

Perrigo®



Fourth Quarter & Calendar Year 2018 Financial Results February 27, 2019

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 timing, amount and cost of any share repurchases; future impairment charges; the success of management transition; 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 issued by the Irish tax authority (“NoA”) 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 to the Company’s restatement of previously-filed financial information and litigation relating to uncertain tax positions, including the NoA; potential impacts of ongoing or future government investigations and regulatory initiatives; 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. Furthermore, the Company may incur additional tax liabilities in respect of 2016 and prior years or be found to have breached certain provisions of Irish company law in connection with the Company’s restatement of previously-filed financial statements, which may result in additional expenses and penalties. These and other important factors, including those discussed under “Risk Factors” in the Company’s Form 10-K for the year ended December 31, 2018, 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.



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

AGENDA

- **CEO Update**
- **Fourth Quarter Financial Results**
- **Balance Sheet Strength**
- **2019 Business Trends**
- **Q&A**



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

Early Observations Confirmed with Actions to Address Performance

Making Significant Progress to Transform and Evolve From a Healthcare to a Self-care Company



Challenges are Fixable

- More Innovation is Needed
- Organizational Complexity Needs to be Addressed
- Core Business Needs Reinvestment
- Competing Priorities Between Consumer and RX Segments



Taking Swift Action

- Increased Investments
- Enhanced Leadership
- Progressed Rx Separation
- Addressing Operational Issues
- Realigned Compensation



Sharing Plans for the Future

- Portfolio Reconfiguration
- Capacity & Technology Investments
- Innovation Initiatives
- Capital Allocation Priorities
- Cost-Saving Initiatives
- Organizational Effectiveness
- New Performance Metrics
- 2019 Guidance

Fourth Quarter Results⁽¹⁾

Consolidated Q4 Results		Q4 Business Dynamics	
Net Sales	\$1.2B	Consumer Americas	<p>Consumer off-take and store brand market share continued to grow</p> <hr/> <p>Solid OTC volumes</p> <hr/> <p>Poor service, equipment start-up issue and higher input costs impacted profits and margins</p>
Adjusted Operating Income	~\$200M	Consumer International	<p>Continued actions to simplify & upgrade portfolio</p> <hr/> <p>Stable market share in growing European market</p> <hr/> <p>Advertising and R&D investments to drive top-line growth in 2019</p>
Adjusted Diluted EPS	\$0.97	RX	<p>Margins improved both sequentially and YoY</p> <hr/> <p>Easing of downward pricing pressure</p> <hr/> <p>65 projects under development or FDA review; 10 Tentative Approvals</p>

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

Gaining Momentum

Expect 2019 to Be a Transformational Year

- ✓ **Core consumer market shares are growing**
- ✓ **Addressing executional issues**
- ✓ **Enhanced leadership**
- ✓ **Received Tysabri® royalty payment**
- ✓ **Progressed Rx separation**

Perrigo Investor Day
May 9, 2019



Perrigo



**Ron Winowiecki,
CFO**

Consolidated – Q4 2018 Summary

<i>(\$ in millions, except per share amounts)</i>	Q4 2018 Reported	Q4 2018 Adjusted ⁽¹⁾	Q4 2017 Reported	Reported Change YoY%	Non-GAAP Adjustments
Net Sales	\$1,195	NA	\$1,283	(7)%	
Gross Profit	\$443	\$490	\$513	(14)%	Acquisition-related amortization expenses
R&D Expense	\$45	\$44	\$47	(5)%	Acquisition-related amortization expenses
Distribution, Selling & Administrative Expense (DSG&A)	\$294	\$251	\$301	(3)%	Acquisition-related amortization expenses; unusual litigation; separation and reorganization expense; other termination benefits
Impairments, Restructuring, Other Operating Income (Loss)	\$(3)	\$0	\$6	(145)%	Restructuring charges and other termination benefits; acquisition and integration-related charges and contingent consideration adjustments; impairment charges and gain/loss on divestitures
Operating Income	\$108	\$195	\$159	(32)%	Acquisition-related amortization expenses; separation and reorganization expense; restructuring charges and other termination benefits; acquisition and integration-related charges and contingent consideration adjustments; unusual litigation impairment charges; and gain/loss on divestitures
Change in Financial Asset, Interest & Other Expense and Loss on Extinguishment of Debt	(\$96)	\$31	\$27	NM	Change in financial assets; gain/loss on divestitures; losses on investment securities; and milestone income related to royalty rights
Effective Tax Rate	60.0%	19.9%	44.5%	1550 bps	
Net Income	\$82	\$132	\$73	11%	
Diluted Earnings per Share	\$0.60	\$0.97	\$0.52	15%	



Consolidated Net Sales Summary – Q4 2018

Net Sales (\$ in millions)	2018	2017 ⁽¹⁾	\$ Change	% Change
Perrigo	\$1,195	\$1,279	(\$84)	(7%)
Worldwide Consumer	\$973	\$1,018	(\$45)	(4%)
RX	\$222	\$261	(\$39)	(15%)

Highlights

- Net sales down 5% on an organic constant currency basis
- Price erosion, lower volumes & supply challenges in RX segment
- Unfavorable currency impact of \$18 million
- Loss of partnered product and channel dynamics in Animal Health
- Equipment start-up issue caused lower production volumes and missed sales in CHC Americas segment

Consolidated Adjusted Gross Profit Summary – Q4 2018⁽¹⁾

Actions Underway to Address CHC Americas Operating Variances

Highlights

CHC Americas:

- Lower net sales and unfavorable product mix versus last year
- Unusual equipment start-up issue at one of our facilities
- Higher input costs and greater operating inefficiencies, including service-related challenges

CHC International:

- Unfavorable currency translation

RX:

