

PERRIGO COMPANY PLC
RECONCILIATION OF NON-GAAP MEASURES
PART I

(in millions \$ unless otherwise indicated)
(unaudited)

All data provided in this deck is based on our new reporting segments. As disclosed in its Press Release dated May 8, 2019, Perrigo Company plc ("the Company") changed the composition of its operating and reporting segments. We moved our Israeli diagnostic business from the Consumer Self-Care International segment to the Prescription Pharmaceuticals segment and we made certain adjustments to our allocations between segments. These changes were made to reflect changes in the way in which management makes operating decisions, allocates resources, and manages the growth and profitability of the Company.

Our new reporting and operating segments are as follows:

- **Consumer Self-Care Americas ("CSCA")**, formerly Consumer Healthcare Americas, comprises our consumer self-care business (OTC, contract manufacturing, infant formula and animal health categories) in the U.S., Mexico and Canada.
- **Consumer Self-Care International ("CSCI")**, formerly Consumer Healthcare International, comprises our branded consumer self-care business primarily in Europe, our consumer-focused business in the United Kingdom and Australia, and our liquid licensed products business in the United Kingdom.
- **Prescription Pharmaceuticals ("RX")**, comprises our Prescription Pharmaceuticals business in the U.S. and our diagnostic business in Israel, which was previously in our CSCI segment.

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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.

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	Twelve Months Ended December 31, 2018		
	Net Sales	Gross Profit	Gross Margin
CSCA			
Reported	\$ 2,411.6	\$ 789.0	32.7%
<i>Adjustments:</i>			
Amortization expense primarily related to acquired intangible assets		37.2	
Adjusted		\$ 826.2	34.3%

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Three Months Ended March 30, 2019

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	\$ 1,174.5	\$ 448.8	\$ 40.2	\$ 297.0	\$ 9.3	\$ 102.3	\$ 21.4	\$ 17.0	\$ 63.9	\$ 0.47
As a % of reported net sales		38.2%	3.4%	25.3%		8.7%	1.8%	1.5%	5.4%	
Effective tax rate								21.1%		
<i>Adjustments:</i>										
Amortization expense related primarily to acquired intangible assets		\$ 47.4	\$ (0.1)	\$ (29.0)	\$ —	\$ 76.5	\$ —	\$ —	\$ 76.5	\$ 0.57
Impairment charges		—	—	—	(4.1)	4.1	—	—	4.1	0.03
Gain/loss on divestitures		—	—	—	1.3	(1.3)	—	—	(1.3)	(0.01)
Unusual litigation		—	—	(9.1)	—	9.1	—	—	9.1	0.07
Restructuring charges and other termination benefits		—	—	—	(9.3)	9.3	—	—	9.3	0.07
Change in financial assets		—	—	—	—	—	10.4	—	(10.4)	(0.08)
Acquisition and integration-related charges and contingent consideration adjustments		—	—	—	2.8	(2.8)	—	—	(2.8)	(0.02)
Loss on investment securities		—	—	—	—	—	(6.1)	—	6.1	0.04
Separation and reorganization expense		—	—	(5.8)	—	5.8	—	—	5.8	0.04
Non-GAAP tax adjustments*		—	—	—	—	—	—	14.7	(14.7)	(0.11)
Adjusted		\$ 496.2	\$ 40.1	\$ 253.1	\$ —	\$ 203.0	\$ 25.7	\$ 31.7	\$ 145.6	\$ 1.07
As a % of reported net sales		42.3%	3.4%	21.6%		17.3%	2.2%	2.7%	12.4%	
Effective tax rate								17.9%		

