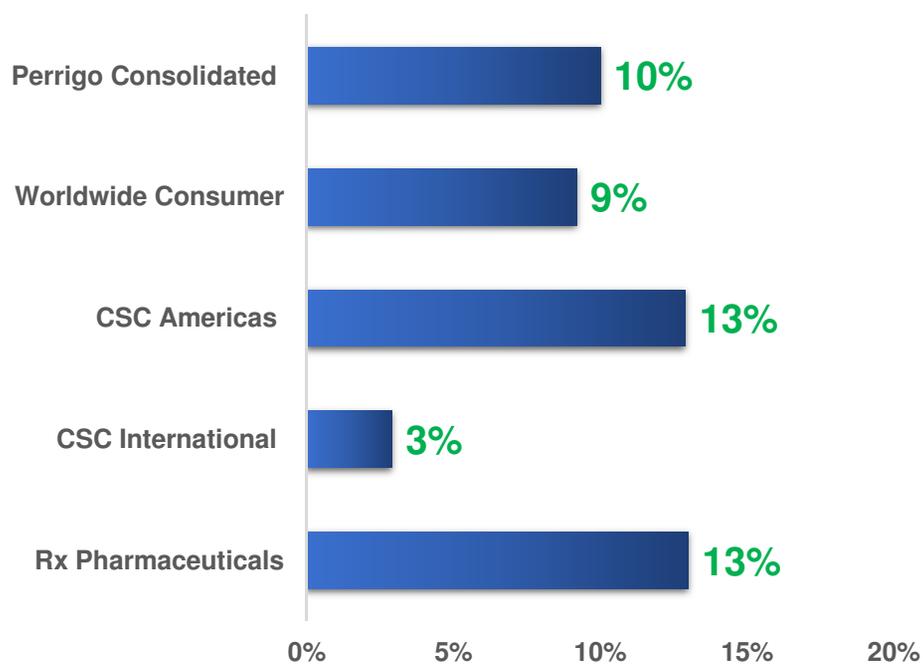


*See attached Appendix for reconciliation of Adjusted (Non-GAAP) to Reported (GAAP) amounts.

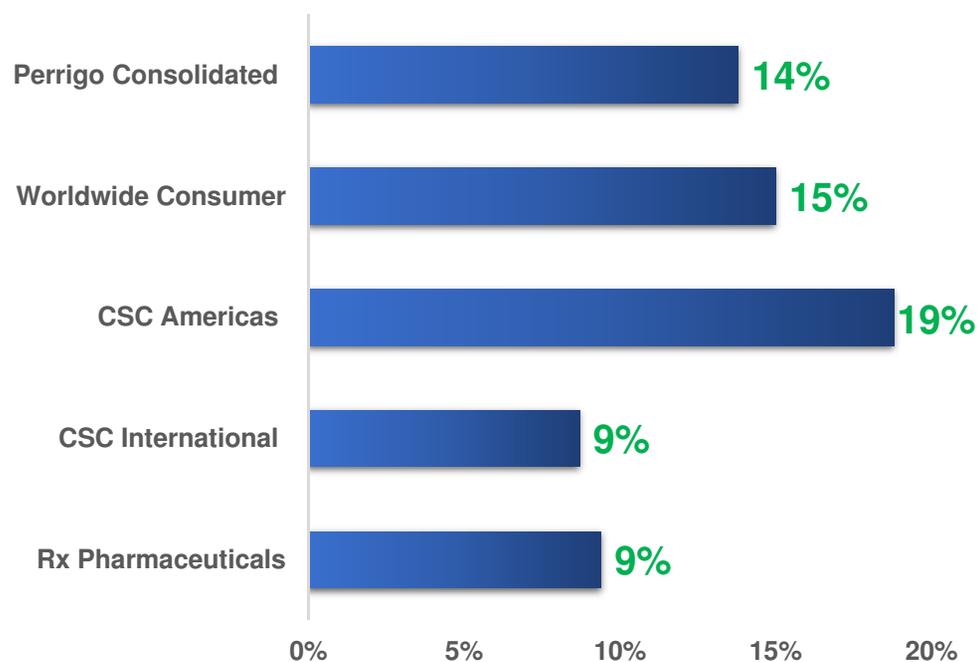
**Divested businesses excluded 1) \$20 million and \$22 million from the divested animal health business, which was previously included in the Consumer Self-Care Americas segment, in the first and second quarter 2019, respectively, and 2) \$4 million and \$3 million from the divested Canoderm prescription product, which was previously included in the Consumer Self-Care International segment, in the first and second quarter 2019, respectively.

