REFINITIV

DELTA REPORT

10-Q

PRGO - PERRIGO CO PLC

10-Q - JUNE 29, 2024 COMPARED TO 10-Q - MARCH 30, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	1236
CHANGES	179
DELETIONS	371
ADDITIONS	686

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended: March 30, 2024 June 29, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ______to ______
Commission file number 001-36353

Perrigo Company plc
(Exact name of registrant as specified in its charter)

Ireland	**Not Applicable**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

The Sharp Building, Hogan Place, Dublin 2, Ireland D02 TY74
+353 1 7094000
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Ordinary shares, €0.001 par value	PRGO	New York Stock Exchange
3.900% Notes due 2024	PRGO24	New York Stock Exchange
4.375% Notes due 2026	PRGO26	New York Stock Exchange
4.650% 4.900% Notes due 2030	PRGO30	New York Stock Exchange
5.300% Notes due 2043	PRGO43	New York Stock Exchange
4.900% Notes due 2044	PRGO44	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐	Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐						

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

As of May 3, 2024 July 31, 2024, there were 136,320,433 136,415,418 ordinary shares outstanding.

PERRIGO COMPANY PLC

FORM 10-Q

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this report 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 our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our, or our industry’s actual results, levels of activity, performance or achievements to be materially different from those expressed or implied by any forward-looking statements. In particular, statements about our expectations, beliefs, plans, objectives, assumptions, future events or future performance contained in this report, including certain statements contained in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” are 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,” "forecast," “predict,” “potential” or the negative of those terms or other comparable terminology.

The Company has based these forward-looking statements on its current expectations, assumptions, estimates and projections. While the Company believes these expectations, assumptions, estimates and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond the Company’s control, including: supply chain impacts on the Company’s business, including those caused or exacerbated by armed conflict, trade and other economic sanctions and/or disease; general economic, credit, and market conditions; the impact of the war in Ukraine and any escalation thereof, including the effects of economic and political sanctions imposed by the United States, United Kingdom, European Union, and other countries related thereto; the outbreak or escalation of conflict in other regions where we do business; current and future impairment charges, including those related to the sale of the Héra SAS ("HRA Pharma") Rare Diseases Business, if we determine that the carrying amount of specific assets may not be recoverable from the expected future cash flows of such assets; customer acceptance of new products; competition from other industry participants, some of whom have greater marketing resources or larger market shares in certain product categories than the Company does; pricing pressures from customers and consumers; resolution of uncertain tax positions and any litigation relating thereto, ongoing or future government investigations and regulatory initiatives; uncertainty regarding the Company’s ability to obtain and maintain its regulatory approvals; potential costs and reputational impact of product recalls or sales halts; potential adverse changes to U.S. and foreign tax, healthcare and other government policy; the effect of the coronavirus (COVID-19) pandemic and its variants, or other epidemic or pandemic disease; the timing, amount and cost of any share repurchases (or the absence thereof) and/or any refinancing of outstanding debt at or prior to maturity; fluctuations in currency exchange rates and interest rates; the consummation and success of the proposed Company's ability to achieve benefits expected from its sale of the HRA Rare Diseases portfolio, Business, including potential earnout payments, and the risk that the parties fail to obtain the required regulatory approvals potential costs or to fulfill the other conditions to closing on the expected timeframe liabilities incurred or at all, the occurrence of any other event, change or circumstance that could delay the transaction or result in the termination of the sale agreement or that the Company faces higher than anticipated costs retained in connection with that transaction may exceed the proposed sale; Company's estimates or adversely affect the Company's business or operations; the risk that potential costs or liabilities incurred or retained in connection with the sale of the Company's Rx business may exceed the Company’s estimates or adversely affect the Company’s business or operations; the Company’s ability to achieve the benefits expected from the acquisitions of Héra SAS ("HRA Pharma") Pharma and Nestlé’s Gateway infant formula plant along with the U.S. and Canadian rights to the *GoodStart*® infant formula brand and other related formula brands ("Gateway") and/or the risks that the Company’s synergy estimates are inaccurate or that the Company faces higher than anticipated integration or other costs in connection with the acquisitions; risks associated with the integration of HRA Pharma and Gateway, including the risk that growth rates are adversely affected by any delay in the integration of sales and distribution networks; the consummation and success of other announced and unannounced acquisitions or dispositions, and the Company’s ability to realize the desired benefits thereof; and the Company’s ability to execute and achieve the desired benefits of announced cost-reduction efforts and other strategic initiatives and investments, including the Company’s ability to achieve the expected benefits from its ongoing restructuring programs described herein. Adverse results with respect to pending litigation could have a material adverse impact on the Company's operating results, cash flows and liquidity, and could ultimately require the use of corporate assets to pay damages, reducing assets that would otherwise be available for other corporate purposes. These and other important factors, including those discussed in our Form 10-K for the year ended December 31, 2023, this report under “Risk Factors” and in any 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 report are made only as of the date hereof, and unless otherwise required by applicable securities laws, we disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

TRADEMARKS, TRADE NAMES AND SERVICE MARKS

This report contains trademarks, trade names and service marks that are the property of Perrigo Company plc, as well as, for informational purposes, trademarks, trade names, and service marks that are the property of other organizations. Solely for convenience, certain trademarks, trade names, and service marks referred to in this report appear without the ®, ™ and SM symbols, but those references are not intended to indicate that we or the applicable owner, as the case may be, will not assert, to the fullest extent under applicable law, our or their rights to such trademarks, trade names, and service marks.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)

PERRIGO COMPANY PLC
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per share amounts)
(unaudited)

	Three Months Ended		Six Months Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Net sales				
Net sales				
Net sales				
Cost of sales				
Cost of sales				
Cost of sales				
Gross profit				
Gross profit				
Gross profit				
Operating expenses				
Operating expenses				
Operating expenses				
Distribution				
Distribution				
Distribution				
Research and development				
Research and development				
Research and development				
Selling				
Selling				
Selling				
Administration				
Administration				
Administration				
Restructuring				
Restructuring				
Impairment charges				
Restructuring				
Other operating expense (income), net				
Other operating expense (income), net				
Other operating expense (income), net				
Total operating expenses				
Total operating expenses				
Total operating expenses				
Operating (loss) income				

Operating (loss) income
Operating (loss) income
Interest expense, net
Interest expense, net
Interest expense, net
Interest expense, net
Other (income) expense, net
Other (income) expense, net
Other (income) expense, net
Other expense (income), net
Income (loss) from continuing operations before income taxes
Income (loss) from continuing operations before income taxes
Income (loss) from continuing operations before income taxes
Income tax (benefit) expense
Income tax (benefit) expense
Income tax (benefit) expense
Income (loss) from continuing operations
Income (loss) from continuing operations
Income (loss) from continuing operations
Income (loss) from discontinued operations, net of tax
Income (loss) from discontinued operations, net of tax
Income (loss) from discontinued operations, net of tax
Net income (loss)
Net income (loss)
Net income (loss)
Earnings (loss) per share
Earnings (loss) per share
Earnings (loss) per share
Basic
Basic
Basic
Continuing operations
Continuing operations
Continuing operations
Discontinued operations
Discontinued operations
Discontinued operations
Basic earnings (loss) per share
Basic earnings (loss) per share
Basic earnings (loss) per share
Diluted
Diluted
Diluted
Continuing operations
Continuing operations
Continuing operations
Discontinued operations
Discontinued operations
Discontinued operations
Diluted earnings (loss) per share

Diluted earnings (loss) per share	
Diluted earnings (loss) per share	
Weighted-average shares outstanding	
Weighted-average shares outstanding	
Weighted-average shares outstanding	
Basic	
Basic	
Basic	
Diluted	
Diluted	
Diluted	

See accompanying Notes to the Condensed Consolidated Financial Statements.

PERRIGO COMPANY PLC
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in millions)
(unaudited)

	Three Months Ended		Three Months Ended		Six Months Ended
	Three Months Ended				
	Three Months Ended				
	March 30, 2024				
	March 30, 2024				
	March 30, 2024				
		June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Net income (loss)					
Net income (loss)					
Net income (loss)					
Other comprehensive income (loss):					
Other comprehensive income (loss):					
Other comprehensive income (loss):					
Foreign currency translation adjustments					
Foreign currency translation adjustments					
Foreign currency translation adjustments					
Change in fair value of derivative financial instruments, net of tax					
Change in fair value of derivative financial instruments, net of tax					
Change in fair value of derivative financial instruments, net of tax					
Change in post-retirement and pension liability, net of tax					
Change in post-retirement and pension liability, net of tax					
Change in post-retirement and pension liability, net of tax					
Other comprehensive income (loss), net of tax					
Other comprehensive income (loss), net of tax					
Other comprehensive income (loss), net of tax					
Comprehensive income (loss)					
Comprehensive income (loss)					
Comprehensive income (loss)					

See accompanying Notes to the Condensed Consolidated Financial Statements.

PERRIGO COMPANY PLC
CONDENSED CONSOLIDATED BALANCE SHEETS
(in millions, except per share amounts)
(unaudited)

	March 30, 2024	December 31, 2023
Assets		
Cash, cash equivalents and restricted cash	$ 658.5	$ 751.3
Accounts receivable, net of allowance for credit losses of $8.1 and $7.8, respectively	780.0	739.6
Inventories	1,121.3	1,140.9
Prepaid expenses and other current assets	246.6	201.1
Total current assets	2,806.4	2,832.9
Property, plant and equipment, net	911.4	916.4
Operating lease assets	176.7	183.6
Goodwill and indefinite-lived intangible assets	3,498.1	3,534.4
Definite-lived intangible assets, net	2,870.3	2,980.8
Deferred income taxes	28.0	25.8
Other non-current assets	349.4	335.2
Total non-current assets	7,833.9	7,976.2
Total assets	$ 10,640.3	$ 10,809.1
Liabilities and Shareholders' Equity		
Accounts payable	$ 453.7	$ 477.7
Payroll and related taxes	114.4	127.0
Accrued customer programs	179.1	163.5
Other accrued liabilities	359.0	335.4
Accrued income taxes	7.7	42.1
Current indebtedness	440.6	440.6
Total current liabilities	1,554.5	1,586.3
Long-term debt, less current portion	3,624.9	3,632.8
Deferred income taxes	247.7	262.3
Other non-current liabilities	526.2	559.8
Total non-current liabilities	4,398.8	4,454.9
Total liabilities	5,953.3	6,041.2
Contingencies - Refer to Note 15		
Shareholders' equity		
Controlling interests:		
Preferred shares, $0.0001 par value per share, 10 shares authorized	—	—
Ordinary shares, €0.001 par value per share, 10,000 shares authorized	6,803.0	6,837.5
Accumulated other comprehensive income	(37.7)	10.7
Retained earnings (accumulated deficit)	(2,078.3)	(2,080.3)
Total shareholders' equity	4,687.0	4,767.9
Total liabilities and shareholders' equity	$ 10,640.3	$ 10,809.1
Supplemental Disclosures of Balance Sheet Information		
Preferred shares, issued and outstanding	—	—
Ordinary shares, issued and outstanding	136.3	135.5

	June 29, 2024	December 31, 2023
Assets		
Cash, cash equivalents and restricted cash	$ 542.8	$ 751.3
Accounts receivable, net of allowance for credit losses of $7.6 and $7.8, respectively	726.0	739.6

Inventories		1,116.2		1,140.9
Prepaid expenses and other current assets		281.8		201.1
Current assets held for sale		292.3		—
Total current assets		2,959.1		2,832.9
Property, plant and equipment, net		909.9		916.4
Operating lease assets		190.0		183.6
Goodwill and indefinite-lived intangible assets		3,374.8		3,534.4
Definite-lived intangible assets, net		2,633.6		2,980.8
Deferred income taxes		13.8		25.8
Other non-current assets		316.1		335.2
Total non-current assets		7,438.2		7,976.2
Total assets	$	10,397.3	$	10,809.1
Liabilities and Shareholders' Equity				
Liabilities				
Accounts payable	$	471.5	$	477.7
Payroll and related taxes		125.4		127.0
Accrued customer programs		168.6		163.5
Other accrued liabilities		218.5		335.4
Accrued income taxes		11.8		42.1
Current indebtedness		440.8		440.6
Current liabilities held for sale		51.5		—
Total current liabilities		1,488.1		1,586.3
Non-current liabilities				
Long-term debt, less current portion		3,616.8		3,632.8
Deferred income taxes		211.7		262.3
Other non-current liabilities		535.4		559.8
Total non-current liabilities		4,363.9		4,454.9
Total liabilities		5,852.0		6,041.2
Contingencies - Refer to Note 16				
Shareholders' equity				
Controlling interests:				
Preferred shares, $0.0001 par value per share, 10 shares authorized		—		—
Ordinary shares, €0.001 par value per share, 10,000 shares authorized		6,786.2		6,837.5
Accumulated other comprehensive income		(54.2)		10.7
Retained earnings (accumulated deficit)		(2,186.7)		(2,080.3)
Total shareholders' equity		4,545.3		4,767.9
Total liabilities and shareholders' equity	$	10,397.3	$	10,809.1
Supplemental Disclosures of Balance Sheet Information				
Preferred shares, issued and outstanding		—		—
Ordinary shares, issued and outstanding		136.4		135.5

See accompanying Notes to the Condensed Consolidated Financial Statements.

PERRIGO COMPANY PLC
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in millions, except per share amounts)
(unaudited)

	Ordinary Shares Issued Shares	Accumulated Other Comprehensive Income	Retained Earnings (Accumulated Deficit)	Total	Amount	Accumulated Other Comprehensive Income	Ordinary Shares Issued	Accumulated Other Comprehensive Income	Retained Earnings (Accumulated Deficit)	Total	Shares	Amount	Accumulated Other Comprehensive Income	Retained Earnings (Accumulated Deficit)
Balance at December 31, 2022														
Net loss														
Net loss														
Net loss														
Other comprehensive loss														
Restricted stock plan														
Restricted stock plan														
Restricted stock plan														
Compensation for restricted stock														
Compensation for restricted stock														
Compensation for restricted stock														
Cash dividends, $0.26 per share														
Shares withheld for payment of employees' withholding tax liability														
Balance at April 1, 2023														
Balance at April 1, 2023														
Balance at April 1, 2023														
Net loss														
Net loss														
Net loss														
Other comprehensive loss														
Restricted stock plan														
Restricted stock plan														
Restricted stock plan														
Compensation for restricted stock														
Compensation for restricted stock														
Compensation for restricted stock														
Cash dividends, $0.26 per share														
Shares withheld for payment of employees' withholding tax liability														
Balance at July 1, 2023														
Balance at July 1, 2023														
Balance at July 1, 2023														

	Ordinary Shares Issued Shares	Accumulated Other Comprehensive Income	Retained Earnings (Accumulated Deficit)	Total	Amount	Accumulated	Ordinary Shares Issued	Accumulated Other Comprehensive Income	Retained Earnings (Accumulated Deficit)	Total	Shares	Amount	Accumulated	Retained

Balance at December 31, 2023	Other Comprehensive Income	Other Comprehensive Income	Earnings (Accumulated Deficit)
Net income			
Net income			
Net income			
Other comprehensive income			
Restricted stock plan			
Restricted stock plan			
Restricted stock plan			
Compensation for restricted stock			
Compensation for restricted stock			
Compensation for restricted stock			
Cash dividends, $0.27 per share			
Shares withheld for payment of employees' withholding tax liability			
Balance at March 30, 2024			
Net income			
Net income			
Net income			
Other comprehensive income			
Restricted stock plan			
Restricted stock plan			
Restricted stock plan			
Compensation for restricted stock			
Compensation for restricted stock			
Compensation for restricted stock			
Cash dividends, $0.27 per share			
Shares withheld for payment of employees' withholding tax liability			
Balance at June 29, 2024			
Balance at June 29, 2024			
Balance at June 29, 2024			

See accompanying Notes to the Condensed Consolidated Financial Statements.