Diluted weighted average shares outstanding

Reported

136.2

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

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Three Months Ended March 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	\$ 1,217.0	\$ 492.7	\$ 38.4	\$ 293.6	\$ 4.4	\$ 156.3	\$ 45.8	\$ 29.7	\$ 80.8	\$ 0.57
As a % of reported net sales		40.5%	3.2%	24.1%		12.8%	3.8%	2.4%	6.6%	
Effective tax rate								26.9%		
<i>Adjustments:</i>										
Amortization expense primarily related to acquired intangible assets		\$ 53.9	\$ (0.3)	\$ (34.3)	\$ —	\$ 88.5	\$ —	\$ —	\$ 88.5	\$ 0.62
Change in financial assets		—	—	—	—	—	(9.6)	—	9.6	0.07
Acquisition and integration-related charges and contingent consideration adjustments		—	—	—	(4.2)	4.2	—	—	4.2	0.03
Gain/loss on divestitures		—	—	—	1.3	(1.3)	—	—	(1.3)	(0.01)
Losses on investment securities		—	—	—	—	—	(4.4)	—	4.4	0.03
Restructuring charges and other termination benefits		—	—	(4.0)	(1.5)	5.5	—	—	5.5	0.04
Non-GAAP tax adjustments*		—	—	—	—	—	—	13.4	(13.4)	(0.09)
Adjusted		\$ 546.6	\$ 38.1	\$ 255.3	\$ —	\$ 253.2	\$ 31.8	\$ 43.1	\$ 178.3	\$ 1.26
As a % of reported net sales		44.9%	3.1%	21.0%		20.8%	2.6%	3.5%	14.6%	
Effective tax rate								19.5%		

Diluted weighted average shares outstanding

Reported

141.4

*The non-GAAP tax adjustments include (1) \$21.1 million of tax effects of pretax non-GAAP adjustments that are calculated based upon the specific rate of the applicable jurisdiction of the pretax item, and (2) \$(7.7) million net impact related to valuation allowances on deferred tax assets commensurate with non-GAAP pre-tax measures.

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Three Months Ended
March 31, 2018

CSCA	Net Sales	Gross Profit	R&D Expense	DSG&A Expense	Operating Income	Net Sales	Gross Profit	R&D Expense	DSG&A Expense	Operating Income
Reported	\$ 581.8	\$ 184.0	\$ 15.6	\$ 73.3	\$ 94.2	\$ 601.6	\$ 205.9	\$ 15.2	\$ 71.5	\$ 118.6
As a % of reported net sales		31.6%	2.7%	12.6%	16.2%		34.2%	2.5%	11.9%	19.7%
<i>Adjustments:</i>										
Amortization expense primarily related to acquired intangible assets		\$ 5.4		\$ (4.7)	\$ 10.1		\$ 10.5		\$ (4.7)	\$ 15.2
Unusual litigation		—		(1.2)	1.2		—		—	—
Impairment charges		—		—	4.1		—		—	—
Restructuring charges and other termination benefits		—		—	0.8		—		—	0.4
Acquisition and integration-related charges and contingent consideration adjustments		—		—	(4.1)		—		—	0.1
Adjusted		\$ 189.4		\$ 67.4	\$ 106.3		\$ 216.4		\$ 66.8	\$ 134.3
As a % of reported net sales		32.5%		11.6%	18.3%		36.0%		11.1%	22.3%

Three Months Ended
March 30, 2019

Three Months Ended
March 31, 2018

CSCI	Net Sales	Gross Profit	R&D Expense	DSG&A Expense	Operating Income	Net Sales	Gross Profit	R&D Expense	DSG&A Expense	Operating Income
Reported	\$ 350.8	\$ 168.4	\$ 10.3	\$ 149.4	\$ 8.1	\$ 377.8	\$ 185.9	\$ 10.6	\$ 162.4	\$ 12.3
As a % of reported net sales		48.0%	2.9%	42.6%	2.3%		49.2%	2.8%	43.0%	3.3%
<i>Adjustments:</i>										
Amortization expense primarily related to acquired intangible assets		\$ 20.8	\$ (0.1)	\$ (24.2)	\$ 45.1		\$ 22.5	\$ (0.3)	\$ (29.7)	\$ 52.5
Impairment charges		—	—	—	—		—	—	—	—
Restructuring charges and other termination benefits		—	—	—	0.6		—	—	—	0.6
Unusual litigation		—	—	(0.3)	0.3		—	—	—	—
Adjusted		\$ 189.2	\$ 10.2	\$ 124.9	\$ 54.1		\$ 208.4	\$ 10.3	\$ 132.7	\$ 65.4
As a % of reported net sales		53.9%	2.9%	35.6%	15.4%		55.2%	2.7%	35.1%	17.3%