- Adjusted gross profit margin of approximately 55%, 160 bps higher than the prior year
- Launch of higher margin new products versus last year

Adjusted Gross Profit (\$ in millions)	2018	2017	\$ Change	% Change
Perrigo	\$490	\$565	(\$75)	(13%)
<i>% to consolidated net sales</i>	<i>41.0%</i>	<i>44.2%</i>		<i>(320) bps</i>
Worldwide Consumer	\$369	\$426	(\$57)	(13%)
<i>% to consumer net sales</i>	<i>37.9%</i>	<i>41.9%</i>		<i>(400) bps</i>
RX	\$122	\$139	(\$17)	(12%)
<i>% to RX net sales</i>	<i>54.8%</i>	<i>53.2%</i>		<i>160 bps</i>



Consolidated Adjusted Operating Expense Summary – Q4 2018⁽¹⁾

Increased Consumer Growth Investments in the Quarter

Adj. Growth Investments (R&D/A&P) (\$ in millions)	2018	2017	\$ Change	% Change
Perrigo	\$90	\$82	\$8	10%

Worldwide Consumer	\$73	\$65	\$8	13%
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Adj. Distribution, Selling and Admin ⁽²⁾ (\$ in millions)	2018	2017	\$ Change	% Change
Perrigo	\$205	\$231	(\$25)	(11%)

Highlights

- Growth investments increased 10% versus last year or approximately 14% on a constant currency basis as we invested in our pipeline to drive long-range growth
- CHC International growth investments were 16.1% as a percentage to net sales, compared to 12.5% in the prior year
- Selling and Administration expenses favorably impacted by foreign currency movements, lower compensation accruals and cost structure improvements within CHC International



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

(2) DSG&A expense less Advertising and Promotion expense

Consolidated Adjusted Operating Income Summary – Q4 2018⁽¹⁾

Operating Income Impacted by Gross Margin Flow-Through

Adjusted Operating Income (\$ in millions)	2018	2017	\$ Change	% Change
Perrigo⁽²⁾	\$195	\$253	(\$58)	(23%)
<i>% to consolidated net sales</i>	16.3%	19.8%		(350) bps
Worldwide Consumer	\$157	\$206	(\$49)	(24%)
<i>% to consumer net sales</i>	16.2%	20.3%		(410) bps
RX	\$87	\$100	(\$13)	(12%)
<i>% to RX net sales</i>	39.2%	38.1%		110 bps

Business Dynamics

- Lower net sales and higher operational variances in CHC Americas impacted operating income
- Making progress in addressing service and operating variances; will take time to realize the benefits
- Intentionally increased growth investments in CHC intentional to drive long-term growth
- RX adjusted operating margin improved versus last year driven by new product launches and decelerating pricing pressure, while we continued to invest in our pipeline

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

(2) Includes corporate costs of \$49 million and \$53 million in Q4 2018 and Q4 2017, respectively

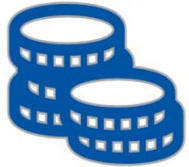


Consolidated Calendar Year 2018 Results⁽¹⁾

	2018 Results
Net Sales	\$4.73B
Adjusted Operating Income	\$897M
Adjusted Effective Tax Rate	18.4%
Adjusted Diluted EPS	\$4.55

Balance Sheet Remains Strong

Total Cash



\$551M
as of
12/31/2018

Total Debt



~\$3.2B
as of
12/31/2018

Highlights

- Fourth quarter 2018 cash conversion ratio of ~150%
- Tysabri[®] milestone payment of \$250 million received in the first quarter of 2019, not included as of 12/31/18
- Committed to investment grade status
- Paid \$105 million in dividends in 2018

Business Trends Headed into 2019

Growing Consumer Businesses

- CHC Americas – Increasing store brand penetration; expect similar new products sales as 2018; loss of partnered product in Animal Health anniversaries Q3 2019
- CHC International – New product innovation continues in 2019

Consumer Operating Margin Profile

- Supply chain actions to regain *'Perrigo Advantage'*
- Investing in the business

Rx Macro Themes

- New product launches
- Decelerating pricing environment
- Increasing dollar investments in pipeline

Currency Impact

- Currency expected to negatively impact Worldwide Consumer net sales growth by ~190 bps