PERRIGO COMPANY PLC
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)
(unaudited)

	Three Months Ended	
	March 30, 2024	April 1, 2023

Cash Flows From (For) Operating Activities		
Net income (loss)	$ 2.0	$ (3.0)
Adjustments to derive cash flows:		
Depreciation and amortization	81.4	88.7
Restructuring charges	44.3	3.4
Share-based compensation	15.6	24.9
Amortization of debt discount	0.4	0.7
Gain on sale of assets	—	(3.9)
Deferred income taxes	(11.0)	(9.9)
Other non-cash adjustments, net	(7.4)	6.4
Subtotal	125.3	107.3
Increase (decrease) in cash due to:		
Accrued income taxes	(81.6)	2.5
Accounts receivable	(51.9)	(39.8)
Payroll and related taxes	(51.6)	(34.3)
Accounts payable	(16.7)	(29.8)
Prepaid expenses and other current assets	(1.7)	17.1
Inventories	10.6	(28.6)
Accrued customer programs	18.2	6.8
Accrued liabilities	30.6	8.0
Other operating, net	17.4	10.2
Subtotal	(126.7)	(87.9)
Net cash (for) from operating activities	(1.4)	19.4
Cash Flows From (For) Investing Activities		
Additions to property, plant and equipment	(25.1)	(23.2)
Proceeds from sale of assets	—	1.8
Proceeds from royalty rights	1.6	1.8
Net cash for investing activities	(23.5)	(19.6)
Cash Flows For Financing Activities		
Cash dividends	(37.6)	(36.2)
Payments on long-term debt	(9.8)	(5.9)
Other financing, net	(13.0)	(8.6)
Net cash for financing activities	(60.4)	(50.7)
Effect of exchange rate changes on cash and cash equivalents	(7.5)	3.2
Net decrease in cash and cash equivalents	(92.8)	(47.7)
Cash, cash equivalents and restricted cash of continuing operations, beginning of period	751.3	600.7
Cash, cash equivalents and restricted cash of continuing operations, end of period	$ 658.5	$ 553.0

	Six Months Ended	
	June 29, 2024	July 1, 2023
Cash Flows From (For) Operating Activities		
Net income (loss)	$ (106.4)	$ 5.4
Adjustments to derive cash flows:		
Depreciation and amortization	163.3	182.6
Settlement of interest rate derivatives	41.2	—
Share-based compensation	38.6	43.5
Restructuring charges	38.3	10.2
Impairment charges	34.1	—
Deferred income taxes	1.3	(1.8)
Amortization of debt discount	0.7	1.4
Gain on sale of assets	—	(4.0)

Other non-cash adjustments, net	15.9	1.6
Subtotal	227.0	238.9
Increase (decrease) in cash due to:		
Accrued income taxes	(130.8)	(33.2)
Payroll and related taxes	(69.6)	(42.5)
Accounts receivable	(17.3)	(72.5)
Other accrued liabilities	(16.9)	(0.3)
Inventories	(2.9)	(11.1)
Accrued customer programs	5.8	35.1
Prepaid expenses and other current assets	12.2	10.9
Accounts payable	13.9	(68.8)
Other operating, net	(13.3)	15.8
Subtotal	(218.9)	(166.6)
Net cash from operating activities	8.1	72.3
Cash Flows From (For) Investing Activities		
Additions to property, plant and equipment	(53.5)	(43.2)
Settlement of foreign currency derivatives	(45.8)	—
Proceeds from sale of assets	—	1.8
Proceeds from royalty rights	2.5	17.4
Net cash for investing activities	(96.8)	(24.0)
Cash Flows For Financing Activities		
Cash dividends	(75.3)	(73.2)
Payments on long-term debt	(19.6)	(14.9)
Other financing, net	(15.3)	(11.2)
Net cash for financing activities	(110.2)	(99.3)
Effect of exchange rate changes on cash and cash equivalents	(9.6)	5.5
Net decrease in cash and cash equivalents	(208.5)	(45.5)
Cash, cash equivalents and restricted cash of continuing operations, beginning of period	751.3	600.7
Cash, cash equivalents and restricted cash of continuing operations, end of period	$ 542.8	$ 555.2

See accompanying Notes to the Condensed Consolidated Financial Statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Information

Perrigo Company plc was incorporated under the laws of Ireland on June 28, 2013 and became the successor registrant of Perrigo Company, a Michigan corporation, on December 18, 2013 in connection with the acquisition of Elan Corporation, plc ("Elan"). Unless the context requires otherwise, the terms "Perrigo," the "Company," "we," "our," "us," and similar pronouns used herein refer to Perrigo Company plc, its subsidiaries, and all predecessors of Perrigo Company plc and its subsidiaries.

We are a leading provider of over-the-counter ("OTC") health and wellness solutions that are designed to enhance individual well-being and empower consumers to proactively prevent or treat conditions that can be self-managed. Our vision is t*o provide the best self-care for everyone*. We are headquartered in Ireland and sell our products primarily in North America and Europe as well as in other markets around the world.

Basis of Presentation

Our unaudited Condensed Consolidated Financial Statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information and with the instructions to Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. The unaudited Condensed Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and footnotes included in our Annual Report on Form 10-K for the year ended December 31, 2023. In the opinion of management, all adjustments considered necessary for a fair presentation of the unaudited Condensed Consolidated Financial Statements have been included and include our accounts and accounts of all majority-owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation. Certain prior period amounts have been reclassified to conform to the current period presentation. Some amounts in this report may not add due to rounding.

Segment Reporting

Our reporting and operating segments are as follows:

- Consumer Self-Care Americas **("CSCA")** comprises our consumer self-care business in the U.S. and Canada.

- Consumer Self-Care International **("CSCI")** comprises our consumer self-care business outside of the U.S. and Canada, primarily in Europe and Australia.

We previously had an Rx segment which was comprised of our generic prescription pharmaceuticals business in the U.S., and other pharmaceuticals and diagnostic business in Israel, which have been divested. Following the divestiture, there were no substantial assets or operations left in this segment. The Rx segment was reported as Discontinued Operations in 2021, and is presented as such for all periods in this report (refer to Note 3 4).

Our segments reflect the way in which our chief operating decision maker, who is our CEO, makes operating decisions, allocates resources and manages the growth and profitability of the Company. Financial information related to our business segments and geographic locations can be found in Note 2 and Note 16 17.

Foreign Currency Translation and Transactions

We translate our non-U.S. dollar-denominated operations' assets and liabilities into U.S. dollars at current rates of exchange as of the balance sheet date and income and expense items at the average exchange rate for the reporting period. Translation adjustments resulting from exchange rate fluctuations are recorded in the cumulative translation account, a component of Accumulated other comprehensive income (loss) ("AOCI"). Gains or losses from foreign currency transactions are included in Other (income) expense, net.

Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents consist primarily of demand deposits and other short-term investments with maturities of three months or less at the date of purchase.

We have $4.7 million and $7.0 million of restricted cash as of March 30, 2024 June 29, 2024 and December 31, 2023 in the Condensed Consolidated Balance Sheets. Sheets, respectively. We entered into an agreement to extend a credit line to an existing customer in exchange for a cash security deposit. The agreement requires the cash to be held in a separate account and will be returned to the customer at the expiration of the agreement provided all credits have been paid as agreed.

Allowance for Credit Losses

Expected credit losses on trade receivables and contract assets are measured collectively by geographic location. Historical credit loss experience provides the primary basis for estimation of expected credit losses and is adjusted for current conditions and for reasonable and supportable forecasts. Receivables that do not share risk characteristics are evaluated on an individual basis and are not included in the collective evaluation. The following table presents the allowance for credit losses activity (in millions):

	Three Months Ended		Three Months Ended		Six Months Ended	
	Three Months Ended					
	Three Months Ended					
	March 30, 2024					
	March 30, 2024					
	March 30, 2024					
Balance at beginning of period						
Balance at beginning of period						
		June 29, 2024	July 1, 2023		June 29, 2024	July 1, 2023
Balance at beginning of period						
Provision for credit losses, net						
Provision for credit losses, net						
Provision for credit losses, net						
Receivables written-off						
Receivables written-off						
Receivables written-off						
Recoveries collected						
Recoveries collected						
Recoveries collected						

Currency translation adjustment	
Currency translation adjustment	
Currency translation adjustment	
Balance at end of period	
Balance at end of period	
Balance at end of period	

NOTE 2 - REVENUE RECOGNITION

The following is a summary of our net sales by category (in millions):

		Three Months Ended		Three Months Ended		Six Months Ended
	Three Months Ended					
	Three Months Ended					
	March 30, 2024					
	March 30, 2024					
	March 30, 2024					
		June 29, 2024	July 1, 2023		June 29, 2024	July 1, 2023
CSCA(1)						
CSCA(1)						
CSCA(1)						
Upper Respiratory						
Upper Respiratory						
Upper Respiratory						
Digestive Health						
Digestive Health						
Digestive Health						
Nutrition						
Nutrition						
Upper Respiratory						
Nutrition						
Pain and Sleep-Aids						
Pain and Sleep-Aids						
Pain and Sleep-Aids						
Oral Care						
Healthy Lifestyle						
Healthy Lifestyle						
Healthy Lifestyle						
Oral Care						
Oral Care						
Oral Care						
Skin Care						
Skin Care						
Skin Care						
Women's Health						
Women's Health						
Women's Health						
Vitamins, Minerals, and Supplements ("VMS")						
Vitamins, Minerals, and Supplements ("VMS")						
Vitamins, Minerals, and Supplements ("VMS")						

Other CSCA(2)
Other CSCA(2)
Other CSCA(2)
Total CSCA
Total CSCA
Total CSCA
CSCI
CSCI
CSCI
Skin Care
Skin Care
Skin Care
Healthy Lifestyle
Upper Respiratory
Upper Respiratory
Upper Respiratory
Healthy Lifestyle
Healthy Lifestyle
Healthy Lifestyle
Pain and Sleep-Aids
Pain and Sleep-Aids
Pain and Sleep-Aids
VMS
VMS
VMS
Women's Health
Women's Health
Women's Health
Oral Care
Oral Care
Oral Care
Digestive Health
Digestive Health
Digestive Health
Other CSCI(3) (2)
Other CSCI(3) (2)
Other CSCI(3) (2)
Total CSCI
Total CSCI
Total CSCI
Total net sales
Total net sales
Total net sales

(1) We updated our global reporting product categories as a result of legacy Rx sales being moved out of Other CSCA and into respective categories. These product categories have been adjusted retroactively to reflect the changes and have no impact on historical financial position, results of operations, or cash flows.

(2) Consists primarily of product sales and royalty income related to supply and distribution agreements and other miscellaneous or otherwise uncategorized product lines and markets, none of which is greater than 10% of the segment net sales.

(3) Consists primarily of our Rare Diseases business and other miscellaneous or otherwise uncategorized product lines and other adjustments, none of which is greater than 10% of the segment net sales.

While the majority of revenue is recognized at a point in time, certain of our product revenue is recognized over time. Customer contracts recognized over time exist predominately in contract manufacturing arrangements, which occur in both the CSCA and CSCI segments. Contract manufacturing revenue was $72.2 million for the three months ended March 30, 2024, and $90.0 million for the three months ended April 1, 2023.

We also recognize a portion of the store brand OTC product revenues in the CSCA segment on an over time basis; however, the timing difference between over time and point in time revenue recognition for store brand contracts is not significant due to the short time period between the customization of the product and shipment or delivery.

The following table provides information about contract assets from contracts with customers (in millions):

	Balance Sheet Location	Balance Sheet Location	March 30, 2024	December 31, 2023	Balance Sheet Location	June 29, 2024	December 31, 2023
Short-term contract assets							

We generated net sales in the following geographic locations(1) (in millions):

	Three Months Ended	Three Months Ended	Six Months Ended	
	Three Months Ended			
	Three Months Ended			
	March 30, 2024			
	March 30, 2024			
	March 30, 2024			
U.S.				
U.S.				
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
U.S.				
Europe(2)				
Europe(2)				
Europe(2)				
All other countries(3)				
All other countries(3)				
All other countries(3)				
Total net sales				
Total net sales				
Total net sales				

(1) The net sales by geography are derived from the location of the entity that sells to a third party.

(2) Includes Ireland net sales of $4.3 million $11.4 million and $15.7 million for the three and six months ended March 30, 2024 June 29, 2024, and $7.3 million $11.9 million and $19.1 million for the three and six months ended April 1, 2023 July 1, 2023.

(3) Includes net sales generated primarily in Australia and Canada.

NOTE 3 - ASSETS HELD FOR SALE

We classify assets as "held for sale" when, among other factors, management approves and commits to a formal plan of sale with the expectation the sale will be completed within one year. The net assets of the business held for sale are then recorded at the lower of their current carrying value and the fair market value, less costs to sell.

During the three months ended June 29, 2024, the Company exercised its put option right to sell our HRA Pharma Rare Diseases Business (the "Rare Diseases Business") to Esteve Healthcare S.L. ("ESTEVE"), and on July 3, 2024, the Company and ESTEVE entered into a purchase and sale agreement to sell the Rare Diseases Business; as a result, such assets were classified as held for sale. The assets associated with this business were reported within our CSCI segment. At June 29, 2024, we determined the carrying value of the net assets held for sale of this business exceeded their fair value less costs to sell, resulting in a total impairment charge of $34.1 million, inclusive of a goodwill impairment charge of $22.1 million.

The assets and liabilities held for sale related to the Rare Diseases Business were reported within Current assets held for sale and Current liabilities held for sale on the Condensed Consolidated Balance Sheets. Net of impairment charges, the assets and liabilities of the Rare Diseases Business reported as held for sale as of June 29, 2024 totaled $292.3 million and $51.5 million, respectively.