Strong Net Sales Growth Across All Business Segments

Q2 2020 Net Sales Growth YoY Excluding Divested Businesses & Currency**



H1 2020 Net Sales Growth YoY Excluding Divested Businesses & Currency**

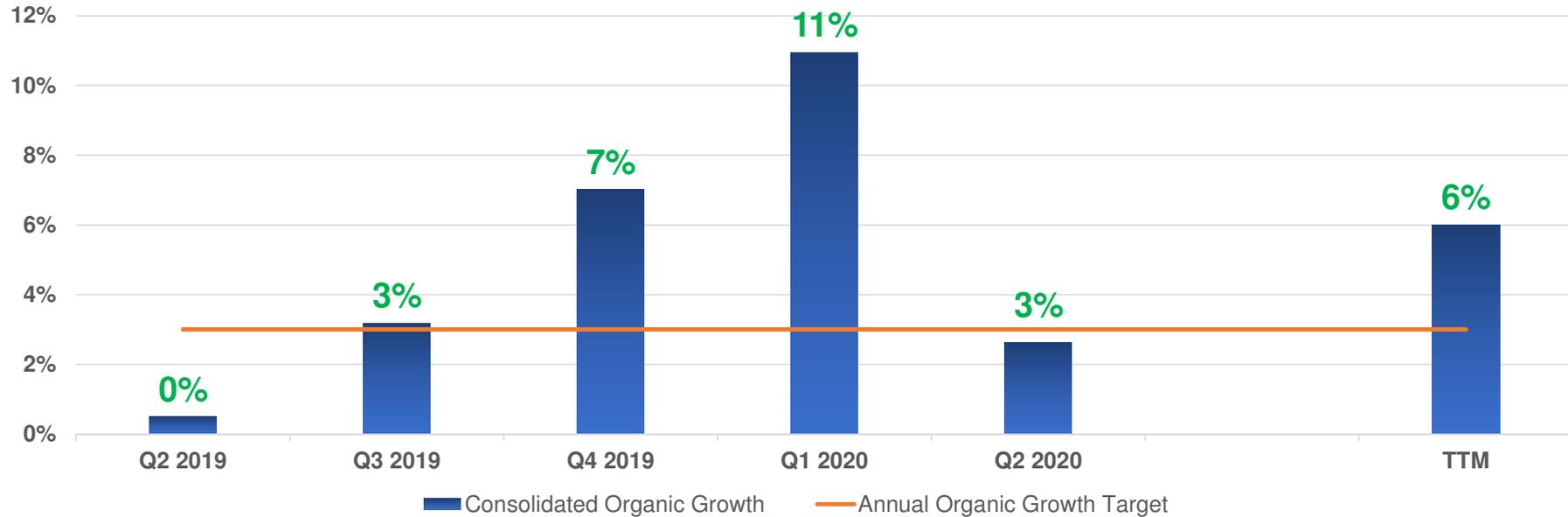


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Highlighted by Organic** Net Sales Growth of +3% in Q2 and +7% in H1

Consolidated Organic** Growth



*See attached Appendix for reconciliation of Adjusted (Non-GAAP) to Reported (GAAP) amounts.

**Organic net sales growth excluded 1) the acquisitions within the oral self-care portfolio 2) divested businesses, 3) reverses certain product returns relating to the voluntary global market withdrawal of ranitidine in the third quarter of 2019 and 4) the impact of currency.