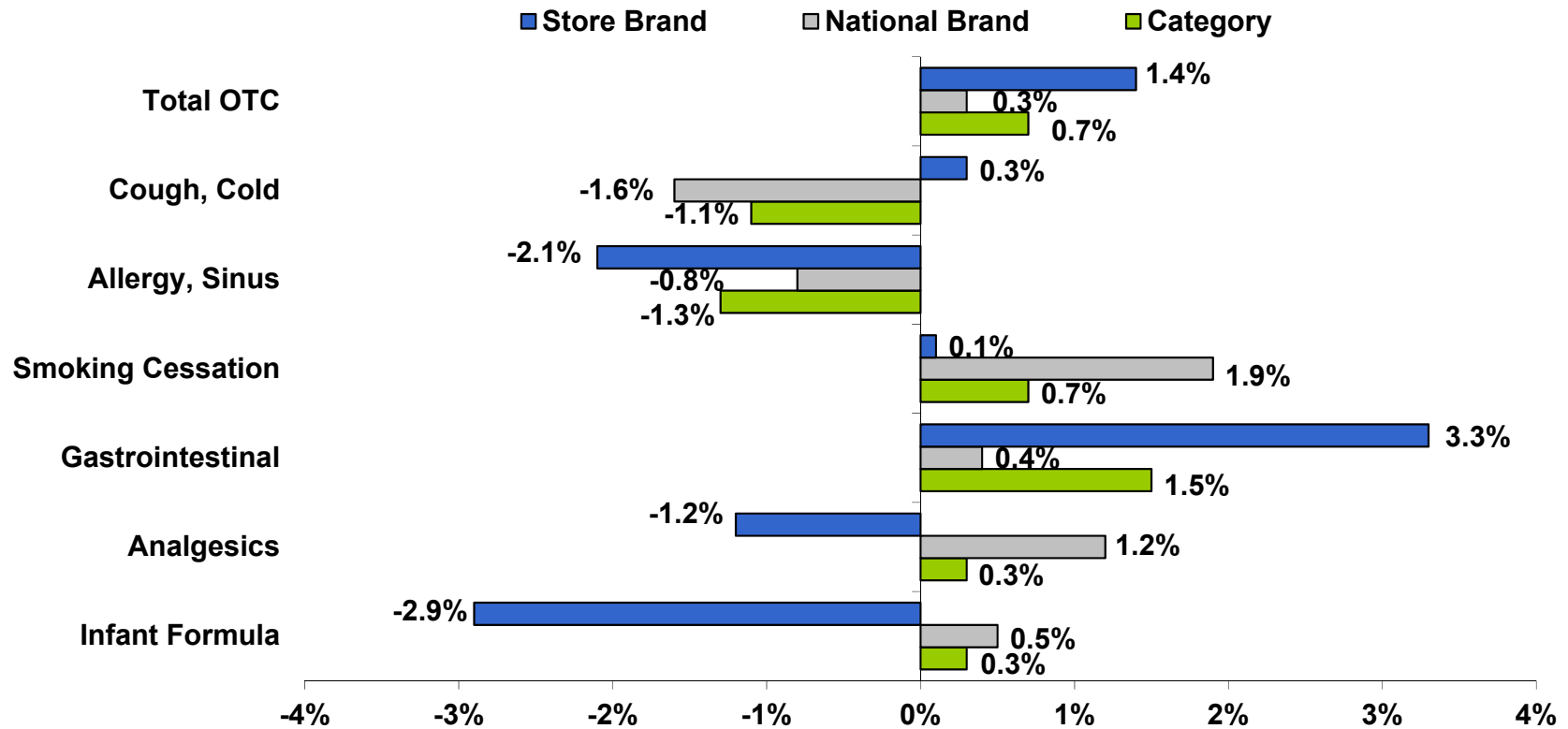


**Murray S. Kessler,
President & CEO**

Q&A



U.S. Store Brand Growth Continued to Outpace National Brand



APPENDIX

TABLE I
PERRIGO COMPANY PLC
RECONCILIATION OF NON-GAAP MEASURES
SELECTED CONSOLIDATED INFORMATION
(in millions, except per share amounts)
(unaudited)

	Three Months Ended December 31, 2018										
Consolidated	Net	Gross	R&D	DSG&A	Restructuring,	Operating	Interest,	Income Tax	Net	Diluted	
Reported	Sales	Profit	Expense	Expense	Impairment	Income	Other, and	Expense	Income	Earnings per	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
As a % of reported net sales		37.1%	3.7%	24.6%		9.0%	(8.0)%	10.2%	6.8%		
Effective tax rate								60.0%			
<i>Adjustments:</i>											
Amortization expense related primarily to acquired intangible assets		\$ 47.4	\$ (0.2)	\$ (30.4)	\$ —	\$ 78.0	\$ —	\$ —	\$ 78.0	\$ 0.57	
Impairment charges		—	—	—	(0.9)	0.9	—	—	0.9	0.01	
Gain/loss on divestitures		—	—	—	0.2	(0.2)	(1.1)	—	0.9	0.01	
Unusual litigation		—	—	(1.8)	—	1.8	—	—	1.8	0.01	
Restructuring charges and other termination benefits		—	—	(3.4)	2.2	1.2	—	—	1.2	0.01	
Change in financial assets		—	—	—	—	—	122.8	—	(122.8)	(0.90)	
Acquisition and integration-related charges and contingent consideration adjustments		—	—	—	1.2	(1.2)	—	—	(1.2)	(0.01)	
Milestone income related to royalty rights		—	—	—	—	—	3.0	—	(3.0)	(0.02)	
Losses on investment securities		—	—	—	—	—	2.2	—	(2.2)	(0.02)	
Separation and reorganization expense		—	—	(7.3)	—	7.3	—	—	7.3	0.05	
Non-GAAP tax adjustments*		—	—	—	—	—	—	(89.4)	89.4	0.66	
Adjusted	\$	490.4	\$ 44.4	\$ 250.7	\$ —	\$ 195.3	\$ 30.7	\$ 32.8	\$ 131.8	\$ 0.97	
As a % of reported net sales		41.0%	3.7%	21.0%		16.3%	2.6%	2.7%	11.0%		
Effective tax rate								19.9%			

Diluted weighted average shares outstanding
Reported 136.3

*The non-GAAP tax adjustments include the following: (1) \$(53.1) million of tax effects of pretax non-GAAP adjustments; (2) \$(34.7) million net impact related to valuation allowances on deferred tax assets commensurate with non-GAAP pre-tax measures; and (3) \$(1.6) million net impact related to regulatory changes.