The sale of the Rare Diseases Business was completed on July 10, 2024. Gain (loss) on de-recognition will be recognized in the third quarter within Other expense (income), net on the Condensed Consolidated Statement of Operations and is estimated to be minimal.

NOTE 3 4 - DISCONTINUED OPERATIONS

Our discontinued operations primarily consist of our former Rx segment, which held our prescription pharmaceuticals business in the U.S. and our pharmaceuticals and diagnostic businesses in Israel (collectively, the “Rx business”).

On July 6, 2021, we completed the sale of the Rx business to Altaris Capital Partners, LLC ("Altaris") for aggregate consideration of $1.55 billion. The consideration included a $53.3 million reimbursement related to Abbreviated New Drug Application ("ANDA") for a generic topical lotion which Altaris delivered in cash to Perrigo pursuant to the terms of the definitive agreement during the first quarter of 2022.

Under the terms of a transition services agreement ("TSA"), we provided transition services which were substantially completed as of the end of the third quarter of 2022. We also entered into reciprocal supply agreements pursuant to which Perrigo will supply certain products to the Rx business and the Rx business will supply certain products to Perrigo. The supply agreements have a term of four years, extendable up to seven years by the party who is the purchaser of the products under such agreement. We also extended distribution rights to the Rx business for certain OTC products owned and manufactured by Perrigo that may be fulfilled through pharmacy channels, in return for a share of the net profits.

In connection with the sale, Perrigo retained certain pre-closing liabilities arising out of antitrust (refer to Note 15 16 - Contingencies under the header "Price-Fixing Lawsuits") and opioid matters and the Company's Albuterol recall,

subject to, in each case, Altaris' obligation to indemnify the Company for fifty percent of these liabilities up to an aggregate cap on Altaris' obligation of $50.0 million. We have not requested payments from Altaris related to the indemnity of these liabilities during the three and six months ended March 30, 2024 June 29, 2024.

Current and prior period reported net loss from discontinued operations primarily relates to legal fees, partially offset by an income tax benefit.

NOTE 4 5 - INVENTORIES

Major components of inventory were as follows (in millions):

	March 30, 2024	December 31, 2023
	June 29, 2024	December 31, 2023
Finished goods		
Work in process		
Raw materials		
Total inventories		

NOTE 5 6 - INVESTMENTS

The following table summarizes the measurement category, balance sheet location, and balances of our equity securities (in millions):

Measurement Category	Measurement Category	Balance Sheet Location	March 30, 2024	December 31, 2023	Measurement Category	Balance Sheet Location	June 29, 2024	December 31, 2023
Fair value method								
Fair value method(1)								
Equity method								

(1) Measured at fair value using the Net Asset Value practical expedient.

The following table summarizes the expense recognized in earnings of our equity securities (in millions):

			Three Months Ended		Three Months Ended		Six Months Ended
			Three Months Ended				
			Three Months Ended				
Measurement Category							
Measurement Category							
Measurement Category	Measurement Category	Income Statement Location	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023	
Fair value method							
Fair value method							
Fair value method							
Equity method							
Equity method							
Equity method							

NOTE 6 7 - LEASES

The balance sheet locations of our lease assets and liabilities were as follows (in millions):

Assets	Assets	Balance Sheet Location	March 30, 2024	December 31, 2023	Assets	Balance Sheet Location	June 29, 2024	December 31, 2023
Operating								
Finance								
Total								
Liabilities	**Liabilities**	**Balance Sheet Location**	**March 30, 2024**	**December 31, 2023**	**Liabilities**	**Balance Sheet Location**	**June 29, 2024**	**December 31, 2023**
Current								
Operating								
Operating								
Operating								
Finance								
Non-Current								
Operating								
Operating								
Operating								
Finance								
Total								

The below tables show our lease assets and liabilities by reporting segment (in millions):

	Assets
	Assets
	Assets
	Operating
	March 30, 2024
	March 30, 2024
	March 30, 2024
	June 29, 2024
	June 29, 2024
	June 29, 2024
CSCA	
CSCA	
CSCA	
CSCI	
CSCI	
CSCI	
Unallocated	
Unallocated	
Unallocated	
Total	
Total	
Total	

	Liabilities					
	Operating	**Operating**		**Financing**	**Operating**	**Financing**
	March 30, 2024	**December 31, 2023**	**March 30, 2024**	**December 31, 2023**		
	June 29, 2024	**December 31, 2023**	**June 29, 2024**	**December 31, 2023**		

CSCA
CSCI
Unallocated
Unallocated
Unallocated
Total

Lease expense was as follows (in millions):

	Three Months Ended		Three Months Ended	Six Months Ended
	Three Months Ended			
	Three Months Ended			
	March 30, 2024			
	March 30, 2024			
	March 30, 2024			
Operating leases(1)				
Operating leases(1)				
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Operating leases(1)				
Finance leases				
Finance leases				
Finance leases				
Amortization				
Amortization				
Amortization				
Interest				
Interest				
Interest				
Total finance leases				
Total finance leases				
Total finance leases				

(1) Includes short-term leases and variable lease costs, which are immaterial.

The annual future maturities of our leases as of March 30, 2024 June 29, 2024 are as follows (in millions):

	Operating Leases	Operating Leases	Finance Leases	Total	Operating Leases	Finance Leases	Total
2024							
2025							
2026							
2027							
2028							
After 2028							
Total lease payments							
Less: Interest							
Present value of lease liabilities							

Our weighted average lease terms and discount rates are as follows:

	March 30, 2024	April 1, 2023
	June 29, 2024	July 1, 2023
Weighted-average remaining lease term (in years)		
Operating leases		
Operating leases		

Operating leases		9.72		10.85		9.76		10.72
Finance leases	Finance leases	9.43		9.49	Finance leases	9.28		9.42
Weighted-average discount rate								
Operating leases								
Operating leases								
Operating leases		3.3 %		2.5 %		3.6 %		2.6 %
Finance leases	Finance leases	3.5 %		3.0 %	Finance leases	3.5 %		3.0 %

Our lease cash flow classifications are as follows (in millions):

	Three Months Ended	
	March 30, 2024	April 1, 2023
	Six Months Ended	
	June 29, 2024	July 1, 2023
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows for operating leases		
Operating cash flows for operating leases		
Operating cash flows for operating leases		
Operating cash flows for finance leases		
Financing cash flows for finance leases		
Leased assets obtained in exchange for new finance lease liabilities		
Leased assets obtained in exchange for new finance lease liabilities		
Leased assets obtained in exchange for new finance lease liabilities		
Leased assets obtained in exchange for new operating lease liabilities		

NOTE 7 8 - GOODWILL AND INTANGIBLE ASSETS

Goodwill

Changes in the carrying amount of goodwill, by reportable segment, were as follows (in millions):

	December 31, 2023						
	December 31, 2023						
	December 31, 2023	Currency translation adjustments	March 30, 2024	Impairments	Transfer to assets held-for-sale	Currency translation adjustments	June 29, 2024
CSCA(1)							
CSCI(2)							
Total goodwill							
Total goodwill							
Total goodwill							

(1) We had accumulated goodwill impairments of $6.1 million as of March 30, 2024 June 29, 2024 and December 31, 2023.

(2) We had accumulated goodwill impairments of $990.5 million and $968.4 million as of March 30, 2024 June 29, 2024 and December 31, 2023, respectively.

Rare Diseases Business Goodwill

On April 25, 2024, we announced the receipt of a binding offer from ESTEVE to acquire the Rare Diseases Business within our CSCI segment. As a result, we determined an impairment indicator existed and prepared a quantitative goodwill impairment test. We determined the carrying value of this business exceeded the fair value and recorded an impairment of $22.1 million within our CSCI segment during the three months ended June 29, 2024 (Refer to Note 3 and Note 9).

Intangible Assets

Intangible assets and related accumulated amortization consisted of the following (in millions):

Indefinite-lived intangibles:(1)
Indefinite-lived intangibles:(1)

Indefinite-lived intangibles:(1)
Trademarks, trade names, and brands
Trademarks, trade names, and brands
Trademarks, trade names, and brands
In-process research and development
In-process research and development
In-process research and development
Total indefinite-lived intangibles
Total indefinite-lived intangibles
Total indefinite-lived intangibles
Definite-lived intangibles:
Definite-lived intangibles:
Definite-lived intangibles:
Distribution and license agreements and supply agreements
Distribution and license agreements and supply agreements
Distribution and license agreements and supply agreements
Developed product technology, formulations, and product rights
Developed product technology, formulations, and product rights
Developed product technology, formulations, and product rights
Customer relationships and distribution networks
Customer relationships and distribution networks
Customer relationships and distribution networks
Trademarks, trade names, and brands
Trademarks, trade names, and brands
Trademarks, trade names, and brands
Non-compete agreements
Non-compete agreements
Non-compete agreements
Total definite-lived intangibles
Total definite-lived intangibles
Total definite-lived intangibles
Total intangible assets
Total intangible assets
Total intangible assets

(1) Certain intangible assets are denominated in currencies other than U.S. dollar; therefore, their gross and net carrying values are subject to foreign currency movements.

As a result of the Company exercising its put option right to sell the Rare Diseases Business, during the three months ended June 29, 2024, we reclassified $162.0 million net book value of associated intangible assets to Current assets held for sale (Refer to Note 3).

We recorded amortization expense of $58.4 $57.5 million and $65.4 $115.9 million for the three and six months ended March 30, 2024 June 29, 2024, respectively, and April 1, 2023 $69.3 million and $134.7 million for the three and six months ended July 1, 2023, respectively.

NOTE 8 9 - FAIR VALUE MEASUREMENTS

The table below summarizes the valuation of our financial instruments carried at fair value by the applicable pricing categories (in millions):

		March 30, 2024			December 31, 2023									
		June 29, 2024			December 31, 2023									
Measured at fair value on a recurring basis:	Measured at fair value on a recurring basis:	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Measured at fair value on a recurring basis:	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets:														

Investment securities
Investment securities
Investment securities
Foreign currency forward contracts
Cross-currency swap
Interest rate swap agreements
Interest rate swap agreements
Interest rate swap agreements
Total assets
Total assets
Total assets
Liabilities:
Cross-currency swap
Cross-currency swap
Cross-currency swap
Foreign currency forward contracts
Interest rate swap agreements
Interest rate swap agreements
Interest rate swap agreements
Total liabilities
Measured at fair value on a non-recurring basis:
Measured at fair value on a non-recurring basis:
Measured at fair value on a non-recurring basis:
Assets:
Assets:
Assets:
Goodwill(1)
Goodwill(1)
Goodwill(1)
Assets held for sale, net(2)
Total assets
Assets held for sale, net(2)
Total assets
Total assets
Assets held for sale, net(2)
Total assets held for sale, net

(1) During the year ended December 31, 2023, goodwill within our the Rare Diseases reporting unit Business with a carrying value of $208.9 million was written down to a fair value of $118.9 million. During the six months ended June 29, 2024, goodwill within the Rare Diseases Business was written down to a fair value of $93.1 million.

(2) We measured the net assets held for sale for impairment purposes and recorded a total impairment of $12.0 million, resulting in a net asset held for sale balance of $147.7 million(refer to Note 3).

There were no transfers within Level 3 fair value measurements during the three and six months ended March 30, 2024 June 29, 2024 or the year ended December 31, 2023.

Non-recurring Fair Value Measurements

Non-recurring fair values represent only those assets whose carrying values were adjusted to fair value during the reporting period.

Goodwill and Intangible Assets

Rare Diseases

During the three months ended June 29, 2024, we prepared a goodwill impairment test utilizing the estimated closing consideration resulting from the definitive agreement to sell the Rare Diseases Business to ESTEVE. The estimated consideration included an upfront cash payment and contingent earn-out milestone payments which were valued utilizing a Monte Carlo simulation. The approach determined the expected value of achieving the milestone payments based on adjusted revenue projections for the Rare Diseases Business and the cash flows were discounted. We determined the carrying value of this business exceeded the fair value and recorded an impairment in the CSCI segment (refer to Note 8).

Assets (liabilities) held for sale, net

During the three months ended June 29, 2024, we classified the Rare Diseases Business disposal group as held for sale, we prepared a fair value analysis and estimated remaining costs to sell. We determined the carrying value of the net assets held for sale exceed the fair value less cost to sell and recorded an impairment in the CSCI segment (refer to Note 3).

Fixed Rate Long-term Debt

Our fixed rate long-term debt consisted of the following (in millions):

	March 30, 2024	
	March 30, 2024	
	March 30, 2024	**December 31, 2023**
	June 29, 2024	
	June 29, 2024	
	June 29, 2024	**December 31, 2023**
Public Bonds		
Carrying value (excluding discount)		
Carrying value (excluding discount)		
Carrying value (excluding discount)		
Fair value		
Fair value		
Fair value		

The fair values of our public bonds for all periods were based on quoted market prices. The fair values of our private placement notes for all periods were based on interest rates offered for borrowings of a similar nature and remaining maturities.

The carrying amounts of our other financial instruments, consisting of cash and cash equivalents, accounts receivable, accounts payable, short-term debt, revolving credit agreements, and variable rate long-term debt, approximate their fair value.

NOTE 9 10 - DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

Interest Rate Swaps

In April 2022, to economically hedge the interest rate risk of the Senior Secured Credit Facilities (as defined in Note 10 11), we entered into five variable-to-fixed interest rate swap agreements. Three of the interest rate swaps were designated as cash flow hedges to fix the interest rate on a substantial portion of the Term Loan B Facility (as defined in Note 10 11). The interest rate swaps cover an interest period ranging from June 1, 2022, through April 1, 2029, on notional balances that decline from $1.0 billion to $812.5 million over the term. The other two interest rate swaps were designated as cash flow hedges to fix the interest rate on a substantial portion of the Term Loan A Facility (as defined in Note 10 11). The interest rate swaps cover covered an interest period ranging from June 1, 2022, through April 1, 2027, on notional balances that decline from $487.5 million to $387.5 million over the term.

In December November 2023, to economically hedge the interest rate risk of the $300.0 million Term B Loans Loan add-on (as defined in Note 10 11), we entered into four variable-to-fixed interest rate swap agreements. The interest rate swaps were designated as cash flow hedges to fix the interest rate on a substantial portion of the Term B Loans (as defined in Note 10). Loans. The interest rate swaps cover an interest period from December 15, 2023 November 14, 2023 through April 20, 2029, on notional balances that decline from $300 million to $229 of $300.0 million over the term.