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Three Months Ended
March 30, 2019

Three Months Ended
March 31, 2018

RX	Three Months Ended March 30, 2019					Three Months Ended March 31, 2018				
	Net Sales	Gross Profit	R&D Expense	DSG&A Expense	Operating Income	Net Sales	Gross Profit	R&D Expense	DSG&A Expense	Operating Income
Reported	\$ 241.9	\$ 96.4	\$ 14.3	\$ 21.6	\$ 60.6	\$ 237.6	\$ 100.9	\$ 12.6	\$ 24.1	\$ 61.2
As a % of reported net sales		39.9%	5.9%	8.9%	25.1%		42.5%	5.3%	10.1%	25.8%
<i>Adjustments:</i>										
Amortization expense primarily related to acquired intangible assets		\$ 21.2		\$ (0.1)	\$ 21.3		\$ 20.9		\$ —	\$ 20.9
Gain/loss on divestitures		—		—	(1.3)		—		—	(1.2)
Restructuring charges and other termination benefits		—		—	—		—		—	0.2
Acquisition and integration-related charges and contingent consideration adjustments		—		—	1.3		—		—	4.0
Adjusted		\$ 117.6		\$ 21.5	\$ 81.9		\$ 121.8		\$ 24.1	\$ 85.1
As a % of reported net sales		48.6%		8.9%	33.9%		51.2%		10.1%	35.8%

	Three Months Ended				
	March 30, 2019	March 31, 2018	Total Change	FX Change	Constant Currency Change
Net sales					
Consolidated	\$ 1,174.5	\$ 1,217.0	(3.5)%	2.9%	(0.6)%
CSCA	\$ 581.8	\$ 601.6	(3.3)%	0.1%	(3.2)%
CSCI	\$ 350.8	\$ 377.8	(7.1)%	8.8%	1.7%
RX	\$ 241.9	\$ 237.6	1.8%	0.6%	2.4%
Adjusted operating income					
Consolidated	\$ 203.0	\$ 253.2	(19.8)%	2.8%	(17.0)%
CSCA	\$ 106.3	\$ 134.3	(20.8)%	(0.2)%	(21.0)%
CSCI	\$ 54.1	\$ 65.4	(17.3)%	9.3%	(8.0)%
RX	\$ 81.9	\$ 85.1	(3.8)%	6.8%	3.0%

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Total Perrigo Reported⁽²⁾	Full Year 2019 EPS Guidance⁽¹⁾
	\$1.24 - \$1.54
Amortization expense related primarily to acquired intangible assets	2.18
Separation and reorganization expense	0.38
Unusual litigation	0.20
Restructuring charges and other termination benefits	0.07
Losses on investment securities	0.04
Impairment charges	0.03
Gain/loss on divestitures	(0.01)
Acquisition-related charges and contingent consideration adjustments	(0.01)
Change in financial assets	(0.08)
Tax effect of non-GAAP adjustments	(0.39)
Adjusted	\$3.65 - \$3.95

⁽¹⁾ Guidance table includes Q1 actual results for all reconciling line items, plus estimated amortization expense, separation and reorganization expense, unusual litigation and the corresponding tax effect for Q2-Q4.

⁽²⁾ Guidance excludes Q2-Q4 impact related to the Royalty Pharma contingent milestone payments.