TABLE I (CONTINUED)
PERRIGO COMPANY PLC
RECONCILIATION OF NON-GAAP MEASURES
SELECTED CONSOLIDATED INFORMATION
(in millions, except per share amounts)
(unaudited)

	Three Months Ended December 31, 2017									
	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
Consolidated Reported	\$ 1,283.0	\$ 512.7	\$ 46.9	\$ 301.3	\$ 6.0	\$ 158.5	\$ 26.7	\$ 58.7	\$ 73.1	\$ 0.52
As a % of reported net sales		40.0%	3.7%	23.5%		12.4%	2.1%	4.6%	5.7%	
Effective tax rate							44.5%			
<i>Adjustments:</i>										
Amortization expense primarily related to acquired intangible assets	\$ —	\$ 55.9	\$ (0.2)	\$ (34.0)	\$ —	\$ 90.1	\$ —	\$ —	\$ 90.1	\$ 0.64
Change in financial assets	—	—	—	—	—	—	(0.7)	—	0.7	—
Acquisition and integration-related charges and contingent consideration adjustments	—	—	—	0.7	0.1	(0.8)	—	—	(0.8)	(0.01)
Milestone income related to royalty rights	—	—	—	—	—	—	10.0	—	(10.0)	(0.07)
Impairment charges	—	—	—	—	(0.1)	0.1	—	—	0.1	—
Gain/loss on divestitures	—	—	—	—	0.3	(0.3)	—	—	(0.3)	—
Operating results attributable to held-for-sale business*	(4.1)	(3.3)	(1.7)	(0.9)	—	(0.7)	—	—	(0.7)	—
Unusual litigation	—	—	—	0.2	—	(0.2)	—	—	(0.2)	—
Restructuring charges and other termination benefits	—	—	—	—	(6.3)	6.3	—	—	6.3	0.04
Non-GAAP tax adjustments**	—	—	—	—	—	—	(21.9)	—	21.9	0.16
Adjusted	\$ 1,278.9	\$ 565.3	\$ 45.0	\$ 267.3	\$ —	\$ 253.0	\$ 36.0	\$ 36.8	\$ 180.2	\$ 1.28
As a % of adjusted net sales		44.2%	3.5%	20.9%		19.8%	2.8%	2.9%	14.1%	
Effective tax rate							16.9%			

Diluted weighted average shares outstanding
Reported

141.2

*Held-for-sale business includes the Israel API business.

**The non-GAAP tax adjustments include the following: (1) \$(15.7) million effect on non-GAAP income taxes related to the interim tax accounting requirements within ASC 740; (2) \$(12.5) million net impact related to valuation allowances on deferred tax assets commensurate with non-GAAP pre-tax measures; (3) \$(6.8) million of tax effects of pretax non-GAAP adjustments, including the sale of assets; (4) \$10.0 million of tax effect related to audit settlements and other discrete items and; (5) \$3.1 million of tax adjustments related to tax reform.

TABLE I (CONTINUED)
PERRIGO COMPANY PLC
RECONCILIATION OF NON-GAAP MEASURES
SELECTED CONSOLIDATED INFORMATION
(in millions, except per share amounts)
(unaudited)

Twelve Months Ended December 31, 2018

Consolidated	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	\$ 4,731.7	\$ 1,831.5	\$ 218.6	\$ 1,125.8	\$ 250.6	\$ 236.5	\$ (54.1)	\$ 159.6	\$ 131.0	\$ 0.95
As a % of reported net sales		38.7%	4.6%	23.8%		5.0%	(1.1)%	3.4%	2.8%	
Effective tax rate							54.9%			
<i>Adjustments:</i>										
Amortization expense related primarily to acquired intangible assets		\$ 206.7	\$ (1.0)	\$ (130.9)	\$ —	\$ 338.6	\$ —	\$ —	\$ 338.6	\$ 2.44
Acquisition and integration-related charges and contingent consideration adjustments		—	(50.0)	—	(6.6)	56.6	—	—	56.6	0.41
Restructuring charges and other termination benefits		—	—	(7.4)	(21.0)	28.4	—	—	28.4	0.21
Gain/Loss on divestitures		—	—	3.6	1.4	(5.0)	(2.7)	—	(2.3)	(0.02)
Milestone income related to royalty rights		—	—	—	—	—	3.0	—	(3.0)	(0.02)
Change in financial assets		—	—	—	—	—	188.7	—	(188.7)	(1.36)
Unusual litigation		—	—	(3.2)	—	3.2	—	—	3.2	0.02
Separation and reorganization expense		—	—	(13.9)	—	13.9	—	—	13.9	0.10
Impairment charges		—	—	—	(224.4)	224.4	—	—	224.4	1.62
Losses on investment securities		—	—	—	—	—	(9.3)	—	9.3	0.07
Non-GAAP tax adjustments*		—	—	—	—	—	—	(17.5)	17.5	0.13
Adjusted	\$ 2,038.2	\$ 167.6	\$ 167.6	\$ 974.0	\$ —	\$ 896.6	\$ 125.6	\$ 142.1	\$ 628.9	\$ 4.55
As a % of reported net sales		43.1%	3.5%	20.6%		18.9%	2.7%	3.0%	13.3%	
Effective tax rate							18.4%			

Diluted weighted average shares outstanding

Reported

138.3

*The non-GAAP tax adjustments include the following: (1) \$(42.5) million net impact related to valuation allowances on deferred tax assets commensurate with non-GAAP pre-tax measures and (2) \$25.0 million of tax effects of pretax non-GAAP adjustments.