In May 2024, we cash settled the remaining notional of $712.5 million variable-to-fixed interest rate swap agreements at market rates. The termination resulted in cash proceeds of $41.2 million, for which the gain remains deferred in Other Comprehensive Income ("OCI") and will be recognized within Interest expense, net as interest is paid on the Senior Secured Credit Facilities. The proceeds are recognized as cash flows from operating activities within the Statement of Cash Flows for the six months ended June 29, 2024.

Additionally, to economically hedge the interest rate risk of the Term Loan B Facility, we entered into new variable-to-fixed interest rate swap agreements to replace the terminated interest rate swaps. The interest rate swaps were designated as cash flow hedges to fix the interest rate on a substantial portion of the Term Loan B Facility. The interest rate swaps cover an interest period ranging from May 9, 2024, through April 1, 2029, on notional balances of $712.5 million over the term.

As a designated cash flow hedge, gains and losses will be deferred in AOCI and recognized within Interest expense, net when interest is paid on the Senior Secured Credit Facilities.

Cross-currency Swaps

In October 2022, we entered into three fixed-for-fixed cross currency interest rate swaps at market rates and designated the instruments as net investment hedges on our investment in European operations. As a designated net investment hedge, the loss related to the EUR spot exchange rate on the settled swaps was deferred within the Cumulative Translation Adjustment, a component of AOCI, and will not be recognized in the Statement of Operations until the hedged EUR net investment is substantially liquidated. The following are the terms and notional amounts outstanding:

- $700 152.5 million notional amount outstanding from October 25, 2022 through December 15, 2024;
- $700 700.0 million notional amount outstanding from October 25, 2022 through March 15, 2026; and
- $100 100.0 million notional amount outstanding from October 25, 2022 through June 15, 2030.

On November 21, 2023, we entered into fixed-for-fixed cross currency interest rate swaps designated as net investment hedges to hedge the EUR currency exposure of our investment in European operations. The following are the terms and notional amount outstanding:

- $300.0 million notional amount outstanding from November 21, 2023 through April 20, 2027.

In May 2024, we cash settled $547.5 million notional amount outstanding of the original $700.0 million cross currency interest rate swap outstanding from October 25, 2022 through December 15, 2024. The settlement resulted in cash outflows of $41.4 million recognized as part of cash flows for investing activities within the Statement of Cash Flows for the six months ended June 29, 2024. On August 2, 2024 we restructured the $152.5 million remaining notional amount outstanding of the original $700.0 million cross-currency interest rate swap to extend the maturity to April 2027. There was no cash outflow as a result of the restructuring.

On May 7, 2024, we entered into new fixed-for-fixed cross currency interest rate swaps designated as net investment hedges to hedge the EUR currency exposure of our investment in European operations. The following are the terms and notional amount outstanding:

- $547.5 million notional amount outstanding from May 7, 2024 through April 20, 2027.

As a designated net investment hedge, gains and losses related to the EUR spot exchange rate will be deferred within the Cumulative Translation Adjustment, a component of AOCI, and recognized in the Statement of Operations when the hedged EUR net investment is substantially liquidated. Gains and losses on excluded components (e.g., interest differentials) will be recorded in Interest expense, net on a systemic and rational basis.

- $300 million notional amount outstanding from November 21, 2023 through April 20, 2027.

Foreign Currency Forwards

Notional amounts of foreign currency forward contracts were as follows (in millions):

	March 30, 2024	December 31, 2023
	June 29, 2024	December 31, 2023
British Pound (GBP)		
Swedish Krona (SEK)		
European Euro (EUR)		
Danish Krone (DKK)		
United States Dollar (USD)		
Canadian Dollar (CAD)		
Chinese Yuan (CNH)		
Polish Zloty (PLZ)		
Norwegian Krone (NOK)		
Hungarian Forint (HUF)		

Other (1)
Other (1)
Other (1)
Total

(1) Number consists of various currencies notional amounts, none of which individually exceed $10 million in either period presented.

The maximum term of our forward currency exchange contracts is 60 months.

Effects of Derivatives on the Financial Statements

The below tables indicate the effects of all derivative instruments on the Condensed Consolidated Financial Statements. All amounts exclude income tax effects. The balance sheet location and gross fair value of our derivative instruments were as follows (in millions):

	Balance Sheet Location				
	Balance Sheet Location				
	Balance Sheet Location	**March 30, 2024**	**December 31, 2023**	**June 29, 2024**	**December 31, 2023**
Designated derivative assets:					
Foreign currency forward contracts					
Foreign currency forward contracts					
Foreign currency forward contracts					
Foreign currency forward contracts					
Foreign currency forward contracts					
Foreign currency forward contracts					
Interest rate swap agreements					
Interest rate swap agreements					
Cross-currency swap					
Cross-currency swap					
Cross-currency swap					
Interest rate swap agreements					
Total designated derivative assets					
Non-designated derivative assets:					
Foreign currency forward contracts					
Foreign currency forward contracts					
Foreign currency forward contracts					
Total non-designated derivative assets					
Total non-designated derivative assets					
Total non-designated derivative assets					
Designated derivative liabilities:					
Foreign currency forward contracts					
Foreign currency forward contracts					
Foreign currency forward contracts					
Cross-currency swap					
Cross-currency swap					
Interest rate swap agreements					
Total designated derivative liabilities					
Non-designated derivative liabilities:					
Foreign currency forward contracts					
Foreign currency forward contracts					
Foreign currency forward contracts					

The amounts of (income)/expense recognized in earnings related to our non-designated derivatives on the Consolidated Statements of Operations were as follows (in millions):

					Three Months Ended	Six Months Ended
		Three Months Ended				
		Three Months Ended				
		Three Months Ended				
Non-Designated Derivatives						
Non-Designated Derivatives						
Non-Designated Derivatives	Non-Designated Derivatives	Income Statement Location	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Foreign currency forward contracts						
Foreign currency forward contracts						
Foreign currency forward contracts						
	Interest expense, net					
	Interest expense, net					
	Interest expense, net					
		$				
		$				
		$				

The following tables summarize the effect of derivative instruments designated as hedging instruments in AOCI (in millions):

	Gain/(Loss)										
		Reclassified from AOCI into Earnings			Reclassified from AOCI into Earnings		Related to Amounts Excluded from Effectiveness Testing			Reclassified from AOCI into Earnings	Related to Amounts Excluded from Effectiveness Testing
	Amount Recorded in OCI(1)	Amount Recorded in OCI(1)	Classification	Amount(2)	Classification		Amount Recognized in Earnings on Derivatives	Amount Recorded in OCI(1)	Classification	Amount(2)	Classification	Amount Recognized in Earnings on Derivatives
Three Months Ended March 30, 2024											
Three Months Ended June 29, 2024											
Cash flow hedges											
Cash flow hedges											
Cash flow hedges											

Interest rate swap agreements

Interest rate swap agreements

Interest rate swap agreements

Foreign currency forward contracts

Cost of sales

Other (income) expense, net

Total Cash flow hedges

Net investment hedges

Cross-currency swap

Cross-currency swap

Cross-currency swap

Three Months Ended April 1, 2023

Three Months Ended April 1, 2023

Three Months Ended April 1, 2023

Six Months Ended June 29, 2024

Six Months Ended June 29, 2024

Six Months Ended June 29, 2024

Cash flow hedges

Cash flow hedges

Cash flow hedges

Interest rate swap agreements

Interest rate swap agreements

Interest rate swap agreements

Foreign currency forward contracts

Cost of sales

Other (income) expense, net

Total Cash flow hedges

Net investment hedges

Cross-currency swap

Cross-currency swap

Cross-currency swap

Three Months Ended July 1, 2023

Three Months Ended July 1, 2023

Three Months Ended July 1, 2023

Cash flow hedges

Cash flow hedges

Cash flow hedges

Interest rate swap agreements		
Interest rate swap agreements		
Interest rate swap agreements		
Foreign currency forward contracts		
	Cost of sales	
		Other expense (income), net
Total Cash flow hedges		
Net investment hedges		
Cross-currency swap		
Cross-currency swap		
Cross-currency swap		
Six Months Ended July 1, 2023		
Six Months Ended July 1, 2023		
Six Months Ended July 1, 2023		
Cash flow hedges		
Cash flow hedges		
Cash flow hedges		
Interest rate swap agreements		
Interest rate swap agreements		

Interest rate swap agreements			
Foreign currency forward contracts			
		Cost of sales	
			Other expense (income), net
Total Cash flow hedges			
Net investment hedges			
Cross-currency swap			
Cross-currency swap			
Cross-currency swap			

(1) Net income of $23.7 million $13.4 million is expected to be reclassified out of AOCI into earnings during the next 12 months months.

(2) For additional details about the effect of the amounts reclassified from AOCI refer to Note 12 13.

The classification and amount of gain/(loss) recognized in earnings on fair value and hedging relationships were as follows (in millions):

	Net Sales	Net Sales	Cost of Sales	Interest Expense, net	Other (Income) Expense, net	Net Sales	Cost of Sales	Interest Expense, net	Other (Income) Expense, net
Three Months Ended March 30, 2024									
Three Months Ended June 29, 2024									
Total amounts of income and expense line items presented on the Condensed Consolidated Statements of Operations in which the effects of fair value or cash flow hedges are recorded									
Total amounts of income and expense line items presented on the Condensed Consolidated Statements of Operations in which the effects of fair value or cash flow hedges are recorded									
Total amounts of income and expense line items presented on the Condensed Consolidated Statements of Operations in which the effects of fair value or cash flow hedges are recorded									
Gain (loss) on cash flow hedging relationships									
Gain (loss) on cash flow hedging relationships									
Gain (loss) on cash flow hedging relationships									
Foreign currency forward contracts									
Foreign currency forward contracts									
Foreign currency forward contracts									
Amount of gain or (loss) reclassified from AOCI into earnings									
Amount of gain or (loss) reclassified from AOCI into earnings									
Amount of gain or (loss) reclassified from AOCI into earnings									

Amount excluded from effectiveness testing recognized using a systematic and rational amortization approach
Interest rate swap agreements
Amount of gain or (loss) reclassified from AOCI into earnings
Amount of gain or (loss) reclassified from AOCI into earnings
Amount of gain or (loss) reclassified from AOCI into earnings
Three Months Ended April 1, 2023
Three Months Ended April 1, 2023
Three Months Ended April 1, 2023
Six Months Ended June 29, 2024
Six Months Ended June 29, 2024
Six Months Ended June 29, 2024
Total amounts of income and expense line items presented on the Condensed Consolidated Statements of Operations in which the effects of fair value or cash flow hedges are recorded
Total amounts of income and expense line items presented on the Condensed Consolidated Statements of Operations in which the effects of fair value or cash flow hedges are recorded
Total amounts of income and expense line items presented on the Condensed Consolidated Statements of Operations in which the effects of fair value or cash flow hedges are recorded
Gain (loss) on cash flow hedging relationships
Gain (loss) on cash flow hedging relationships
Gain (loss) on cash flow hedging relationships
Foreign currency forward contracts
Foreign currency forward contracts
Foreign currency forward contracts
Amount of gain or (loss) reclassified from AOCI into earnings
Amount of gain or (loss) reclassified from AOCI into earnings
Amount of gain or (loss) reclassified from AOCI into earnings
Amount excluded from effectiveness testing recognized using a systematic and rational amortization approach
Interest rate swap agreements
Amount of gain or (loss) reclassified from AOCI into earnings
Amount of gain or (loss) reclassified from AOCI into earnings
Amount of gain or (loss) reclassified from AOCI into earnings
Three Months Ended July 1, 2023
Three Months Ended July 1, 2023
Three Months Ended July 1, 2023
Total amounts of income and expense line items presented on the Condensed Consolidated Statements of Operations in which the effects of fair value or cash flow hedges are recorded
Total amounts of income and expense line items presented on the Condensed Consolidated Statements of Operations in which the effects of fair value or cash flow hedges are recorded
Total amounts of income and expense line items presented on the Condensed Consolidated Statements of Operations in which the effects of fair value or cash flow hedges are recorded
Gain (loss) on cash flow hedging relationships
Gain (loss) on cash flow hedging relationships
Gain (loss) on cash flow hedging relationships
Foreign currency forward contracts
Foreign currency forward contracts
Foreign currency forward contracts
Amount of gain or (loss) reclassified from AOCI into earnings
Amount of gain or (loss) reclassified from AOCI into earnings
Amount of gain or (loss) reclassified from AOCI into earnings
Amount excluded from effectiveness testing recognized using a systematic and rational amortization approach

Interest rate swap agreements

Amount of gain or (loss) reclassified from AOCI into earnings

Amount of gain or (loss) reclassified from AOCI into earnings

Amount of gain or (loss) reclassified from AOCI into earnings

Six Months Ended July 1, 2023

Six Months Ended July 1, 2023

Six Months Ended July 1, 2023

Total amounts of income and expense line items presented on the Condensed Consolidated Statements of Operations in which the effects of fair value or cash flow hedges are recorded

Total amounts of income and expense line items presented on the Condensed Consolidated Statements of Operations in which the effects of fair value or cash flow hedges are recorded

Total amounts of income and expense line items presented on the Condensed Consolidated Statements of Operations in which the effects of fair value or cash flow hedges are recorded

Gain (loss) on cash flow hedging relationships

Gain (loss) on cash flow hedging relationships

Gain (loss) on cash flow hedging relationships

Foreign currency forward contracts

Foreign currency forward contracts

Foreign currency forward contracts

Amount of gain or (loss) reclassified from AOCI into earnings

Amount of gain or (loss) reclassified from AOCI into earnings

Amount of gain or (loss) reclassified from AOCI into earnings

Amount excluded from effectiveness testing recognized using a systematic and rational amortization approach

Interest rate swap agreements

Interest rate swap agreements

Interest rate swap agreements

Amount of gain or (loss) reclassified from AOCI into earnings

Amount of gain or (loss) reclassified from AOCI into earnings

Amount of gain or (loss) reclassified from AOCI into earnings

NOTE 10 11 - INDEBTEDNESS

Total borrowings are summarized as follows (in millions):

		March 30, 2024	December 31, 2023
		June 29, 2024	December 31, 2023
Term loans			
	Term A Loans due April 20, 2027(1)		
	Term A Loans due April 20, 2027(1)		
	Term A Loans due April 20, 2027(1)		
	Term B Loans due April 20, 2029(1)		
	Total term loans		
Notes and Bonds			
	Coupon		
	Coupon		
	Coupon		
	3.900%		
	3.900%		
	3.900%		
	4.375%		

	4.650%
	4.900%
	5.300%
	4.900%
	Total notes and bonds
Other financing	
Unamortized premium (discount), net	
Deferred financing fees	
Total borrowings outstanding	
	Current indebtedness
Total long-term debt less current portion	

(1) Discussed below collectively as the "Senior Secured Credit Facilities".