	Twelve Months Ended December 31, 2018	
	CSCA	Total Perrigo
Net Sales		
Reported	\$ 2,411.6	\$ 4,731.7
Less RX	—	(920.8)
Less Animal Health	(93.9)	(93.9)
Adjusted	\$ 2,317.7	\$ 3,717.0

	Twelve Months Ended December 31, 2018	
	National Brand	
Net Sales		
Reported	\$ 1,320.4	
Less Animal Health		(93.9)
Adjusted	\$ 1,226.5	

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	Twelve Months Ended December 31, 2018	
	Net Sales	Operating Income
Consolidated Reported	\$ 4,731.7	\$ 236.5
<i>Adjustments:</i>		
Less Reported RX	\$ (920.8)	\$ (214.6)
Less Reported Animal Health	(93.9)	221.5
Amortization expense related primarily to acquired intangible assets	—	232.9
Acquisition and integration-related charges and contingent consideration adjustments	—	48.6
Restructuring charges and other termination benefits	—	28.2
Gain/Loss on divestitures	—	(3.6)
Unusual litigation	—	3.2
Separation and reorganization expense	—	13.9
Impairment charges	—	11.2
Adjusted excluding RX and Animal Health	\$ 3,717.0	\$ 577.8

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Organic Net Sales - Constant Currency
Twelve Months Ended

	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	2015 - 2018 Change	Organic Constant Currency 2015 - 2018 CAGR
CSCA						
Reported	\$ 2,554	2,507	2,430	\$ 2,412	(142)	(2)%
Sales related to held-for-sale business (VMS)	(162)	(110)	—			
FX impact ⁽¹⁾	(9)	(1)	(3)			
Adjusted Organic Constant Currency	\$ 2,383	2,396	2,427		29	—%
CSCI						
Reported	\$ 1,291	1,580	1,406	\$ 1,399	108	3%
Sales related to exited businesses ⁽¹⁾	(229)	(242)	(32)			
Pro-forma Omega ⁽¹⁾⁽²⁾	260	—	—			
Pro-forma other acquisition ⁽¹⁾⁽³⁾	86	—	—			
FX impact ⁽¹⁾	20	39	36			
Adjusted Organic Constant Currency	\$ 1,428	1,377	1,410		(29)	(1)%
RX						
Reported	\$ 1,072	1,115	1,054	\$ 921	(151)	(5)%
Consolidated						
Reported	\$ 5,015	5,281	4,946	\$ 4,732	(283)	(2)%
Sales related to held-for-sale business (VMS)	(162)	(110)	—			
Sales related to exited CSCI businesses ⁽¹⁾	(229)	(242)	—			
Pro-forma Omega ⁽¹⁾⁽²⁾	260	—	—			
Pro-forma other acquisitions ⁽¹⁾⁽³⁾	86	—	—			
Sales related to exited API business	(98)	(79)	(56)			
FX impact ⁽¹⁾	11	38	33			
Adjusted Organic Constant Currency	\$ 4,883	4,888	4,923		(151)	(1)%

(1) Converted 2015-2017 and organic adjustments made in currencies other than USD at 2018 average FX rate for comparable presentation to 2018

(2) Omega acquired 3/31/15; annualized 2015 for comparable presentation to 2018

(3) Includes GlaxoSmithKline Consumer Healthcare ("GSK") product portfolio and Naturwohl Pharma GmbH ("Naturwohl") acquired in September 2015; annualized 2015 for comparable presentation to 2018

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Organic Net Sales - Constant Currency
Twelve Months Ended

	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	2015 - 2018 Change	Organic Constant Currency 2015 - 2018 CAGR
Consumer (CSCA + CSCI)						
Reported	\$ 3,845	\$ 4,087	\$ 3,836	\$ 3,811	(34)	—%
Sales related to held-for-sale business (VMS)	(162)	(110)	—			
Sales related to exited CSCI businesses ⁽¹⁾	(229)	(242)	(32)			
Pro-forma Omega ⁽¹⁾⁽²⁾	260	—	—			
Pro-forma other acquisitions ⁽¹⁾⁽³⁾	86	—	—			
FX impact ⁽¹⁾	11	38	33			
Adjusted Organic Constant Currency	\$ 3,811	3,773	3,837		—	—%

(1) Converted 2015-2017 and organic adjustments made in currencies other than USD at 2018 average FX rate for comparable presentation to 2018

(2) Omega acquired 3/31/15; annualized 2015 for comparable presentation to 2018

(3) Includes GlaxoSmithKline Consumer Healthcare ("GSK") product portfolio and Naturwohl Pharma GmbH ("Naturwohl") acquired in September 2015; annualized 2015 for comparable presentation to 2018