TABLE I (CONTINUED)
PERRIGO COMPANY PLC
RECONCILIATION OF NON-GAAP MEASURES
SELECTED CONSOLIDATED INFORMATION
(in millions, except per share amounts)
(unaudited)

Twelve Months Ended December 31, 2017

Consolidated	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	\$ 4,946.2	\$ 1,979.5	\$ 167.7	\$ 1,146.5	\$ 67.1	\$ 598.2	\$ 318.1	\$ 160.5	\$ 119.6	\$ 0.84
As a % of reported net sales		40.0%	3.4%	23.2%		12.1%	6.4%	3.2%	2.4%	
Effective tax rate								57.3%		
<i>Adjustments:</i>										
Amortization expense primarily related to acquired intangible assets	\$ —	\$ 221.8	\$ (1.2)	\$ (132.5)	\$ —	\$ 355.5	\$ —	\$ —	\$ 355.5	\$ 2.49
Acquisition and integration-related charges and contingent consideration adjustments	—	(0.1)	—	0.7	18.1	(18.9)	—	—	(18.9)	(0.13)
Operating results for held-for-sale businesses*	(20.7)	(11.5)	(4.1)	(5.6)	—	(1.8)	1.3	—	(3.1)	(0.02)
Milestone income related to royalty rights	—	—	—	—	—	—	10.0	—	(10.0)	(0.07)
Impairment charges	—	—	—	—	(47.5)	47.5	—	—	47.5	0.33
Unusual litigation	—	—	—	9.0	—	(9.0)	—	—	(9.0)	(0.06)
Restructuring charges and other termination benefits	—	—	—	—	(61.0)	61.0	—	—	61.0	0.43
Gain/loss on divestitures	—	—	—	(0.2)	23.3	(23.1)	1.7	—	(24.8)	(0.17)
Change in financial assets	—	—	—	—	—	—	(24.9)	—	24.9	0.17
Loss on early debt extinguishment	—	—	—	—	—	—	(135.2)	—	135.2	0.95
Loss on hedges related to debt tender	—	—	—	—	—	—	(5.9)	—	5.9	0.04
Non-GAAP tax adjustments**	—	—	—	—	—	—	—	(18.9)	18.9	0.13
Adjusted	\$ 4,925.5	\$ 2,189.7	\$ 162.4	\$ 1,017.9	\$ —	\$ 1,009.4	\$ 165.1	\$ 141.6	\$ 702.7	\$ 4.93
As a % of adjusted net sales		44.5%	3.3%	20.7%		20.5%	3.4%	2.9%	14.3%	
Effective tax rate								16.8%		
For Comparative Purposes***	Net Sales						Diluted weighted average shares outstanding			
Adjusted	\$ 4,925.5						Reported			142.6
Operating results attributable to held-for-sale businesses Q1 and Q2	(34.9)									
Adjusted	\$ 4,890.6									

*Held-for-sale businesses include the European sports brand as well as the India and Israel API businesses.

**The non-GAAP tax adjustments include the following: (1) \$(97.2) million net impact related to valuation allowances on deferred tax assets commensurate with non-GAAP pre-tax measures; (2) \$(2.8) million of tax effect related to audit settlements and other discrete items; (3) \$78.0 million of tax effects of pretax non-GAAP adjustments, including the sale of assets and; (4) \$3.1 million of tax adjustments related to tax reform.

***YTD 2017 adjusted net sales adjustment made for Q1 and Q2 2017 made for YTD 2017 adjusted net sales are for comparison purposes only and does not change any other prior year since the API business was not held-for-sale during Q1 and Q2 of 2017.

TABLE II
PERRIGO COMPANY PLC
RECONCILIATION OF NON-GAAP MEASURES
SELECTED SEGMENT INFORMATION
(in millions)
(unaudited)

	Three Months Ended December 31, 2018					Three Months Ended December 31, 2017				
	Net Sales	Gross Profit	R&D Expense	DSG&A Expense	Operating Income	Net Sales	Gross Profit	R&D Expense	DSG&A Expense	Operating Income
Consumer Healthcare Americas										
Reported	\$ 616.9	\$ 181.8	\$ 15.3	\$ 65.4	\$ 100.9	\$ 643.5	\$ 219.5	\$ 17.5	\$ 61.6	\$ 141.4
As a % of reported net sales		29.5%	2.5%	10.6%	16.4%		34.1%	2.7%	9.6%	22.0%
<i>Adjustments:</i>										
Amortization expense primarily related to acquired intangible assets		\$ 5.5		\$ (4.7)	\$ 10.2		\$ 12.1		\$ (4.8)	\$ 16.9
Unusual litigation		—		—	—		—		10.2	(10.2)
Impairment charges		—		—	0.2		—		—	—
Restructuring charges and other termination benefits		—		—	—		—		—	0.2
Acquisition and integration-related charges and contingent consideration adjustments		—		—	—		—		(1.7)	0.5
Adjusted		\$ 187.3		\$ 60.7	\$ 111.3		\$ 231.6		\$ 65.3	\$ 148.8
As a % of reported net sales		30.4%		9.8%	18.0%		36.0%		10.1%	23.1%

	Three Months Ended December 31, 2018					Three Months Ended December 31, 2017				
	Net Sales	Gross Profit	R&D Expense	DSG&A Expense	Operating Income (Loss)	Net Sales	Gross Profit	R&D Expense	DSG&A Expense	Operating Income
Consumer Healthcare International										
Reported	\$ 355.9	\$ 160.1	\$ 12.1	\$ 150.9	\$ (1.9)	\$ 374.1	\$ 172.5	\$ 10.5	\$ 154.1	\$ 3.7
As a % of reported net sales		45.0%	3.4%	42.4%	(0.5)%		46.1%	2.8%	41.2%	1.0%
<i>Adjustments:</i>										
Amortization expense primarily related to acquired intangible assets		\$ 21.2	\$ (0.2)	\$ (25.6)	\$ 47.0		\$ 22.0	\$ (0.2)	\$ (29.6)	\$ 51.8
Impairment charges		—	—	—	0.7		—	—	—	—
Restructuring charges and other termination benefits		—	—	—	(1.7)		—	—	—	3.8
Unusual litigation		—	—	(1.8)	1.8		—	—	—	—
Acquisition and integration-related charges and contingent consideration adjustments		—	—	—	—		—	—	2.4	(2.0)
Adjusted		\$ 181.3	\$ 11.9	\$ 123.5	\$ 45.9		\$ 194.5	\$ 10.3	\$ 126.9	\$ 57.3
As a % of reported net sales		50.9%	3.3%	34.7%	12.9%		52.0%	2.7%	33.9%	15.3%