***Divested businesses excluded 1) \$20 million and \$22 million from the divested animal health business, which was previously included in the Consumer Self-Care Americas segment, in the first and second quarter 2019, respectively, 2) \$4 million and \$3 million from the divested Canoderm prescription product, which was previously included in the Consumer Self-Care International segment, in the first and second quarter 2019, respectively, and 3) the exited infant foods business.

Solid Growth in CSC Americas

Q2 Net Sales Grew +13% and H1 Net Sales Grew +19%, Excluding Divested Businesses & Currency***

H1 2020 Net Sales Change YoY

Excluding Divested Businesses & Currency***



KEY TAKEAWAYS

- ✓ OTC results driven by consumer demand
- ✓ e-Commerce net sales tripled, more than offsetting in-store traffic declines in Q2
- ✓ Oral self-care acquisitions added \$63M in Q2
- ✓ CSCA organic** net sales growth of +1.6% in Q2 (after 15.0% in Q1'20) and 8.3% in H1
- ✓ Nutrition results driven by new products in Q2
- ✓ Gained 60 bps of Market Share**** in the OTC categories where Perrigo competes in Q2

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**Organic net sales growth excluded 1) the acquisitions within the oral self-care portfolio 2) divested businesses, and 3) the impact of currency.

***Divested businesses excluded 1) \$20 million and \$22 million from the divested animal health business, which was previously included in the Consumer Self-Care Americas segment, in the first and second quarter 2019, respectively. No adjustments were made to Oral Self-Care, OTC or Nutrition net sales shown above.

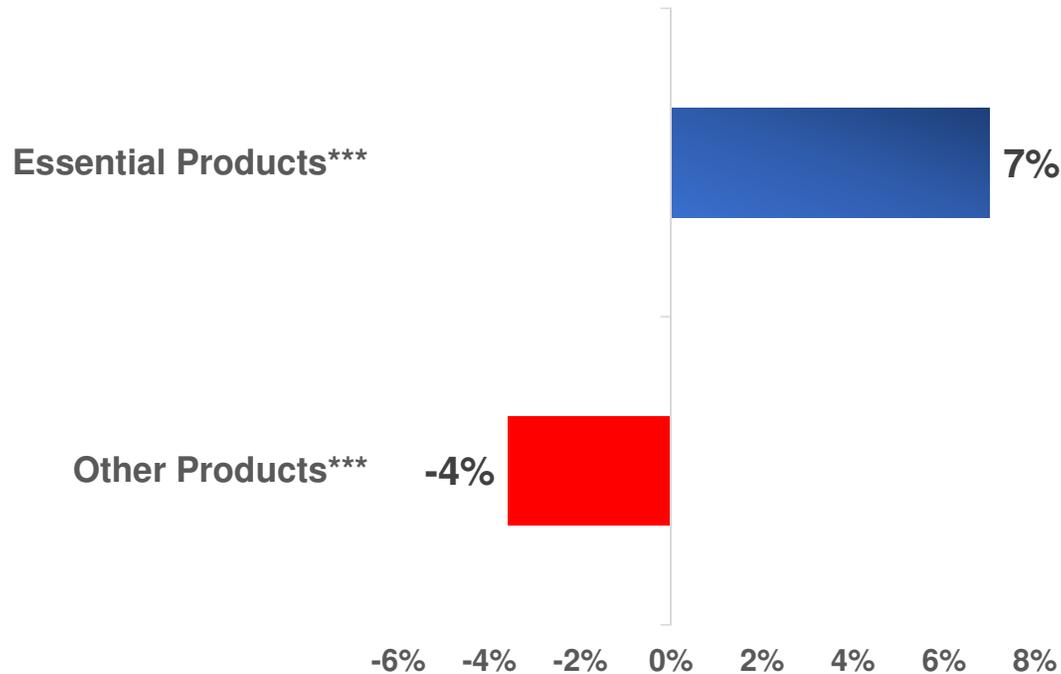
****Based on IRI Total US MULO data for the 13 weeks through 6/22/20.