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	Operating Income (Loss)		CAGR
	Twelve Months Ended		
	December 31, 2015	December 31, 2018	
CSCA			
Reported	\$ 465.8	\$ 174.4	
Amortization expense primarily related to acquired intangible assets	64.4	56.0	
Impairment charges	8.3	222.6	
Unusual litigation	0.3	—	
Restructuring charges and other termination benefits	15.4	0.4	
Acquisition and integration-related charges and contingent consideration adjustments	(0.5)	48.6	
Adjusted	\$ 553.7	\$ 502.0	
CSCI			
Reported	\$ (126.6)	\$ 6.8	
Amortization expense primarily related to acquired intangible assets	128.3	198.9	
Impairment charges	183.1	1.8	
Unusual litigation	—	3.2	
Acquisition and integration-related charges and contingent consideration adjustments	3.3	—	
Restructuring charges and other termination benefits	0.7	17.4	
Adjusted	\$ 188.8	\$ 228.1	
Corporate⁽¹⁾			
Reported	\$ (244.0)	\$ (159.3)	
Restructuring charges and other termination benefits	9.5	10.6	
Legal and consulting fees related to Mylan defense	100.3	—	
Unusual litigation	—	—	
Acquisition and integration-related charges and contingent consideration adjustments	29.0	—	
Gain/loss on divestitures	—	(3.6)	
Separation and reorganization expense	—	13.9	
Adjusted	\$ (105.2)	\$ (138.4)	
Consumer (CSCA + CSCI + Corporate)			
Reported	\$ 95.2	\$ 21.9	(39)%
Amortization expense primarily related to acquired intangible assets	192.7	254.9	
Impairment charges	191.4	224.4	
Restructuring charges and other termination benefits	25.6	28.4	
Gain/Loss on divestitures	—	(3.6)	
Separation and reorganization expense	—	13.9	
Acquisition and integration-related charges and contingent consideration adjustments	31.8	48.6	
Legal and consulting fees related to Mylan defense	100.3	—	
Unusual litigation	0.3	3.2	
Adjusted	\$ 637.3	\$ 591.7	(2)%

⁽¹⁾ Corporate includes Specialty Sciences in 2015

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	Diluted Earnings (Loss) per Share		CAGR
	Twelve Months Ended		
	December 31, 2015	December 31, 2018	
Consolidated			
Reported	\$ (0.01)	\$ 0.95	NM
Amortization expense related primarily to acquired intangible assets	1.76	2.44	
Loss on acquisition-related foreign currency hedges	1.87	—	
Acquisition and integration-related charges and contingent consideration adjustments	0.25	0.41	
R&D payment made in connection with a collaborative agreement	0.13	—	
Restructuring charges and other termination benefits	0.20	0.21	
Gain/Loss on divestitures	—	(0.02)	
Milestone income related to royalty rights	—	(0.02)	
Change in financial assets	(0.62)	(1.36)	
Loss on debt extinguishment	0.14	—	
Unusual litigation	0.70	0.02	
Separation and reorganization expense	—	0.10	
Impairment charges	1.64	1.62	
Losses on investment securities	0.07	0.07	
Non-GAAP tax adjustments*	(0.56)	0.13	
Adjusted	\$ 5.57	\$ 4.55	(7)%

NM = Not meaningful

*2018: 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.

*2015: The non-GAAP tax adjustment includes the following: (1) \$(135.5) million of tax effects of pretax non-GAAP adjustments that are calculated based upon the specific rate of the applicable jurisdiction of the pretax item; (2) a \$2.5 million effect on non-GAAP income taxes related to the interim tax accounting requirements within ASC 740, Income Taxes; and (3) \$53.4 million of discrete income tax adjustments related to debt restructuring for the acquisition of Omega. The GAAP tax benefit recorded in the current quarter related to these items has been excluded from non-GAAP net income.