TABLE II (CONTINUED)
PERRIGO COMPANY PLC
RECONCILIATION OF NON-GAAP MEASURES
SELECTED SEGMENT INFORMATION
(in millions)
(unaudited)

	Three Months Ended December 31, 2018					Three Months Ended December 31, 2017				
	Net Sales	Gross Profit	R&D Expense	DSG&A Expense	Operating Income	Net Sales	Gross Profit	R&D Expense	DSG&A Expense	Operating Income
Prescription Pharmaceuticals										
Reported	\$ 222.4	\$ 101.2	\$ 17.2	\$ 17.5	\$ 67.9	\$ 261.3	\$ 117.6	\$ 17.6	\$ 31.5	\$ 68.1
As a % of reported net sales		45.5%	7.7%	7.9%	30.5%		45.0%	6.7%	12.1%	26.1%
<i>Adjustments:</i>										
Amortization expense primarily related to acquired intangible assets		\$ 20.7		\$ (0.1)	\$ 20.8		\$ 21.4		\$ 0.4	\$ 21.0
Gain/loss on divestitures		—		—	(0.2)		—		—	(0.3)
Unusual litigation		—		—	—		—		(10.0)	10.0
Restructuring charges and other termination benefits		—		—	—		—		—	(0.1)
Impairment charges		—		—	—		—		—	0.1
Acquisition and integration-related charges and contingent consideration adjustments		—		—	(1.2)		—		—	0.7
Adjusted		\$ 121.9		\$ 17.4	\$ 87.3		\$ 139.0		\$ 21.9	\$ 99.5
As a % of reported net sales		54.8%		7.8%	39.2%		53.2%		8.4%	38.1%

TABLE II (CONTINUED)
PERRIGO COMPANY PLC
RECONCILIATION OF NON-GAAP MEASURES
SELECTED SEGMENT INFORMATION
(in millions)
(unaudited)

	Three Months Ended				
	September 29, 2018				
Prescription Pharmaceuticals	Net Sales	Gross Profit	R&D Expense	DSG&A Expense	Operating Income
Reported	\$ 179.3	\$ 73.4	\$ 19.2	\$ 17.4	\$ 36.0
As a % of reported net sales		41.0%	10.7%	9.7%	20.1%
<i>Adjustments:</i>					
Amortization expense primarily related to acquired intangible assets		\$ 20.4		\$ (0.1)	\$ 20.5
Restructuring charges and other termination benefits		—		—	—
Impairment charges		—		—	—
Acquisition-related charges and contingent consideration adjustments		—		—	0.8
Adjusted		\$ 93.8		\$ 17.3	\$ 57.3
As a % of reported net sales		52.3%		9.6%	31.9%

TABLE II (CONTINUED)
PERRIGO COMPANY PLC
RECONCILIATION OF NON-GAAP MEASURES
SELECTED SEGMENT INFORMATION
(in millions)
(unaudited)

	Twelve Months Ended December 31, 2018					Twelve Months Ended December 31, 2017				
	Net Sales	Gross Profit	R&D Expense	DSG&A Expense	Operating Income	Net Sales	Gross Profit	R&D Expense	DSG&A Expense	Operating Income
Consumer Healthcare Americas										
Reported	\$ 2,411.6	\$ 762.2	\$ 110.8	\$ 282.3	\$ 147.6	\$ 2,429.9	\$ 817.8	\$ 66.0	\$ 279.1	\$ 445.0
As a % of reported net sales		31.6%	4.6%	11.7%	6.1%		33.7%	2.7%	11.5%	18.3%
<i>Adjustments:</i>										
Amortization expense primarily related to acquired intangible assets		\$ 37.1	\$ —	\$ (18.9)	\$ 56.0		\$ 48.8		\$ (19.2)	\$ 68.0
Unusual litigation		—	—	—	—		—		10.2	(10.2)
Impairment charges		—	—	—	222.6		—		—	4.5
Restructuring charges and other termination benefits		—	—	—	0.4		—		—	27.4
Acquisition and integration-related charges and contingent consideration adjustments		—	(50.0)	—	48.6		—		(1.7)	(2.4)
Adjusted	\$ 799.3	\$ 60.8	\$ 263.4	\$ 475.2		\$ 866.6		\$ 268.4	\$ 532.3	
As a % of reported net sales		33.1%	2.5%	10.9%	19.7%		35.7%		11.0%	21.9%

	Twelve Months Ended December 31, 2018					Twelve Months Ended December 31, 2017				
	Net Sales	Gross Profit	R&D Expense	DSG&A Expense	Operating Income	Net Sales	Gross Profit	R&D Expense	DSG&A Expense	Operating Income
Consumer Healthcare International										
Reported	\$ 1,495.9	\$ 702.5	\$ 45.1	\$ 622.0	\$ 16.5	\$ 1,491.0	\$ 682.0	\$ 41.8	\$ 604.9	\$ 12.5
As a % of reported net sales		47.0%	3.0%	41.6%	1.1%		45.7%	2.8%	40.6%	0.8%
<i>Adjustments:</i>										
Amortization expense primarily related to acquired intangible assets		\$ 87.6	\$ (1.0)	\$ (111.5)	\$ 200.1		\$ 84.7	\$ (1.2)	\$ (113.3)	\$ 199.2
Impairment charges		—	—	—	1.8		—	—	—	4.8
Restructuring charges and other termination benefits		—	—	—	17.4		—	—	—	17.1
Unusual litigation		—	—	(3.2)	3.2		—	—	8.8	(8.8)
Operating results attributable to held-for-sale business*		—	—	—	—		0.5	—	—	0.5
Acquisition and integration-related charges and contingent consideration adjustments		—	—	—	(0.3)		—	—	2.4	(1.5)
Adjusted	\$ 790.1	\$ 44.1	\$ 507.3	\$ 238.7		\$ 767.2	\$ 40.6	\$ 502.8	\$ 223.8	
As a % of reported net sales		52.8%	2.9%	33.9%	16.0%		51.5%	2.7%	33.7%	15.0%

* Held-for-sale business includes the European sports brand.