(2) The coupon rate noted above is as of March 30, 2024 June 29, 2024. This will increase increased from 4.650% to 4.900% on payments starting after June 15, 2024, following a credit rating downgrade by S&P global Global in the first quarter of 2024. Future interest rate adjustments are subject to a 2.0% total cap above the original 3.150% interest rate which would result in an interest rate not to exceed 5.150% based on certain rating events as specified in the Note's Supplemental Indenture No. 3, dated as of June 19, 2020, among Perrigo Finance Unlimited Company, Perrigo Company plc, the guarantors party thereto and Wells Fargo Bank, National Association, as trustee.

Credit Agreements

On April 20, 2022, we and our indirect wholly owned subsidiary, Perrigo Investments, LLC, (the "Borrower") entered into the senior secured credit facilities, which consisted of (i) a $1.0 billion five-year revolving credit facility (the “Revolver”), (ii) a $500.0 million five-year Term Loan A facility (the “Term Loan A Facility” and the Term A Loans thereunder, the "Term A Loans"), and (iii) a $1.1 billion seven-year Term Loan B facility (the “Term Loan B Facility” and the Term B Loans thereunder borrowed on April 20, 2022, the "2022 Term B Loans” and, together with the Revolver and Term Loan A Facility, the "Senior Secured Credit Facilities"), pursuant to a Term Loan and Revolving Credit Agreement (the "Credit Agreement").

On December 15, 2023, we and the Borrower, entered into Amendment No. 1, an Incremental Assumption Agreement (the "Amendment") to the Credit Agreement. The Amendment provides for a fungible add on to the 2022 Term B Loans in an aggregate principal amount of $300.0 million (the "Incremental Term B Loans" and together with the 2022 Term B Loans, the “Term B Loans”). The terms of the Incremental Term B Loans, including pricing and maturity, are identical to the 2022 Term B Loans. The Term B Loans will mature on April 20, 2029. The net proceeds from the Incremental Term B Loans were used to settle the cash tender offer by Perrigo Finance Unlimited Company ("Perrigo Finance") for $300.0 million in aggregate principal amount of 3.900% Senior Notes due 2024 ("2024 Notes"). The tender offer was settled on December 15, 2023, and Perrigo Finance accepted for purchase $300.0 million of the 2024 Notes and paid approximately $295.1 million in aggregate cash consideration (excluding accrued interest).

The Senior Secured Credit Facilities are guaranteed, along with any hedging or cash management obligations entered into with a lender, by us, and certain of our direct and indirect wholly-owned subsidiaries organized in the United States, Ireland, Belgium and England and Wales (subject to certain exceptions) (the “Guarantor Subsidiaries”). Additionally, the Borrower and the Guarantor Subsidiaries provide full and unconditional guarantees, jointly and severally, on a senior unsecured basis, of the 5.300% Notes due 2043 issued by the Company, and the Guarantor Subsidiaries, the Company and the Borrower provide full and unconditional guarantees, jointly and severally, on a senior unsecured basis, of the 3.900% Notes due 2024, the 4.375% Notes due 2026, the 4.650% 4.900% Notes due 2030 and the 4.900% Notes due 2044 issued by Perrigo Finance Unlimited Company, a wholly-owned subsidiary.

We are subject to financial covenants in the Senior Secured Credit Facilities. The agreements contain financial covenants that require the Borrower and its restricted subsidiaries to (a) not exceed a maximum first lien secured net leverage ratio of 3.00 to 1.00 at the end of each fiscal quarter and (b) not fall below a minimum interest coverage ratio of 3.00 to 1.00 at the end of each fiscal quarter, provided that such covenants apply only to the Revolver and the Term Loan A Facility. If we consummate certain qualifying acquisitions during the term of the loan, the maximum first lien secured net leverage ratio covenant would increase to 3.25 to 1.00 for such quarter and the three following fiscal quarters thereafter.

During the three and six months ended March 30, 2024 June 29, 2024, principal repayments of $6.3 million $9.8 million and $3.5 million $19.6 million, respectively, were made on the Term Loan A Facility and Term Loan B Facility, respectively. Facility.

There were no borrowings outstanding under the Revolver as of March 30, 2024 June 29, 2024 or December 31, 2023, respectively. .

We are in compliance with all the covenants under our debt agreements as of March 30, 2024 June 29, 2024.

Other Financing

We have overdraft facilities available that we use to support our cash management operations. We report any balances outstanding in the above table under "Other financing". There were no borrowings outstanding under the overdraft facilities as of March 30, 2024 June 29, 2024 or December 31, 2023.

We have financing leases that are reported in the above table under "Other financing" (refer to Note 6 7).

NOTE 11 12 - EARNINGS PER SHARE AND SHAREHOLDERS' EQUITY

Earnings per Share

A reconciliation of the numerators and denominators used in our basic and diluted earnings per share ("EPS") calculation is as follows (in millions):

	Three Months Ended		Six Months Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Numerator:				
Numerator:				
Numerator:				
Income (loss) from continuing operations				
Income (loss) from continuing operations				
Income (loss) from continuing operations				
Income (loss) from discontinued operations, net of tax				
Income (loss) from discontinued operations, net of tax				
Income (loss) from discontinued operations, net of tax				
Net income (loss)				
Net income (loss)				
Net income (loss)				
Denominator:				
Denominator:				
Denominator:				
Weighted average shares outstanding for basic EPS				
Weighted average shares outstanding for basic EPS				
Weighted average shares outstanding for basic EPS				
Dilutive effect of share-based awards				
Dilutive effect of share-based awards				
Dilutive effect of share-based awards				
Weighted average shares outstanding for diluted EPS (1)				
Weighted average shares outstanding for diluted EPS (1)				
Weighted average shares outstanding for diluted EPS (1)				

(1) In the period of a net loss from continuing operations, diluted shares equal basic shares.

Shareholders' Equity

In October 2018, our Board of Directors authorized up to $1.0 billion of share repurchases with no expiration date, subject to the Board of Directors' approval of the pricing parameters and amount that may be repurchased under each specific share repurchase program (the "2018 Authorization"). We did not repurchase any shares during the three and six months ended March 30, 2024 June 29, 2024 or April 1, 2023 July 1, 2023.

NOTE 12 13 - ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Changes in our AOCI balances, net of tax were as follows (in millions):

	Fair Value of Derivative Financial Instruments, net of tax						
	Fair Value of Derivative Financial Instruments, net of tax						
	Fair Value of Derivative Financial Instruments, net of tax	Foreign Currency Translation Adjustments	Post-Employment Plan Adjustments, net of tax	Total AOCI	Foreign Currency Translation Adjustments	Post-Employment Plan Adjustments, net of tax	Total AOCI
Balance at December 31, 2023							
OCI before reclassifications							

Amounts reclassified from AOCI
Other comprehensive income (loss)
Balance at March 30, 2024
Balance at June 29, 2024

For additional details about the effect of the amounts reclassified from AOCI refer to Note 9 10.

NOTE 13 14 - RESTRUCTURING CHARGES

We periodically take action to reduce redundant expenses and improve operating efficiencies. Restructuring activity includes severance, lease exit costs, asset impairments, and related consulting fees. The following reflects our restructuring activity (in millions):

	Three Months Ended Three Months Ended Three Months Ended
	March 30, 2024
	June 29, 2024
	Supply Chain Reinvention
	Supply Chain Reinvention
	Supply Chain Reinvention
Beginning balance	
Beginning balance	
Beginning balance	
Additional charges	
Additional charges	
Additional charges	
Payments	
Payments	
Payments	
Non-cash adjustments	
Non-cash adjustments	
Non-cash adjustments	
Ending balance	
Ending balance	
Ending balance	

		Three Months Ended	April 1, 2023
		Six Months Ended **Six Months Ended** **Six Months Ended**	
		June 29, 2024	
	Supply Chain Reinvention		
	Supply Chain Reinvention		

	Supply Chain Reinvention		Supply Chain Reinvention	HRA Pharma Integration	Other Initiatives	Total
Beginning balance						
Beginning balance						
Beginning balance						
Additional charges						
Additional charges						
Additional charges						
Payments						
Payments						
Payments						
Non-cash adjustments						
Non-cash adjustments						
Non-cash adjustments						
Ending balance						
Ending balance						
Ending balance						

	Three Months Ended			
	July 1, 2023			
	Supply Chain Reinvention	HRA Pharma Integration	Other Initiatives	Total
Beginning balance	$ 0.4	$ 11.8	$ 3.4	$ 15.6
Additional charges	1.4	1.2	4.1	6.7
Payments	(1.8)	(3.5)	(4.0)	(9.3)
Non-cash adjustments	—	0.1	0.3	0.4
Ending balance	$ —	$ 9.6	$ 3.8	$ 13.4

	Six Months Ended			
	July 1, 2023			
	Supply Chain Reinvention	HRA Pharma Integration	Other Initiatives	Total
Beginning balance	$ 2.2	$ 13.3	$ 4.3	$ 19.8
Additional charges	3.9	2.1	4.2	10.2
Payments	(6.1)	(6.1)	(5.1)	(17.3)
Non-cash adjustments	—	0.3	0.4	0.7
Ending balance	$ —	$ 9.6	$ 3.8	$ 13.4

The charges incurred during the three and six months ended March 30, 2024 and April 1, 2023 June 29, 2024 were primarily associated with actions taken on Project Energize activities. The charges incurred during the three and six months ended July 1, 2023 were primarily associated with actions taken on our multi-year supply chain restructuring Project Energize program initiative started in 2022, and HRA Pharma integration activities. activities associated with employee separation, continuity and other benefit-related costs.

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Note 14

Of the amount recorded during the three and six months ended March 30, 2024 June 29, 2024, $15.5 million $24.2 million and $39.7 million was related to our CSCI segment and $16.5 million $2.1 million and $18.6 million related to our CSCA segment, and $12.3 million $10.6 million and $23.0 million was related to our Unallocated segment. For all segments, amounts were due primarily to Project Energize. Of the amount recorded during the three and six months ended April 1, 2023 July 1, 2023, $0.9 million $4.6 million and $6.7 million was related to our CSCI segment, due primarily to supply chain restructuring, and $1.2 million HRA Pharma integration initiatives, and $1.1 million and $2.4 million was related to our CSCA

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Note 13

segment, and $1.3 million was related to our Unallocated segment. For all segments, amounts were also due primarily to supply chain restructuring. restructuring initiatives.

There were no other material restructuring programs for the periods presented. All charges are recorded in Restructuring expense on the Condensed Consolidated Statements of Operations. The remaining $41.0 $43.8 million liability for employee severance benefits and consulting fees is expected to be mostly paid within the next year.

NOTE 14 15 - INCOME TAXES

The effective tax rates were as follows:

Three Months Ended	
March 30, 2024	**April 1, 2023**
104.2 %	123.8 %

Three Months Ended		Six Months Ended	
June 29, 2024	**July 1, 2023**	**June 29, 2024**	**July 1, 2023**
(42.8)%	60.5 %	41.1 %	70.8 %

The effective tax rate on the pre-tax loss for the three and six months ended March 30, 2024 June 29, 2024 was largely impacted by the year-to-date losses recognized in the various tax jurisdictions, in both periods, as well as the impacts of accounting for income taxes in interim reporting periods. As a result, a significant variation in the customary relationship between income tax expense and pre-tax book income may occur. Due to the net impact of planned an inter-company intellectual property sales, sale, estimated worldwide non-deductible expenses, as well as establishing a partial valuation allowance in the United.States, United States, we are projecting an income tax expense for the full year ended December 31, 2024, which results in an unusually high annual effective tax rate when applied to the forecasted pre-tax income for the year.

The Organization for Economic Co-operation and Development ("OECD"), which represents a coalition of member countries, has recommended changes to numerous long-standing tax principles. In particular, the OECD's Pillar Two initiative introduces a global per-country minimum tax of 15%. Pillar Two legislation has been enacted or substantively enacted in many of the jurisdictions in which we operate. The legislation is effective for our financial year beginning January 1, 2024. We are in scope of the enacted or substantively enacted legislation and have performed an assessment of our potential exposure to Pillar Two income taxes.

The assessment of the potential exposure to Pillar Two income taxes is based on the most recent tax filings, country-by-country reporting and financial statements for our constituent entities. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which we operate are above 15%. However, there are a limited number of jurisdictions where the transitional safe harbor reliefs do not apply, and the Pillar Two effective tax rate is below 15%. We do not expect a material exposure to Pillar Two income taxes in those jurisdictions.

Internal Revenue Service Audits of Perrigo Company, a U.S. Subsidiary

Perrigo Company, our U.S. subsidiary ("Perrigo U.S."), is engaged in a series of tax disputes in the U.S. relating primarily to transfer pricing adjustments including income in connection with the purchase, distribution, and sale of store-brand OTC pharmaceutical products in the United States, including the heartburn medication omeprazole. On August 27, 2014, we received a statutory notice of deficiency from the Internal Revenue Service ("IRS") relating to our fiscal tax years ended June 27, 2009, and June 26, 2010 (the "2009 tax year" and "2010 tax year", respectively). On April 20, 2017, we received a statutory notice of deficiency from the IRS for the years ended June 25, 2011 and June 30, 2012 (the "2011 tax year" and "2012 tax year", respectively). Specifically, both statutory notices proposed adjustments related to the offshore reporting of profits on sales of omeprazole in the United States resulting from the assignment of an omeprazole distribution contract to an Israeli affiliate. In addition to the transfer pricing adjustments, which applied to all four tax years, the statutory notice of deficiency for the 2011 and 2012 tax years included adjustments requiring the capitalization and amortization of certain legal expenses that were deducted when paid or incurred in defending against certain patent infringement lawsuits related to Abbreviated New Drug Applications ("ANDAs") filed with a Paragraph IV Certification.

We do not agree with the audit adjustments proposed by the IRS in either of the notices of deficiency. We paid the assessed amounts of tax, interest, and penalties set forth in the statutory notices and timely filed claims for refund on June 11, 2015 for the 2009 and 2010 tax years, and on June 7, 2017, for the 2011 and 2012 tax years. On August 15, 2017, following disallowance of such refund claims, we timely filed a complaint in the United States

District Court for the Western District of Michigan seeking refunds of tax, interest, and penalties of $27.5 million for the 2009 tax year, $41.8 million for the 2010 tax year, $40.1 million for the 2011 tax year, and $24.7 million for the 2012 tax year, for a total of $134.1 million, plus statutory overpayment interest thereon from the dates of payment. The amounts sought in the complaint for the 2009 and 2010 tax years were recorded as deferred charges in Other non-current assets on our balance sheet during the three months ended March 28, 2015, and the amounts sought in the complaint for the 2011 and 2012 tax years were recorded as deferred charges in Other non-current assets on our balance sheet during the three months ended July 1, 2017.