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Twelve Months Ended December 31, 2018

	Gross Debt	Net Income	Less: Income Taxes	Less: Interest, Other, and Change in Financial Assets	Less: Depreciation	Less: Amortization	EBITDA	Leverage Ratio (Gross Debt / EBITDA)
Reported	\$ 3,217.8	\$ 131.0	\$ 159.6	\$ (54.1)	\$ 90.0	\$ 333.7	\$ 660.2	4.9
<i>Adjustments:</i>								
Amortization expense related primarily to acquired intangible assets		338.6	—	—	(4.9)	(333.7)	—	
Separation and reorganization expense		13.9	—	—	—	—	13.9	
Restructuring charges and other termination benefits		28.4	—	—	—	—	28.4	
Unusual litigation		3.2	—	—	—	—	3.2	
Impairment charges		224.4	—	—	—	—	224.4	
Gain/loss on divestitures		(2.3)	—	(2.7)	—	—	(5.0)	
Acquisition and integration-related charges and contingent consideration adjustments		56.6	—	—	—	—	56.6	
Milestone income related to royalty rights		(3.0)	—	3.0	—	—	—	
Change in financial assets		(188.7)	—	188.7	—	—	—	
Losses on investment securities		9.3	—	(9.3)	—	—	—	
Non-GAAP tax adjustments*		17.5	(17.5)	—	—	—	—	
Adjusted		\$ 628.9	\$ 142.1	\$ 125.6	\$ 85.1	\$ —	\$ 981.7	3.3

*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.

PERRIGO COMPANY PLC
RECONCILIATION OF NON-GAAP MEASURES
PART I

(in millions \$ unless otherwise indicated)
(unaudited)

	Twelve Months Ended December 31, 2018		
	CSCA	CSCI	CSCA + CSCI
Operating Income			
Reported	\$ 174.4	\$ 6.8	\$ 181.2
<i>Adjustments:</i>			
Amortization expense related primarily to acquired intangible assets	\$ 56.0	\$ 198.9	254.9
Acquisition and integration-related charges and contingent consideration adjustments	48.6	—	48.6
Restructuring charges and other termination benefits	0.4	17.4	17.8
Unusual litigation	—	3.2	3.2
Impairment charges	222.6	1.8	224.4
Adjusted	\$ 502.0	\$ 228.1	\$ 730.1
% of Total	~70%	~30%	100%

	CSCA						
	Twelve Months Ended						
	December 31, 2015			December 31, 2018			
	Net Sales	Gross Profit	Gross Margin	Net Sales	Gross Profit	Gross Margin	Gross Margin Change
Reported	\$ 2,554.2	\$ 872.7	34.2%	\$ 2,411.6	\$ 789.0	32.7%	(150) bps
Amortization expense primarily related to acquired intangible assets		43.0			37.2		
Adjusted		\$ 915.7	35.9%		\$ 826.2	34.3%	(160) bps

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RECONCILIATION OF NON-GAAP MEASURES
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(in millions \$ unless otherwise indicated)
(unaudited)

	Twelve Months Ended		2009 - 2015 Change	CAGR
	December 31, 2009	December 31, 2015		
CSCA net sales				
Reported	\$ 1,637	\$ 2,554	\$917	8%
Sales related to held-for sale business (VMS)	(188)	(162)		
Adjusted	\$ 1,449	\$ 2,392	\$943	9%

	Twelve Months Ended		2015 - 2018 Change	CAGR
	December 31, 2015	December 31, 2018		
CSCA net sales				
Reported	\$ 2,554	\$ 2,412	142	(2)%
Sales related to held-for sale business (VMS)	(162)	—		
Adjusted	\$ 2,392	\$ 2,412	(20)	—%