CSCI Up, Although Portfolio is More Sensitive to Lock Downs

Net Sales Up +3% in Q2 and +9% in H1, Excluding Divested Business** and Currency

H1 2020 Net Sales Excluding Divested Businesses & Currency**



KEY TAKEAWAYS

- ✓ Lockdowns, school closings & stay-at-home orders impacted certain product categories
- ✓ Maintained market share, despite lower category demand
- ✓ Advertising reduced and delayed to H2 to jumpstart branded products
- ✓ Rapid e-Commerce acceleration with Q2 net sales growth of 64% YoY (representing 8.3% of CSCI net sales)

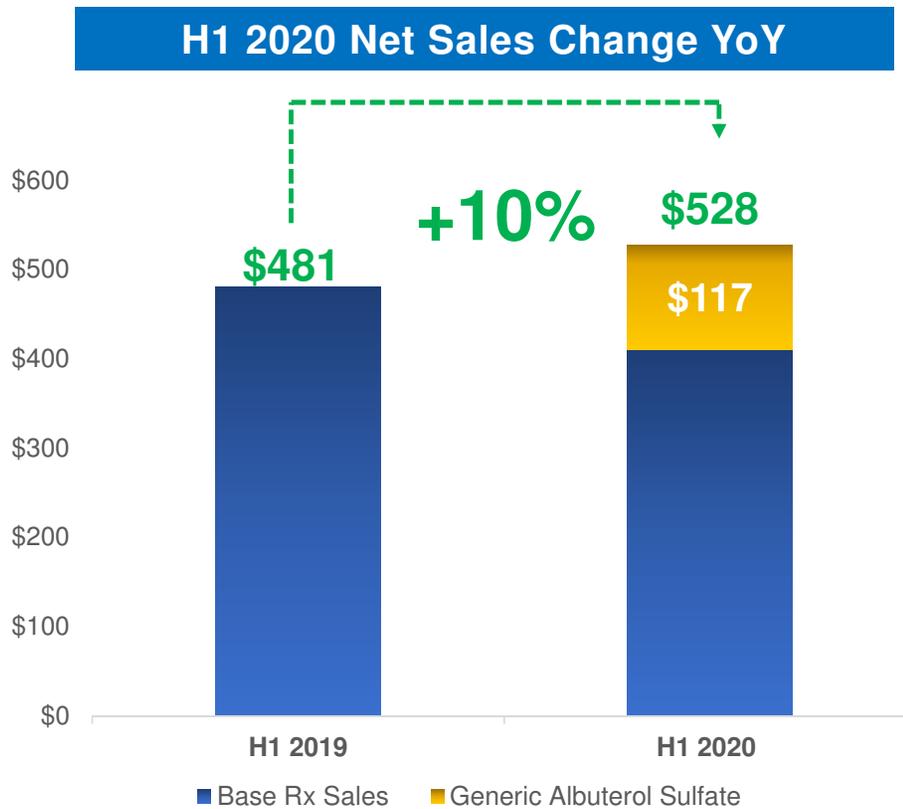
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*** Essential products include Digestive Health, Pain & Sleep Aids, Upper Respiratory, VMS, UK SB Business & Australia. Other products include Oral Care, Healthy Lifestyle, Skin & Personal Care and Other.



Rx up 10% in H1 as gAlbuterol Launch More Than Offset Base Business Declines Resulting From Lower Patient Visits



KEY TAKEAWAYS

- ✓ \$73M incremental sales in Q2 from generic albuterol sulfate
- ✓ Fewer visits to the dermatologist due to COVID-19 led to lower script volume YoY; trend showing signs of recovery in July