A bench trial was held during the period May 25, 2021 to June 7, 2021 for the refund case in the United States District Court for the Western District of Michigan. The total amount of cumulative deferred charge that we are seeking to receive in this litigation is approximately $113.3 million, which reflects the impact of conceding that Perrigo U.S. should have received a 5.24% royalty on all omeprazole sales. That concession was previously paid and is the subject of the above refund claims. The issues outlined in the statutory notices of deficiency described above are continuing in nature, and the IRS will likely carry forward the adjustments set forth therein as long as the OTC medication is sold, in the case of the omeprazole issue, and for all post-2012 Paragraph IV filings that trigger patent infringement suits, in the case of the ANDA issue. Post-trial briefings were completed on September 24, 2021 and the case is now fully submitted for the court's decision. On April 30, 2021, we filed a Notice of New Authority in our refund case in the Western District of Michigan alerting the court to a United States Tax Court decision in *Mylan v. Comm'r* that ruled in favor of the taxpayer on nearly identical ANDA issues as we have before the court. On January 28, 2022, the IRS filed a Notice of Appeal with the United States Court of Appeals of the Third Circuit to appeal the United States Tax Court's decision in *Mylan v. Comm'r.* Briefing to the appellate court was completed during 2022, oral argument was held before the Third Circuit on January 12, 2023, and on July 27, 2023, the Third Circuit Court affirmed the decision of the Tax Court. On August 1, 2023, we filed a Notice of New Authority in our refund case in the Western District of Michigan alerting the court to the Third Circuit Court decision in *Mylan v. Comm'r* that ruled in favor of the taxpayer on nearly identical ANDA issues that we have before the court. On August 22, 2022, the parties filed a Notice of New Authority in the refund case alerting the court to a United States Court of Federal Claims decision in *Actavis Laboratories v. United States* that also ruled in favor of the taxpayer on the ANDA issues. The government appealed the Actavis Laboratories decision to the United States court Court of Appeals for the Federal Circuit in December of 2022; briefing to the appellate court has been completed oral argument was held on June 7, 2024, and the case is now awaiting oral argument. decision.

On January 13, 2021, the IRS issued a 30-day letter and Revenue Agent's Report ("RAR") with respect to its audit of our fiscal tax years ended June 29, 2013, June 28, 2014, and June 27, 2015. The 30-day letter proposed, among other modifications, transfer pricing adjustments in connection with the distribution of omeprazole consistent with the IRS position in the prior years in the aggregate amount of $141.6 million and ANDA-related adjustments in the aggregate amount of $21.9 million. The 30-day letter also set forth adjustments described in the next two paragraphs. We timely filed a protest to the 30-day letter for those additional adjustments but noting noted that, due to the pending refund litigation described above, IRS Appeals would not consider the merits of the omeprazole or ANDA matters. We believe that we should prevail on the merits on both carryforward issues and have reserved for taxes and interest payable on the 5.24% deemed royalty on omeprazole through the tax year ended December 31, 2018. Beginning with the tax year ended December 31, 2019, we began reporting income commensurate with the 5.24% deemed royalty. We have not reserved for the ANDA-related issue described above. While we believe we should prevail on the merits of this case, the outcome remains uncertain. If our litigation position on the omeprazole issue is not sustained, the outcome for the 2009–2012 tax years could range from a reduction in the refund amount to denial of any refund. In addition, we expect that the outcome of the refund litigation could effectively bind future tax years. In that event, an adverse ruling on the omeprazole issue could have a material impact on subsequent periods, with additional tax liability in the range of $25.0 million to $124.0 million, not including interest and any applicable penalties.

The 30-day letter for the 2013-2015 tax years also proposed to reduce Perrigo U.S.'s deductible interest expense for the 2014 tax year and the 2015 tax year on $7.5 billion in certain intercompany debts owed by it to Perrigo Company plc. The debts were incurred in connection with the 2013 Elan merger transaction in 2013. On May 7, 2020, the IRS issued a Notice of Proposed Adjustment ("NOPA") capping the interest rate on the debts for U.S. federal tax purposes at 130.0% purposes. On May 5, 2023, we finalized an agreement resulting in settlement of the Applicable Federal Rate ("AFR") (a blended rate reduction of 4.0% per annum) on the stated ground that the loans were not negotiated on an arms-length basis. The May 7, 2020 NOPA proposed a reduction in gross interest expense of approximately $414.7 million for tax years 2014 and 2015. NOPA. In fiscal year 2023 we adjusted our previously established reserves related to this matter. On January 13, 2021 March 28, 2024, we received a RAR, together with Notice of Assessment and on April 10, 2024 we made the 30-day letter, requiring our filing of a written protest to request IRS Appeals consideration. The protest was timely filed with the IRS on February 26, 2021. On January 20, settlement payment.

2022, the IRS responded to our protest with its rebuttal in which it revised its position on this interest rate issue by reasserting that implicit parental support considerations are necessary to determine the arm's length interest rates and proposed revised interest rates that are higher than the interest rates proposed under its 130.0% of AFR assertion. The blended interest rate proposed by the IRS rebuttal was 4.36%, an increase from the blended interest rate in the RAR of 2.57% but lower than the stated blended interest rate of the loans of 6.8%. An IRS Appeals conference for the interest rate issue was held during March 7, 2023 through March 9, 2023. On May 5, 2023, we finalized an agreement with IRS Appeals resulting in settlement of the May 7, 2020 NOPA of $153.4 million of gross interest expense reduction for the 2014-2015 tax years. This implies a blended interest rate of 5.44%. In addition, based on the above agreement with IRS Appeals, we will apply similar adjustments for all remaining tax years through 2018. On December 20, 2023, the IRS Examination Team confirmed that the interest rates agreed with IRS Appeals for the 2014-2015 tax years will be applied to the future tax years through 2018. In the second and fourth quarters of fiscal year 2023 we adjusted our previously established reserves related to this matter to account for the agreed reduction of the interest rates. On March 28, 2024, we received a Notice of Assessment and on April 10, 2024, subsequent to the quarter end, we made the settlement payment.

On December 2, 2021, the IRS commenced an audit of our federal income tax returns for the tax years ended December 31, 2015, through December 31, 2019.

Internal Revenue Service Audit of Athena Neurosciences, Inc., a U.S. Subsidiary

On December 22, 2016, we received a NOPA for the year ended December 31, 2011, denying the deductibility of settlement costs incurred in 2011 by Athena's parent company Elan Pharmaceuticals, Inc. ("EPI") related to illegal marketing of Zonegran by EPI's employees in the United States raised in a Qui Tam action under the U.S. False Claims Act. We strongly disagreed with the IRS' position on this issue. Because we believed that any concession on this issue in Appeals would be contrary to our evaluation of the issue and to avoid double taxation of the same income in the United States and Ireland, we pursued our remedies under the Mutual Agreement Procedure ("MAP") of the U.S.-Ireland Income Tax Treaty to alleviate double taxation. On October 20, 2020, we requested Competent Authority assistance and the request was accepted. This issue remains pending in the MAP and is being considered by the U.S. and Irish Competent Authorities.

Summary

Although we believe that our tax estimates are reasonable and that we prepare our tax filings in accordance with all applicable tax laws, the final determination with respect to any tax audit and any related litigation could be materially different from our estimates or from our historical income tax provisions and accruals. The results of an audit or litigation could have a material effect on operating results and/or cash flows in the periods for which that determination is made. In addition, future period earnings may be adversely impacted by litigation costs, settlements, penalties, and/or interest assessments.

Based on the final resolution of tax examinations, judicial or administrative proceedings, changes in facts or law, expirations of statute of limitations in specific jurisdictions or other resolutions of, or changes in, tax positions - one or more of which may occur within the next twelve months - it is reasonably possible that unrecognized tax benefits for certain tax positions taken on previously filed tax returns may change materially from those recorded as of March 30, 2024 June 29, 2024. However, we are not able to estimate a reasonably possible range of how these events may impact our unrecognized tax benefits in the next twelve months.

NOTE 15 16 - CONTINGENCIES

In view of the inherent difficulties of predicting the outcome of various types of legal proceedings, we cannot determine the ultimate resolution of the matters described below. We establish reserves for litigation and regulatory matters when losses associated with the claims become probable and the amounts can be reasonably estimated. The actual costs of resolving legal matters may be substantially higher or lower than the amounts reserved for those matters. For matters where the likelihood or extent of a loss is not probable or cannot be reasonably estimated as of March 30, 2024 June 29, 2024, we have not recorded a loss reserve. If certain of these matters are determined against us, there could be a material adverse effect on our financial condition, results of operations, or cash flows. We currently believe we have valid defenses to the claims in these lawsuits and intend to defend these lawsuits vigorously regardless of whether or not we have a loss reserve. Other than what is disclosed below, we do not expect the outcome of the litigation matters to which we are currently subject to, individually or in the aggregate, have a material adverse effect on our financial condition, results of operations, or cash flows.

Price-Fixing Lawsuits Related to the Company's Former Rx Business

Beginning in 2016, the Company, along with other manufacturers, was named as a defendant in lawsuits in the United States and Canada generally alleging anticompetitive conduct with respect to the sale of generic drugs by the Company's former Rx business. The complaints – which have been filed by putative classes of direct purchasers, end payors, and indirect resellers, as well as individual direct and indirect purchasers and certain cities and counties – allege a conspiracy to fix, maintain, stabilize, and/or raise prices, rig bids, and allocate markets or customers for various generic drugs in violation of federal and state antitrust and consumer protection laws. While most of the class complaints involve alleged single-drug conspiracies, the three putative classes and many of the opt out plaintiffs have each filed an over-arching conspiracy complaint alleging that Perrigo and other manufacturers (and some individuals) entered into an "overarching conspiracy" that involved allocating customers, rigging bids, and raising, maintaining, and fixing prices for various products. The vast majority of the lawsuits described in this

paragraph have been consolidated in the *In re Generic Pharmaceuticals Pricing Antitrust Litigation* multidistrict litigation ("MDL") MDL No. 2724 (United States District Court for Eastern District of Pennsylvania).

The Court has designated three sets of cases to proceed as "bellwethers," meaning that they will proceed on a more expedited basis than the other cases in the MDL. Those cases are (a) class actions alleging "single drug" conspiracies involving Clobetasol and Clomipramine; and (b) the third Complaint filed by the State Attorneys General alleging an overarching conspiracy concerning various topical products (described below). Perrigo was initially named as a defendant in the Clobetasol class bellwether cases, but the classes voluntarily dismissed their claims against Perrigo relating to "single drug" conspiracies involving Clobetasol in May 2023. Discovery closed in the bellwether cases on October 2, 2023. Summary judgment motions in the State bellwether case are currently due September 23, 2024. No trial dates have been set for any of the bellwether cases, or any of the other cases in the MDL.

State Attorney General Complaint

On June 10, 2020, the Connecticut Attorney General's office filed a lawsuit on behalf of Connecticut and 50 other states and territories against Perrigo, 35 generic pharmaceutical manufacturers, and certain individuals (including two former Perrigo employees), alleging an overarching conspiracy to allocate customers and/or fix, raise, or stabilize prices of eighty products. This case is included among the "bellwether cases" designated to follow the expedited schedule described above. On April 19, 2024, this case was remanded from the MDL and transferred to the District of Connecticut. No trial date has been set for this case.

Canadian Class Action Complaint

In June 2020, an end payor filed a class action in Ontario, Canada against Perrigo and 29 manufacturers alleging an overarching conspiracy to allocate customers and/or fix, raise or stabilize prices of dozens of products, most of which were neither made nor sold by Perrigo's former Rx business. The product conspiracies allegedly involving Perrigo focus on the same products as those involved in other MDL complaints naming Perrigo: Clobetasol, Desonide, Econazole, and Nystatin. In December 2020, Plaintiffs amended their complaint to add additional claims based on the State Attorney General Complaint of June 2020.

Hospitals Complaint

On June 30, 2023, a group of 150 hospitals filed a complaint against Perrigo and 35 other generic drug manufacturers alleging a conspiracy to fix, raise, or stabilize prices of 228 products. Perrigo's former Rx business made and sold 33 of these products. Most of the product conspiracies allegedly involving Perrigo focus on products that are the same as the products involved in other MDL complaints naming Perrigo. This case was transferred to the MDL on September 15, 2023 for all pre-trial proceedings.

At this stage, we cannot reasonably estimate the outcome of the liability if any, associated with the claims listed above. We intend to defend each of these lawsuits vigorously.

Self-Insured Employer Complaint

On April 4, 2024, nine corporate employers with self-insured health and benefit plans filed a complaint against Perrigo and 35 other generic drug manufacturers alleging a conspiracy to fix, raise, or stabilize prices of scores of generic drug products, most of which were neither made nor sold by Perrigo. The allegations in this complaint, and the products at issue, parallel the allegations in other complaints in the MDL. This case is in the process of being has been transferred into the MDL for pretrial proceedings.

At this stage, we cannot reasonably estimate the outcome of the liability if any, associated with the claims listed in the "*Price-Fixing Lawsuits Related to the Company's Former Rx Business",* sectionabove. We intend to defend each of these lawsuits vigorously.

Securities Litigation

In the United States (cases related to events in 2015-2017)

Beginning in May 2016, purported class action complaints were filed against the Company and our former CEO, Joseph Papa, in the U.S. District Court for the District of New Jersey (*Roofers' Pension Fund v. Papa, et al.*) purporting to represent a class of shareholders for the period from April 21, 2015 through May 11, 2016,

inclusive. The original complaint alleged violations of federal securities laws in connection with the actions taken by us and the former executive to defend against the unsolicited takeover bid by Mylan in the period from April 21, 2015 through November 13, 2015. The plaintiff also alleged that the defendants provided inadequate disclosure concerning alleged business developments during the alleged class period including integration problems related to the Omega acquisition.

The operative complaint is the first amended complaint filed on June 21, 2017, and named as defendants us and 11 current or former directors and officers of Perrigo (Mses. Judy Brown, Laurie Brlas, Jacqualyn Fouse, Ellen Hoffing, and Messrs. Joe Papa, Marc Coucke, Gary Cohen, Michael Jandernoa, Gerald Kunkle, Herman Morris, and Donal O'Connor). The amended complaint alleges violations of federal securities laws arising out of the actions taken by us and the former directors and executives to defend against the unsolicited takeover bid by Mylan in the period from April 21, 2015 through November 13, 2015 and the allegedly inadequate disclosure throughout the entire class period related to the business developments during that longer period (April 2015 to May 2017) including purported integration problems related to the Omega acquisition, alleges incorrect reporting of organic growth at the Company and at Omega, alleges price fixing activities with respect to six generic prescription pharmaceuticals, and alleges improper accounting for the *Tysabri*® royalty stream. During 2017, the defendants filed motions to dismiss, which the plaintiffs opposed. On July 27, 2018, the court issued an opinion and order granting the defendants' motions to dismiss in part and denying the motions to dismiss in part. The court dismissed without prejudice defendants Laurie Brlas, Jacqualyn Fouse, Ellen Hoffing, Gary Cohen, Michael Jandernoa, Gerald Kunkle, Herman Morris, Donal O'Connor, and Marc Coucke. The court also dismissed without prejudice claims arising from the *Tysabri*® accounting issue described above and claims alleging incorrect disclosure of organic growth described above. The defendants who were not dismissed are the Company, Joe Papa, and Judy Brown. The claims (described above) that were not dismissed relate to the integration issue regarding the Omega acquisition, the defense against the Mylan tender offer, and the alleged price fixing activities with respect to six generic prescription pharmaceuticals. The defendants who remain in the case (us, Mr. Papa, and Ms. Brown) have filed answers denying liability.