	Twelve Months Ended								
	December 31, 2016			December 31, 2017			December 31, 2018		
	Net Sales	Operating Income	Operating Margin	Net Sales	Operating Income	Operating Margin	Net Sales	Operating Income	Operating Margin
CSCI									
Reported	\$ 1,579.8	\$ (2,084.4)	(131.9)%	\$ 1,406.2	\$ (2.7)	(0.2)%	\$ 1,399.3	\$ 6.8	0.5%
Amortization expense primarily related to acquired intangible assets	—	183.9			198.1			198.9	
Impairment charges	—	2,042.4			4.8			1.8	
Operating results attributable to held-for-sale business (European Sports Brand)	(0.3)	17.9			0.5			—	
Acquisition and integration-related charges and contingent consideration adjustments	—	1.9			(1.4)			—	
Unusual litigation	—	—			—			3.2	
Restructuring charges and other termination benefits	—	20.9			16.4			17.4	
Adjusted	\$ 1,579.5	\$ 182.6	11.6 %	\$ 215.7		15.3 %	\$ 228.1		16.3%

PERRIGO COMPANY PLC
RECONCILIATION OF NON-GAAP MEASURES
PART II

(in millions \$ unless otherwise indicated)
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All data provided in this deck is based on our new reporting segments. As disclosed in its Press Release dated May 8, 2019, Perrigo Company plc ("the Company") changed the composition of its operating and reporting segments. We moved our Israeli diagnostic business from the Consumer Self-Care International segment to the Prescription Pharmaceuticals segment and we made certain adjustments to our allocations between segments. These changes were made to reflect changes in the way in which management makes operating decisions, allocates resources, and manages the growth and profitability of the Company.

Our new reporting and operating segments are as follows:

- **Consumer Self-Care Americas ("CSCA")**, formerly Consumer Healthcare Americas, comprises our consumer self-care business (OTC, contract manufacturing, infant formula and animal health categories) in the U.S., Mexico and Canada.
- **Consumer Self-Care International ("CSCI")**, formerly Consumer Healthcare International, comprises our branded consumer self-care business primarily in Europe, our consumer-focused business in the United Kingdom and Australia, and our liquid licensed products business in the United Kingdom.
- **Prescription Pharmaceuticals ("RX")**, comprises our Prescription Pharmaceuticals business in the U.S. and our diagnostic business in Israel, which was previously in our CSCI segment.

PERRIGO COMPANY PLC
RECONCILIATION OF NON-GAAP MEASURES
PART II

(in millions \$ unless otherwise indicated)
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Guidance - Full Year 2019
Dividends as a % of Adjusted Net Income

Annual dividend	\$0.84
Shares outstanding (in millions)	136
2019 dividend payout	\$114

2019 Guidance	Operating Income	Interest, Other, and Change in Financial Assets	Income Tax Expense	Net Income	Dividends as a % of Net Income
Reported - midpoint	\$473	\$130	\$192	\$151	75%
<i>Adjustments:</i>					
Amortization expense related primarily to acquired intangible assets	213	—	—	213	
Separation and reorganization expense	52	—	—	52	
Restructuring charges and other termination benefits	9	—	—	9	
Unusual litigation	27	—	—	27	
Losses on investment securities	—	—	—	—	
Impairment charges	4	—	—	4	
Gain/loss on divestitures	(3)	—	—	(3)	
Acquisition-related charges and contingent consideration adjustments	—	—	—	—	
Change in financial assets	—	(10)	—	10	
Tax effect of non-GAAP adjustments	—	—	(54)	54	
Adjusted - midpoint	\$775	120	138	517	22%

PERRIGO COMPANY PLC
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Twelve Months Ended December 31, 2018

Dividend Adjusted Net Income Payout

2018 dividend payout

\$ 105

	Operating Income	Interest, Other, and Change in Financial Assets	Income Tax Expense	Net Income	Dividends as a % of Net Income
Reported	\$ 237	\$ (54)	\$ 160	\$ 131	80%
<i>Adjustments:</i>					
Amortization expense related primarily to acquired intangible assets	339	—	—	339	
Acquisition and integration-related charges and contingent consideration adjustments	57	—	—	57	
Restructuring charges and other termination benefits	28	—	—	28	
Change in financial assets	—	189	—	(189)	
Gain/Loss on divestitures	(5)	(3)	—	(2)	
Unusual litigation	3	3	—	—	
Separation and reorganization expense	14	—	—	14	
Impairment charges	224	—	—	224	
Losses on investment securities	—	(9)	—	9	
Non-GAAP tax adjustments*	—	—	(18)	18	
Adjusted	\$ 897	\$ 126	\$ 142	\$ 629	17%

*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.