TABLE II (CONTINUED)
PERRIGO COMPANY PLC
RECONCILIATION OF NON-GAAP MEASURES
SELECTED SEGMENT INFORMATION
(in millions)
(unaudited)

	Twelve Months Ended December 31, 2018					Twelve Months Ended December 31, 2017				
	Net Sales	Gross Profit	R&D Expense	DSG&A Expense	Operating Income	Net Sales	Gross Profit	R&D Expense	DSG&A Expense	Operating Income
Prescription Pharmaceuticals										
Reported	\$ 824.2	\$ 366.9	\$ 62.8	\$ 74.4	\$ 222.6	\$ 969.7	\$ 449.7	\$ 53.2	\$ 86.3	\$ 307.6
As a % of reported net sales		44.5%	7.6%	9.0%	27.0%		46.4%	5.5%	8.9%	31.7%
<i>Adjustments:</i>										
Amortization expense primarily related to acquired intangible assets		\$ 81.9		\$ (0.5)	\$ 82.4		\$ 86.7		\$ —	\$ 86.7
Gain/loss on divestitures		—		—	(1.4)		—		—	(23.3)
Unusual litigation		—		—	—		—		(10.0)	10.0
Restructuring charges and other termination benefits		—		—	0.3		—		—	5.8
Impairment charges		—		—	—		—		—	34.9
Acquisition and integration-related charges and contingent consideration adjustments		—		—	8.3		(0.1)		—	(15.0)
Adjusted		\$ 448.8		\$ 73.9	\$ 312.2		\$ 536.3		\$ 76.3	\$ 406.7
As a % of reported net sales		54.5%		9.0%	37.9%		55.3%		7.9%	41.9%

TABLE III
PERRIGO COMPANY PLC
RECONCILIATION OF NON-GAAP MEASURES
CONSTANT CURRENCY
(in millions)

	Three Months Ended		Total Change	FX Change	Constant Currency Change
	December 31, 2018	December 31, 2017			
Net sales					
Consolidated*	\$ 1,195.2	\$ 1,278.9	(6.5)%	1.4%	(5.1)%
CHCA	\$ 616.9	\$ 643.5	(4.1)%	0.2%	(3.9)%
CHCI	\$ 355.9	\$ 374.1	(4.9)%	4.4%	(0.5)%
RX	\$ 222.4	\$ 261.3	(14.9)%	—%	(14.9)%
Consolidated*	\$ 1,195.2	\$ 1,278.9			
Less: Belgium distribution net sales	—	(2.2)			
	\$ 1,195.2	\$ 1,276.7	(6.4)%	1.4%	(5.0)%
CHCA	\$ 616.9	\$ 643.5			
Less: animal health net sales	(15.3)	(28.4)			
	\$ 601.6	\$ 615.1	(2.2)%	0.3%	(1.9)%
CHCA	\$ 616.9	\$ 643.5			
CHCI	355.9	374.1			
	\$ 972.8	\$ 1,017.6	(4.4)%	1.8%	(2.6)%
Less: animal health net sales	(15.3)	(28.4)			
Less: Belgium distribution net sales	—	(2.2)			
	\$ 957.5	\$ 987.0	(3.0)%	1.8%	(1.2)%
CHCI R&D and A&P	\$ 57.2	\$ 46.9	22.0%	5.8%	27.7%
Consolidated R&D and A&P	\$ 89.7	\$ 81.6	9.9%	3.7%	13.6%

*2017 net sales are adjusted to exclude sales attributable to divested businesses. See Table I for non-GAAP reconciliations.

TABLE III (continued)
PERRIGO COMPANY PLC
RECONCILIATION OF NON-GAAP MEASURES
CONSTANT CURRENCY
(in millions)

	<u>Twelve Months Ended</u>		<u>Total Change</u>	<u>FX Change</u>	<u>Constant Currency Change</u>
	<u>December 31, 2018</u>	<u>December 31, 2017</u>			
Net sales					
Consolidated*	\$ 4,731.7	\$ 4,946.2	(3.9)%	(0.7)%	(4.6)%
CHCA	\$ 2,411.6	\$ 2,429.9	(0.8)%	0.2%	(0.6)%
CHCI	\$ 1,495.9	\$ 1,491.0	0.3%	(2.5)%	(2.2)%
RX	\$ 824.2	\$ 969.7	(15.0)%	—%	(15.0)%
Consolidated*	\$ 4,731.7	\$ 4,946.2			
Less: Belgium distribution net sales	—	(33.0)			
	\$ 4,731.7	\$ 4,892.5	(3.3)%	(0.7)%	(4.0)%
CHCA	\$ 2,411.6	\$ 2,429.9			
Less: animal health net sales	(93.9)	(141.3)			
	\$ 2,317.7	\$ 2,288.6	1.3%	0.1%	1.4%
CHCA	\$ 2,411.6	\$ 2,429.9			
CHCI	1,495.9	1,491.0			
	\$ 3,907.5	\$ 3,920.9	(0.3)%	(0.9)%	(1.2)%
Less: animal health net sales	(93.9)	(141.3)			
Less: Belgium distribution and Russian business net sales	—	(33.0)			
	\$ 3,813.6	\$ 3,746.6	1.8%	(0.9)%	0.9%

*2017 net sales are adjusted to exclude sales attributable to divested businesses. See Table I for non-GAAP reconciliations.