On November 14, 2019, the court granted the lead plaintiffs' motion and certified three classes for the case: (i) all those who purchased shares between April 21, 2015 through May 2, 2017 inclusive on a U.S. exchange and were

damaged thereby; (ii) all those who purchased shares between April 21, 2015 through May 2, 2017 inclusive on the Tel Aviv exchange and were damaged thereby; and (iii) all those who owned shares as of November 12, 2015 and held such stock through at least 8:00 a.m. on November 13, 2015 (whether or not a person tendered shares in response to the Mylan tender offer) (the "tender offer class"). Plaintiffs' counsels sent notices during 2020 to the alleged classes.

The parties took discovery from 2018 through 2020. After discovery ended, defendants filed motions for summary judgement and to exclude plaintiffs' experts, which were fully briefed. On August 17, 2023, the court granted summary judgment to Ms. Brown on all claims and dismissed her from the case; the court granted summary judgment in part to Mr. Papa terminating the claim against him that he made false statements with respect to alleged collusive pricing at the Generic Rx business. The court did not grant summary judgment on statements made about the integration of Omega during 2015. Thereafter, parties engaged in court-ordered settlement conferences.

On April 5, 2024, the class plaintiffs filed papers seeking Court approval of a settlement between the alleged classes and the defendants for $97 million. Perrigo and the remaining individual defendant agreed to the proposed settlement without any concession of liability or wrongdoing. Because this is a settlement of a class action lawsuit, Court oversight and approval is required. On April 23, 2024, the Court issued an Order of Preliminary Approval of the proposed settlement. A hearing on final approval of the proposed settlement is set for September 5, 2024. If the Court issues a Final Approval Judgment and Order after the final approval hearing, the case will be settled and terminated as to Perrigo, its co-defendant, and other individuals who previously had been named as defendants. We recorded an additional loss provision of $34 million during the first quarter as a result of the pending settlement. The Company funded the $97 million to an escrow account controlled by class counsel under the Court supervision until final approval and relieved the corresponding liability from Other accrued liabilities on the Condensed Consolidated Balance Sheets as of June 29, 2024. The expense is presented within Other operating expense (income), net on the Condensed Consolidated Statements of Operations for the three six months ended March 30, 2024 June 29, 2024.

In addition to the class action, the following opt-out cases have been filed against us, and in some cases, Mr. Papa and Ms. Brown. We Mediation efforts and settlement discussions occur from time to time; to the extent settlements

cannot be achieved, we intend to defend these lawsuits vigorously. These cases in the New Jersey federal court currently are stayed pending further developments in including approval of the settlement of the *Roofers'* case (discussed above). We anticipate that one or more of the opt-out plaintiffs will take a position that the settlement of the *Roofer*'s case does not have any direct effect on the opt out cases discussed below. The following lawsuits contain factual allegations and claims that are similar to some or all of the factual allegations and claims in the class actions, but involve different evidence, expert witnesses, and theories of liability:

Perrigo Company plc - Item 1
Note 15

Case	**Date Filed**
Carmignac Gestion, S.A. v. Perrigo Company plc, et al.	11/1/2017
First Manhattan Co. v. Perrigo Company plc, et al.	2/16/2018; amended 4/20/2018
Nationwide Mutual Funds, et al. v. Perrigo Company plc, et al.	10/29/2018
Schwab Capital Trust, et al. v. Perrigo Company plc, et al.	1/31/2019
Aberdeen Canada Funds -- Global Equity Fund, et al. v. Perrigo Company plc, et al.	2/22/2019
Principal Funds, Inc., et al. v. Perrigo Company plc, et al.	3/5/2020
Kuwait Investment Authority, et al. v. Perrigo Company plc, et al.	3/31/2020
Mason Capital L.P., et al. v. Perrigo Company plc, et al.	1/26/2018
Pentwater Equity Opportunities Master Fund Ltd., et al. v. Perrigo Company plc, et al.	1/26/2018
WCM Alternatives: Event-Drive Fund, et al. v. Perrigo Co., plc, et al.	11/15/2018
Hudson Bay Master Fund Ltd., et al. v. Perrigo Co., plc, et al.	11/15/2018
Discovery Global Citizens Master Fund, Ltd., et al. v. Perrigo Co. plc, et al.	12/18/2019
York Capital Management, L.P., et al. v. Perrigo Co. plc, et al.	12/20/2019
Burlington Loan Management DAC v. Perrigo Co. plc, et al.	2/12/2020
Universities Superannuation Scheme Limited v. Perrigo Co. plc, et al.	3/2/2020
Harel Insurance Company, Ltd., et al. v. Perrigo Company plc, et al.	2/13/2018
TIAA-CREF Investment Management, LLC., et al. v. Perrigo Company plc, et al.	4/20/2018
Sculptor Master Fund (f/k/a OZ Master Fund, Ltd.), et al. v. Perrigo Company plc, et al.	2/6/2019
BlackRock Global Allocation Fund, Inc., et al. v. Perrigo Co. plc, et al.	4/21/2020
Starboard Value and Opportunity C LP, et al. v. Perrigo Company plc, et al.	2/25/2021

During the quarter ended June 29, 2024, the Company engaged in mediation and settlement discussions in a number of the opt-out cases described above, and, subsequent to the filing of the March 30, 2024 10-Q, we reached settlements in eight of the cases listed above subject to the exchange of final settlement paperwork (cases brought by the following plaintiffs in the order listed above): Mason Capital; Pentwater; WCM Alternatives; Hudson Bay; Discovery Global; York Capital; Burlington; and Universities Superannuation. Those cases have either already been dismissed with prejudice or are anticipated to be dismissed soon. We recorded an additional loss provision during the quarter as a result of these settlements and other reasonable estimates of probable loss regarding other opt-out cases, which is included in the aggregate loss accrual for litigation contingencies described below under "*Contingencies Accruals*."

In June 2020, three Highfields Capital entities filed a lawsuit in Massachusetts State Court with factual allegations that generally were similar to the factual allegations in the Amended Complaint in the *Roofers' Pension Fund* case described above, except that the *Highfields* plaintiffs did not include allegations about alleged collusive pricing of generic prescription drugs, and alleged Massachusetts state law claims under the Massachusetts Unfair Business Methods Law (chapter 93A) and Massachusetts common law claims of tortious interference with prospective economic advantage, common law fraud, negligent misrepresentation, and unjust enrichment. In December 2021, the Massachusetts State Court granted Defendants' motion to dismiss in part and denied it in part. Defendants filed their answers in January 2022 denying liability. This is the only opt out case that has not been stayed during the summary judgment proceedings in the New Jersey federal court. The fact discovery phase in this case ended in March 2024 and expert discovery is underway (including discovery related to some factual allegations that were not part of the discovery in the actions in New Jersey federal court). The Court's current scheduling order provides for the end of expert discovery in August 2024, and a post-discovery court conference summary judgment briefing in September 2024. and October 2024, oral argument in November 2024, and if summary judgment is not granted in defendants' favor, a trial in February 2025. We intend to defend continue defending the lawsuit vigorously.

In Israel (cases related to events in 2015-2017)

On June 28, 2017, a plaintiff filed a complaint in Tel Aviv District Court styled *Israel Elec. Corp. Employees' Educ. Fund v. Perrigo Company plc, et al.* The lead plaintiff seeks to represent a class of shareholders who purchased Perrigo stock on the Tel Aviv exchange during the period from April 24, 2015 through May 3, 2017 and also a claim for those that owned shares on the final day of the Mylan tender offer (November 13, 2015). The complaint names as defendants the Company, Ernst & Young LLP (the Company's auditor), and 11 current or former directors and officers of Perrigo (Mses. Judy (Judy Brown, Laurie Brlas, Jacqualyn Fouse, Ellen Hoffing, and Messrs. Joe Papa, Marc Coucke, Gary Cohen, Michael Jandernoa, Gerald Kunkle, Herman Morris, and Donal O'Connor). The complaint alleges violations under Israeli securities laws that are similar to U.S. Securities Exchange Act sections 10(b) (and Rule 10b-5) and 14(e) against all defendants and 20(a) control person liability against the 11 individuals or, in the alternative, under other Israeli securities laws. In general, the allegations in Israel are similar to the factual allegations in the *Roofers' Pension Fund* case in the U.S. as described above. The plaintiff indicates an initial, preliminary class damages estimate of 2.7 billion NIS (approximately $760.0 million at 1 NIS = 0.28 cents). After the other two cases filed in Israel were voluntarily dismissed, the plaintiff in this case agreed to stay this case pending

the outcome of the *Roofers' Pension Fund* case in the U.S. (described above). The Israeli court approved the stay, and this case is now stayed. We intend to defend the lawsuit vigorously.

In Israel (case related to Irish Tax events)

On December 31, 2018, a shareholder filed an action against the Company, our former CEO Murray Kessler, and our former CFO Ronald Winowiecki in Tel Aviv District Court (*Baton v. Perrigo Company plc, et. al.*). The case is a securities class action brought in Israel making similar factual allegations for the same period as those asserted in a securities class action case (for those who purchased on a U.S. exchange) in New York federal court in which the settlement received final approval in February 2022. The Baton case alleges that persons who purchased securities through the Tel Aviv stock exchange and suffered damages can assert claims under Israeli securities law that will follow the liability principles of Sections 10(b) and 20(a) of the U.S. Securities Exchange Act. The plaintiff does not provide an estimate of class damages. Since 2019, the court granted several requests by Perrigo to stay the proceedings pending the resolution of proceedings in the New York federal court. During 2022, the case was reassigned to a newly-appointed judge. After the settlement of the U.S. case in New York federal court, Perrigo's counsel informed the Israeli Court of the final approval of the settlement of the U.S. case. The parties then sought further stays of the case while they attempted mediation, which the Court granted. In April 2023, the parties reported to the Court that the mediation had led to a preliminary agreement on settlement. The parties submitted settlement papers to the Court on November 17, 2023. The On June 5, 2024, the Court set a deadline of early January 2024 for objections to the proposed class settlement, and a hearing on the motion to certify approved the settlement, is scheduled for May 15, 2024. which will be funded by insurance.

Other Matters

Talcum Powder

The Company has been named, together with other manufacturers, in product liability lawsuits in a variety of state courts alleging that the use of body powder products containing talcum powder causes mesothelioma and lung cancer due to the presence of asbestos. All but one of these cases involve legacy talcum powder products that have not been manufactured by the Company since 1999. One of the pending actions involves a current prescription product that contains talc as an excipient. As of March 30, 2024 June 29, 2024, the Company has been named in approximately 110 individual lawsuits seeking compensatory and punitive damages. The Company has several defenses and intends to aggressively vigorously defend these lawsuits. Trials for these lawsuits are currently scheduled throughout 2024 and 2025.

Ranitidine

After regulatory bodies announced worldwide that ranitidine may potentially contain N-nitrosodimethylamine ("NDMA"), the Company promptly began testing its externally-sourced ranitidine API and ranitidine-based products. On October 8, 2019, the Company halted shipments of the product based upon preliminary results and on October 23, 2019, the Company made the decision to conduct a voluntary retail market withdrawal.

In February 2020, the resulting actions involving *Zantac*® and other ranitidine products were transferred for coordinated pretrial proceedings to a Multi-District Litigation ("MDL") (In re *Zantac*®/Ranitidine Products Liability Litigation, MDL No. 2924) in the U.S. District Court for the Southern District of Florida. The Company successfully moved to dismiss the first set of Master Complaints in the MDL, which the Court granted without prejudice.

After the filing of Amended Complaints, on June 30, 2021, the Court then dismissed all claims against the retail and distributor defendants with prejudice and on July 8, 2021, the Court dismissed all claims against the Company with prejudice. Appeals of these dismissal orders to the U.S. Court of Appeals for the 11th Circuit have been filed, as well as several state level claims related to the theories advanced in the MDL litigation. The Company will continue to vigorously defend each of these lawsuits. In December 2022, the Court granted in full the brand defendants' Daubert motions, finding no scientific causation, and in turn granted summary judgment dismissing the actions with prejudice. The Court later ruled that it was appropriate to apply the same standards to the retail and distributor defendants as well as the generic defendants, and the Court thereby ruled that its Daubert decision applied equally to these defendants as well. Appeals of these orders have been filed to the 11th Circuit.

Excepting the MDL due to the nature of the multiple dismissals as described above, as of March 30, 2024 June 29, 2024, the Company has been named in approximately 190 personal injury lawsuits, primarily in the state courts of California

and Pennsylvania. The Company is named in these lawsuits with manufacturers of the national brand *Zantac*® and other manufacturers of ranitidine products, as well as distributors, repackagers, and/or retailers. The Company believes that it has strong defenses to such claims based on a significant body of scientific evidence, and pursuant to the doctrine of federal preemption. As noted above, the Company has won multiple motions to dismiss in the MDL, most recently in Illinois where the Circuit Court granted in full the Company's motions to dismiss based on federal preemption, as well as additional state court actions in California and Maryland. The Company has also been dismissed from additional state court actions in Pennsylvania, Ohio, New York and New Jersey.

The Company, along with other manufacturers has also been named in a Complaint brought by the New Mexico Attorney General based on nuisance and negligence theories. The Company's motions to dismiss the action were denied. The Company will continue to vigorously defend this lawsuit.

Some of the Company's retailer customers are seeking indemnity from the Company for a portion of their defense costs and liability relating to these cases.