Key Guidance Assumptions - H2 2020

Expect Net Sales Growth ~6-7%, Adjusted EPS Range of \$3.95 - \$4.15

Included in Guidance

- Positive demand for essential US OTC products continues
- Global e-Commerce performance continues to offset in-store traffic declines
- 50% of April/May COVID-19 demand surge expected to be incremental to the full year
- Planning only a modest recovery for CSCI non-essential products
- Planning only a modest recovery in Rx base business tied to lower in-patient visits
- Dr. Fresh acquisition, Rx generic albuterol sulfate and SB diclofenac launches
- COVID-19 related costs for expedited freight, increased overtime/bonuses and enhanced security measures
- 50% of first half A&P reduction re-allocated to support brands
- No major manufacturing or supply chain interruption

Not Included in Guidance

- Second wave causing another surge in demand or other impacts
- Full recovery of non-essential products
- Further share gains for store brands due to extended recession

Consumer Self-Care Transformation is Succeeding and We Are Well Positioned for the 'New-Normal' Leveraging 3 Key Drivers





To make lives better by bringing Quality, Affordable Self-Care products that consumers trust everywhere they are sold



**Ray Silcock,
EVP & CFO**

Consolidated Summary – Q2 2020

Consolidated 3 Months Ending June 27, 2020 (in millions, except per share amounts) (Unaudited)	Net Sales	Gross Profit	R&D Expense	DSG&A Expense	Restructuring, Impairment Charges, and Other Operating Income	Operating Income	Interest, Other, and Change in Financial Assets	Income Tax Expense	Net Income**	Diluted Earnings per Share**
Reported	\$1,219.1	\$434.7	\$47.1	\$270.0	\$0.2	\$117.4	\$45.6	\$11.2	\$60.6	\$0.44
As a % of reported net sales		35.7%	3.9%	22.1%	0%	9.6%	3.7%	0.9%	5.0%	
Effective Tax Rate								15.6%		
Pre-Tax Adjustments:										
• Amortization expense related primarily to acquired intangible assets		\$43.1	\$(0.1)	\$(29.6)		\$72.8			\$72.8	\$0.53
• Acquisition and integration related charges and contingent consideration adjustments		1.5		(3.3)	0.9	3.9			3.9	\$0.03
• (Gain) loss on divestitures				(0.3)		0.3	(17.4)		17.7	\$0.13
• Unusual Litigation				(4.5)		4.5			4.5	\$0.03
• Restructuring charges and other termination benefits					(1.1)	1.1			1.1	\$0.01
• Change in Financial Assets							2.1		(2.1)	\$(0.02)
• (Gain) Loss on Investment Securities							0.4		(0.4)	\$0.00
Non-GAAP tax adjustment*								17.1	(17.1)	\$(0.12)
Adjusted		\$479.3	\$47.0	\$232.3		\$200.0	\$30.7	\$28.3	\$141.0	\$1.03
As a % of reported net sales		39.3%	3.9%	19.1%		16.4%	2.5%	2.3%	11.6%	
Adjusted Effective Tax Rate								16.7%		

*The non-GAAP tax adjustments are primarily due to \$17.1 million of tax effects of pretax non-GAAP adjustments that are calculated based upon the specific rate of the applicable jurisdiction of the pretax items.

**Individual pre-tax line item adjustments have not been tax effected, as tax expense on these items are aggregated in the "Non-GAAP tax adjustments" line item.

Diluted weighted average shares outstanding reported: 137.5

Worldwide Consumer – Q2/H1 2020

Q2 Adjusted Operating Income Increased 16%, Excluding Divested Businesses and Currency**

Worldwide Consumer (\$ in millions)	Q2 2020	YoY Change	% Change Ex. Divested Businesses & Currency**	H1 2020	YoY \$ Change	% Change Ex. Divested Businesses & Currency**
Net Sales	\$949M	\$39M	9%	\$2.0B	\$190M	15%
Adjusted Gross Profit	\$373M	\$7M	4%	\$789M	\$45M	10%
<i>Adjusted Gross Margin %</i>	<i>39.3%</i>	<i>(190) bps</i>		<i>38.8%</i>	<i>(210) bps</i>	
Adjusted Operating Income	\$132M	\$14M	16%	\$283M	\$44M	24%
<i>Adjusted Operating Margin %</i>	<i>13.9%</i>	<i>60 bps</i>		<i>13.9%</i>	<i>80 bps</i>	

**H1 Adjusted Operating Income Increased 24%,
Excluding Divested Businesses and Currency****

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***Worldwide Consumer includes the CSC Americas segment, CSC International segment and Corporate.