TABLE IV
PERRIGO COMPANY PLC
RECONCILIATION OF NON-GAAP
MEASURES
2018 CONSOLIDATED GUIDANCE⁽¹⁾
(unaudited)

Reported⁽²⁾	Full Year 2018 EPS Guidance Provided on 11/8/2018
	\$0.66 - \$0.86
Amortization expense related primarily to acquired intangible assets	2.44
Impairment charges	1.61
Acquisition-related charges and contingent consideration adjustments	0.42
Restructuring charges and other termination benefits	0.20
Separation and reorganization expense	0.13
Losses on investment securities	0.08
Unusual litigation	0.01
Gain/loss on divestitures	(0.02)
Change in financial assets	(0.47)
Tax effect of non-GAAP adjustments	(0.61)
Adjusted	\$4.45 - \$4.65

⁽¹⁾ Guidance table includes Q1-Q3 actual results for all reconciling line items, plus estimated amortization expense, separation and reorganization expense and the corresponding tax effect for Q4.

⁽²⁾ Guidance excludes any impact related to the Royalty Pharma contingent milestone payments.

TABLE V
PERRIGO COMPANY PLC
RECONCILIATION OF NON-GAAP
MEASURES
(in millions)
(unaudited)

	Three months ended				Twelve Months Ended
	March 31, 2018	June 30, 2018	September 29, 2018	December 31, 2018	December 31, 2018
CHCI advertising and promotional spend	\$ 52.0	\$ 48.5	\$ 35.1	\$ 45.4	\$ 181.0
Consolidated depreciation expense	\$ 22.3	\$ 23.1	\$ 21.8	\$ 22.8	\$ 90.0

	Three Months Ended	Twelve Months Ended
	December 31, 2018	December 31, 2018
Operating cash flow	\$ 194.3	\$ 593.0
Less: IPR&D Investments	—	50.0
Adjusted operating cash flow	\$ 194.3	\$ 643.0
Adjusted net income	\$ 131.8	\$ 628.9
Cash conversion ratio	147%	102%

TABLE V
PERRIGO COMPANY PLC
RECONCILIATION OF NON-GAAP
MEASURES
(in millions)
(unaudited)

	Three Months Ended			
	December 31, 2018	December 31, 2017	\$ Change	Change
Adjusted gross profit				
CHCA	\$ 187.3	\$ 231.6		
CHCI	181.3	194.5		
Total	\$ 368.6	\$ 426.1	\$ (57.5)	(13.5)%
As a percent of worldwide consumer net sales	37.9%	41.9%		(400) bps
Adjusted R&D and A&P				
CHCA	\$ 15.3	\$ 17.5		
CHCI	57.2	46.9		
Total	\$ 72.5	\$ 64.4	\$ 8.1	12.6%
As a percent of worldwide consumer net sales	7.5%	6.3%		120 bps
Consolidated	\$ 89.7	\$ 81.6	\$ 8.1	9.9%
Adjusted operating income				
CHCA	\$ 111.3	\$ 148.8		
CHCI	45.9	57.3		
Total	\$ 157.2	\$ 206.1	\$ (48.9)	(23.7)%
As a percent of worldwide consumer net sales	16.2%	20.3%		(410) bps
Adjusted consolidated DSG&A				
DSG&A	\$ 250.7	\$ 267.3		
Less: A&P	(45.4)	(36.6)		
Total	\$ 205.3	\$ 230.7	\$ (25.4)	(11.0)%
CHCI R&D and A&P	\$ 57.2	\$ 46.9	\$ 10.3	22.0%
As a percentage of CHCI net sales	16.1%	12.5%		

TABLE V (CONTINUED)
PERRIGO COMPANY PLC
RECONCILIATION OF NON-GAAP MEASURES
(in millions, except per share amounts)
(unaudited)

	Three Months Ended		
	December 31, 2018	December 31, 2017	Total Change
Consolidated adjusted net sales	NA	\$ 1,278.9	(6.5)%
Consolidated adjusted net income	\$ 131.8	\$ 180.2	(26.8)%
Consolidated adjusted EPS	\$ 0.97	\$ 1.28	(24.2)%
Adjusted gross profit			
Consolidated	\$ 490.4	\$ 565.3	(13.3)%
CHCA	\$ 187.3	\$ 231.6	(19.2)%
CHCI	\$ 181.3	\$ 194.5	(6.8)%
RX	\$ 121.9	\$ 139.0	(12.3)%
Adjusted gross margin			
Consolidated	41.0%	44.2%	(320) bps
CHCA	30.4%	36.0%	(560) bps
CHCI	50.9%	52.0%	(110) bps
RX	54.8%	53.2%	160 bps
Adjusted operating income			
Consolidated	\$ 195.3	\$ 253.0	(22.8)%
CHCA	\$ 111.3	\$ 148.8	(25.2)%
CHCI	\$ 45.9	\$ 57.3	(19.9)%
RX	\$ 87.3	\$ 99.5	(12.4)%
Adjusted operating margin			
Consolidated	16.3%	19.8%	(350) bps
CHCA	18.0%	23.1%	(510) bps
CHCI	12.9%	15.3%	(240) bps
RX	39.2%	38.1%	110 bps
	Twelve Months Ended		
	December 31, 2018	December 31, 2017	Total Change
Consolidated adjusted net sales	NA	\$ 4,925.5	(3.9)%
Consolidated adjusted net income	\$ 628.9	\$ 702.7	(10.5)%
Consolidated adjusted EPS	\$ 4.55	\$ 4.93	(7.7)%