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2019 Full Year Guidance

	Gross Debt at December 31, 2019	Net Income*	Less: Income Taxes*	Less: Interest, Other, and Change in Financial Assets	Less: Depreciation	Less: Amortization	EBITDA*	Leverage Ratio (Gross Debt / EBITDA)
Reported	\$ 3,045	\$ 182	\$ 84	\$ 116	\$ 90	\$ 293	\$ 765	4.0
<i>Adjustments:</i>								
Amortization expense related primarily to acquired intangible assets		297	—	—	(4)	(293)	—	
Separation and reorganization expense		52	—	—	—	—	52	
Restructuring charges and other termination benefits		9	—	—	—	—	9	
Unusual litigation		27	—	—	—	—	27	
Impairment charges		4	—	—	—	—	4	
Gain/loss on divestitures		(1)	—	—	—	—	(1)	
Acquisition and integration-related charges and contingent consideration adjustments		(2)	—	—	—	—	(2)	
Change in financial assets		10	—	10	—	—	20	
Losses on investment securities		(6)	—	(6)	—	—	(12)	
Non-GAAP tax adjustments		(54)	54	—	—	—	—	
Adjusted	\$ 518	\$ 138	\$ 120	\$ 86	\$ —	\$ 862	3.5	

*Uses midpoint of guidance range

PERRIGO COMPANY PLC
RECONCILIATION OF NON-GAAP MEASURES
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(in millions \$ unless otherwise indicated)
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	RX	Full Year 2019 Guidance⁽¹⁾	Total Consolidated⁽³⁾
	RX	"New Perrigo"⁽²⁾	Total Consolidated⁽³⁾
Operating Income			
Reported	\$206 million	\$158 - \$208 million	\$364 - \$414 million
Amortization expense related primarily to acquired intangible assets	84	213	297
Separation and reorganization expense	—	52	52
Restructuring charges and other termination benefits	—	9	9
Unusual litigation	—	27	27
Impairment charges	—	4	4
Gain/loss on divestitures	(1)	—	(1)
Acquisition and integration-related charges and contingent consideration adjustments	1	(3)	(2)
Adjusted	\$290 million	\$460 - \$510 million	\$750 - \$800 million
Operating Margin			
Reported	Approx. 21%	Approx. 5%	Approx. 9%
Amortization expense related to acquired intangible assets	9%	6%	6%
Separation and reorganization expense	—%	1%	1%
Unusual litigation	—%	1%	1%
Adjusted	Approx. 30%	Approx. 13%	Approx. 17%

⁽¹⁾ Guidance table includes Q1 actual results for all reconciling line items, plus estimated amortization expense, separation and reorganization expense for Q2-Q4.

⁽²⁾ CSCA + CSCI + Corporate less Animal Health subsequent to Q1.

⁽³⁾ Total Perrigo excludes Animal Health subsequent to Q1.

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(in millions \$ unless otherwise indicated)
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	Full Year 2019 EPS Guidance⁽¹⁾
Total Perrigo Reported⁽²⁾	\$1.24 - \$1.54
Amortization expense related primarily to acquired intangible assets	2.18
Separation and reorganization expense	0.38
Unusual litigation	0.20
Restructuring charges and other termination benefits	0.07
Losses on investment securities	0.04
Impairment charges	0.03
Gain/loss on divestitures	(0.01)
Acquisition-related charges and contingent consideration adjustments	(0.01)
Change in financial assets	(0.08)
Tax effect of non-GAAP adjustments	(0.39)
Adjusted	\$3.65 - \$3.95

⁽¹⁾ Guidance table includes Q1 actual results for all reconciling line items, plus estimated amortization expense, separation and reorganization expense, unusual litigation and the corresponding tax effect for Q2-Q4.

⁽²⁾ Guidance excludes Q2-Q4 impact related to the Royalty Pharma contingent milestone payments.