CSC Americas – Q2/H1 2020

Q2 Adjusted Operating Income Increased 9%, Excluding Divested Businesses and Currency**

CSC Americas (\$ in millions)	Q2 2020	YoY Change	% Change Ex. Divested Businesses & Currency**	H1 2020	YoY Change	% Change Ex. Divested Businesses & Currency**
Net Sales	\$628M	\$46M	13%	\$1.3B	\$164M	19%
Adjusted Gross Profit	\$207M	\$16M	9%	\$426M	\$47M	16%
<i>Adjusted Gross Margin %</i>	<i>32.9%</i>	<i>(110) bps</i>		<i>32.1%</i>	<i>(120) bps</i>	
Adjusted Operating Income	\$124M	\$10M	9%	\$262M	\$41M	20%
<i>Adjusted Operating Margin %</i>	<i>19.8%</i>	<i>(50) bps</i>		<i>19.7%</i>	<i>40 bps</i>	

**H1 Adjusted Operating Income Increased 20%,
Excluding Divested Businesses and Currency****

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CSC International – Q2/H1 2020

Q2 Adjusted Operating Income Increased 10%, Excluding Divested Businesses and Currency**

CSC International (\$ in millions)	Q2 2020	YoY Change	% Change Ex. Divested Businesses & Currency**	H1 2020	YoY Change	% Change Ex. Divested Businesses & Currency**
Net Sales	\$321M	(\$6M)	3%	\$704M	\$26M	9%
Adjusted Gross Profit	\$166M	(\$9M)	(1%)	\$363M	(\$2M)	4%
Adjusted Gross Margin %	51.7%	(180 bps)		51.5%	(220 bps)	
Adjusted Operating Income	\$50M	\$0	10%	\$114M	\$10M	19%
Adjusted Operating Margin %	15.6%	30 bps		16.2%	80 bps	

**H1 Adjusted Operating Income Increased 19%,
Excluding Divested Businesses and Currency****

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Rx – Q2/H1 2020

Q2 Adjusted Operating Income Increased 4%

Rx (\$ in millions)	Q2 2020	YoY Change	YoY % Change	H1 2020	YoY Change	YoY % Change
Net Sales	\$270M	\$31M	13%	\$528M	\$47M	10%
Adjusted Gross Profit	\$107M	\$7M	7%	\$216M	(\$2M)	(1%)
<i>Adjusted Gross Margin %</i>	<i>39.5%</i>	<i>(220 bps)</i>		<i>40.9%</i>	<i>(430 bps)</i>	
Adjusted Operating Income	\$68M	\$3M	4%	\$142M	(\$5M)	(3%)
<i>Adjusted Operating Margin %</i>	<i>25.3%</i>	<i>(210 bps)</i>		<i>27.0%</i>	<i>(360 bps)</i>	

H1 Adjusted Operating Income Decreased 3%

Balance Sheet and Liquidity Remain Strong

Refinanced 2021 Bonds with New 2030 Bonds at Attractive 3.15% Coupon; No Debt Due Until Middle of 2022

Select Balance Sheet & Liquidity Measures	6/27/2020	3/28/2020
Cash & Cash Equivalents	\$1.5B	\$510M
Pro Forma Cash & Cash Equivalents**	\$850M	
Total Debt	\$4.1B	\$3.5B
Net Debt	\$2.7B	
Quarterly Cash Conversion as % of Adj. Net Income	206%	110%

Remain Committed to Investment Grade Status



To make lives better by bringing Quality, Affordable Self-Care products that consumers trust everywhere they are sold