Acetaminophen

In October 2022, the Judicial Panel on Multidistrict Litigation consolidated a number of pending actions filed in various federal courts alleging that prenatal exposure to acetaminophen is purportedly associated with the development of autism spectrum disorder ("ASD") and attention-deficit/hyperactivity disorder ("ADHD"). The acetaminophen MDL is styled *In re: Acetaminophen – ASD/ADHD Products Liability Litigation* (MDL No. 3043) and is pending before the U.S. District Court for the Southern District of New York. Plaintiffs in the MDL have asserted claims against Johnson & Johnson Consumer, Inc. ("JJCI") and various retailer chains alleging that plaintiff-mothers took acetaminophen products while pregnant and that plaintiff-children developed ASD and/or ADHD as a result of prenatal exposure to these acetaminophen products. As of March 30, 2024 June 29, 2024, the Company has not been named as a defendant in any Complaints filed in the MDL. Certain of the Company's customers have made requests regarding indemnity from the Company for a portion of their defense costs and potential liability. On December 18, 2023, the Court granted in full defendants' motions to exclude testimony of Plaintiffs' general causation expert witnesses, finding Plaintiffs presented no credible evidence of scientific causation between prenatal ingestion of acetaminophen and ASD or ADHD in children. Final judgment has been entered as to the majority of pending cases with an appeal to proceed in the Second Circuit. A small minority of cases have been were exempted from the Court's dismissal and will to enable Plaintiffs to present an additional expert to be evaluated through a similar process as the larger majority later this year to determine if they can withstand scientific causation through a this new expert. However, on July 10, 2024, the Court granted in full defendants' motion to exclude testimony of Plaintiffs' new general causation expert witness in this subset of carve out cases for similar reasons as the Court's December 2023 Order. Currently, it is not possible to assess reliably the outcome of these cases or reasonably estimate any potential future financial impact on the Company.

Phenylephrine

In September 2023, the FDA's Advisory Committee on Nonprescription Drugs issued an advisory opinion calling into question the efficacy of orally administered phenylephrine (PE) containing products as a nasal decongestant. While

the FDA itself has thus far taken no action in response to the Advisory Committee opinion, several putative class action lawsuits have been filed asserting various economic injury claims to consumers. On December 6, 2023, a number of the pending PE actions filed in various federal courts were consolidated into a multi-district litigation ("MDL") (*In re: Oral Phenylephrine Marketing and Sales Practices Litigation*, MDL No. 3089), pending before the U.S. District Court for the Eastern District of New York. A smaller group of putative class-action lawsuits alleging various PE products also were mislabeled as "Maximum Strength" were initially excluded from the consolidation, but have recently been joined to the MDL. Several individual arbitrations have also been threatened or filed with the American Arbitration Association with similar efficacy allegations. The Court has permitted Plaintiffs' to file a streamlined and consolidated bellwether Complaint for purposes of testing the Plaintiffs' case and enabling briefing on threshold issues.Briefing is currently underway on Defendants' consolidated Motion to Dismiss.

At this time, the MDL proceedings are in the early stages. Currently, it is not possible to assess reliably the outcome of these cases or reasonably estimate any potential future financial impact on the Company. Certain of the Company's customers have made requests regarding indemnity from the Company for a portion of their defense costs and potential liability.

Contingencies Accruals

As a result of the matters discussed in this Note, the Company has established a loss accrual for litigation contingencies where we believe a loss to be probable and for which an amount of loss can be reasonably estimated. However, Except as otherwise discussed for specific matters above, we cannot determine a reasonable estimate of the maximum possible loss or range of loss for these matters given that they are at various stages of the litigation process and each case is subject to inherent

uncertainties of litigation. At March 30, 2024 June 29, 2024, the loss accrual for litigation contingencies reflected on the balance sheet in Other accrued liabilities was $100.9 $25.9 million. The Company also recorded an insurance recovery receivable of $17.2 million related to the 2014 Policy (see "***Insurance Coverage Litigation***" below), which is reflected on the balance sheet in Prepaid expenses and other current assets of $25.5 million related to these litigation contingencies because it believes we believe such amount is recoverable based on communications with its insurers to date; however, the date. The Company may erode this insurance receivable as it incurs defense costs associated with defending the matters. matters and may increase the receivable if additional limits are made available under the 2015 and 2016 Policies as described below. The Company's management believes these accruals for contingencies are reasonable and sufficient based upon information currently available to management; however, there can be no assurance that final costs related to these contingencies will not exceed current estimates, or that all nor any assurance as to the amount of the such final costs related to these contingencies that will be covered by insurance. (See "***Insurance Coverage Litigation***," insurance as described below.) In addition, we have other litigation matters pending for which we have not recorded any accruals because our potential liability for those matters is not probable or cannot be reasonably estimated based on currently available information. For those matters where we have not recorded an accrual but a loss is reasonably possible, we cannot determine a reasonable estimate of the maximum possible loss or range of loss for these matters given that they are at various stages of the litigation process and each case is subject to the inherent uncertainties of litigation.

Insurance Coverage Litigation

In May 2021, insurers on multiple policies of D&O insurance filed an action in the High Court in Dublin against the Company and multiple current and former directors and officers of the Company seeking declaratory judgments on certain coverage issues. Those coverage issues include claims that policies for periods beginning in December 2015 (the "2015 Policy") and December 2016 (the "2016 Policy"), respectively, do not have to provide coverage for the securities actions described above pending in the District of New Jersey or in Massachusetts state court concerning the events of 2015-2017. The insurers on the policy for the period beginning December 2014 (the "2014 Policy") is are currently providing coverage for those matters. However, if the insurers were successful, the total amount of insurance coverage available to defend such lawsuits and to satisfy any judgment or settlement costs thereunder would be limited to one policy period. The insurers' lawsuit also challenges challenged aspects of coverage for Krueger derivatively on behalf of nominal defendant Perrigo Company plc v. Alford et al., a prior derivative action filed in the District of New Jersey that was dismissed in August 2020, and for the counterclaims brought 2020. Perrigo responded in the Omega arbitration proceedings. Perrigo responded High Court proceedings on November 1, 2021; Perrigo's defense and counterclaim included its position that the 2015 Policy and 2016 Policy also provide coverage for the underlying securities litigation matters and sought a ruling to that effect. The discovery stage of the case occurred in 2022, and a bench trial was held in mid-November 2023. In January 2024, the High Court issued an opinion delivered its judgment rejecting the insurers' position that Perrigo's insurance coverage is limited to the 2014 Policy. The High Court held an additional hearing hearings in April and July 2024 to hear the parties' submissions concerning under which of the 2014, 2015, and 2016 Policies Perrigo is entitled to coverage. Insurers now claim The High Court delivered judgments in May and July 2024, finding that coverage is available to Perrigo under each

of the cover is limited to the 2014 Policy, 2015 Policy year. and 2016 Policy. The insurers have 28 days after the order is finalized to seek an appeal of the Court's January 2024 decision. three judgments of the High Court.

NOTE 16 17 - SEGMENT INFORMATION

The tables below show select financial measures by reporting segment (in millions):

	Total Assets			
	March 30, 2024	December 31, 2023	June 29, 2024	December 31, 2023
CSCA				
CSCI				
Total				
Total				
Total				

	Three Months Ended												
	March 30, 2024				April 1, 2023								
	June 29, 2024				July 1, 2023								
	Net Sales	Net Sales	Operating Income (Loss)	Intangible Asset Amortization	Net Sales	Operating Income (Loss)	Intangible Asset Amortization	Net Sales	Operating Income (Loss)	Intangible Asset Amortization	Net Sales	Operating Income (Loss)	Intangible Asset Amortization
CSCA													

CSCI

Unallocated

Unallocated

Unallocated

Continuing
Operations
Total

NOTE 17 - SUBSEQUENT EVENTS

Divestitures

On April 25, 2024, we announced a binding offer to sell our HRA Pharma Rare Diseases business ("Rare Disease") to Esteve Healthcare, S.L. ("ESTEVE") for total consideration of up to €275 million, consisting of an upfront cash payment of €190 million and up to €85 million in potential earnout payments based on the Rare Diseases business achieving certain sales milestones. Following an information and consultation process with HRA Pharma Works Council in France, Perrigo would be able to exercise the put option granted by ESTEVE and enter into a definitive agreement with ESTEVE for the sale of the Rare Diseases business. The transaction is expected to close during the third quarter of 2024.

The criteria for reporting our Rare Disease disposal group as held for sale were met after the balance sheet date, and therefore we classified the business as held and used as of March 30, 2024. The total carrying amounts of our Rare Disease Business assets and liabilities that will be disposed, excluding cash, were approximately $325.6 million and $57.2 million, respectively, as of March 30, 2024. After considering estimates for the fair value of the contingent milestones and the remaining costs to sell, we expect to recognize an impairment loss between $20 and $30 million resulting from the measurement as held for sale during the second quarter of 2024.

	Six Months Ended					
	June 29, 2024			July 1, 2023		
	Net Sales	Operating income (loss)	Intangible Asset Amortization	Net Sales	Operating income (loss)	Intangible Asset Amortization
CSCA	$ 1,278.3	$ 85.0	$ 29.7	$ 1,514.4	$ 181.0	$ 28.6
CSCI	869.3	16.2	86.2	860.4	30.0	106.1
Unallocated	—	(182.9)	—	—	(105.6)	—
Continuing Operations Total	$ 2,147.5	$ (81.7)	$ 115.9	$ 2,374.8	$ 105.4	$ 134.7

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis ("MD&A") is intended to provide readers with an understanding of our financial condition, results of operations, and cash flows by focusing on changes in certain key measures from year to year. This MD&A is provided as a supplement to, and should be read in conjunction with our Condensed Consolidated Financial Statements and accompanying Notes found in Item I included in this Form 10-Q, and our Form 10-K for the year ended December 31, 2023 (the "2023 Form 10-K"). These historical financial statements may not be indicative of our future performance. This discussion contains a number of forward-looking statements, all of which are based on our current expectations and could be affected by the uncertainties and risks referred to under "Risk Factors" in Item 1A of our 2023 Form 10-K and Part II. Item 1A of this Form 10-Q.

Perrigo Company plc was incorporated under the laws of Ireland on June 28, 2013 and became the successor registrant of Perrigo Company, a Michigan corporation, on December 18, 2013 in connection with the acquisition of Elan Corporation, plc ("Elan"). Unless the context requires otherwise, the terms "Perrigo," the "Company," "we," "our," "us," and similar pronouns used herein refer to Perrigo Company plc, its subsidiaries, and all predecessors of Perrigo Company plc and its subsidiaries.

EXECUTIVE OVERVIEW

Perrigo is a leading pure-play self-care company with more than a century of innovation and experience serving the health and wellness needs of consumers. As one of the originators of the over-the-counter ("OTC") self-care market, Perrigo has a powerful legacy and vast scale in producing high-quality self-care products through a proven ability to proactively shape its portfolio to meet the evolving needs of consumers and customers.

Perrigo provides access to trusted self-care products that can be procured without the need to visit a doctor for a prescription. Guided by our vision and purpose, our strategic goal is to create a sustainable and value accretive growth engine by 1) delivering consumer preferred brands and innovation, 2) driving category growth with our customers, 3) powering our business with our world-class quality and supply chain, including a focus on sustainability with meaningful goals to reduce greenhouse gas emissions, water, and waste, in addition to improving the recyclability of our packaging, and 4) evolving our global organization to a single operating model. Our unique competency is to deliver a blended-branded business model of branded, value and store brand product offerings that provide consumers access to self-care products across the value spectrum.

Perrigo's broad offerings are well diversified across several major product categories as well as across geographies, primarily in North America and Europe with no one product representing more than 3% of total revenue. In North America, Perrigo is the leading store brand private label provider of self-care products in many categories, including upper respiratory, nutrition and women's health, along with brands including *Opill*® and *Merderma*® *Mederma*®. In Europe, our portfolio consists primarily of brands, including *Compeed*®, *EllaOne*®, *Solpadeine*®, and *ACO*®.

Several initiatives are anticipated to advance advancing our self-care strategy, including the implementation of our Supply Chain Reinvention Program and Project Energize, a global investment and efficiency program. In addition, we continue to invest in other initiatives, including innovation, information systems and tools, and our people to drive consistent and sustainable results.

Our fiscal year begins on January 1 and ends on December 31. We end our quarterly accounting periods on the Saturday closest to the end of the calendar quarter, with the fourth quarter ending on December 31 of each year.

Our Segments

Our reporting and operating segments reflect the way our chief operating decision maker, who is our CEO, makes operating decisions, allocates resources and manages the growth and profitability of the Company. Our reporting and operating segments are:

- Consumer Self-Care Americas **("CSCA")** comprises our consumer self-care business in the U.S. and Canada.
- Consumer Self-Care International **("CSCI")** comprises our consumer self-care business outside of the U.S. and Canada, primarily in Europe and Australia.

We previously had an Rx segment comprised of our generic prescription pharmaceuticals business in the U.S. and other pharmaceuticals and diagnostic businesses in Israel, which have been divested. The Rx segment was reported as Discontinued Operations in 2021, and is presented as such for all periods in this report. See Item 1. Note 34 for more information.

Recent Highlights

- On February 27, 2024, we launched Project Energize - a global investment and efficiency program to drive the next evolution of capabilities and organizational agility.

- During the first quarter, we launched *Opill*®, the first-ever over-the-counter oral contraceptive in the U.S., at more than 65,000 retail stores nationwide.Developments

- On April 25, 2024, we announced a binding offer to sell our the HRA Pharma Rare Diseases business ("Rare Disease" (the "Rare Diseases Business") to Esteve Healthcare, S.L. ("ESTEVE") for total consideration of up to €275 million, consisting of an upfront cash payment of €190 million and up to €85 million in potential earnout payments based on the Rare Diseases business Business achieving certain sales milestones. The sale of the Rare Diseases Business was completed on July 10, 2024. See Item 1. Note 3 for more information.

- On May 7, 2024, we Several leadership changes were announced that during the three months ended June 29, 2024:

  - Effective July 31, 2024, Svend Andersen will no longer serve as Executive Vice President and President, CSCI intends to retire from of the Company in December of this year. and all relevant subsidiaries and affiliates. Roberto Khoury, a strong leader with more than 20 years of experience cultivating successful branded consumer products and pan-European brands, will be has been appointed to lead the business. business effective August 1, 2024.

  - Effective May 30, 2024, Kyle Hanson stepped down from her position as EVP, General Counsel and Corporate Secretary of the Company. The Company announced the appointment of Todd Kingma as Interim EVP, General Counsel and Corporate Secretary, effective May 30, 2024 to serve in the Interim role while the Company seeks a successor to Ms. Hanson.

  - On June 7, 2024, Dr. Grainne Quinn, Executive Vice President & Chief Medical Officer, announced her intent to leave the Company effective July 31, 2024.

Supply Chain Reinvention Program

In 2022, we initiated our Supply Chain Reinvention Program to reduce structural costs, improve profitability and our service levels to our retail partners, and strengthen our resiliency by streamlining and simplifying our global supply chain. Through this initiative, we are reducing portfolio complexity, investing in advanced planning capabilities, diversifying sourcing, and optimizing our manufacturing assets and distribution models. We have identified a total annual run-rate potential savings opportunity by the end of fiscal year 2028 of between an estimated $200 million to $300 million per year (not including related taking into account depreciation expense on capital investments) investments related to the program) if all facets of the Program are successfully implemented and executed. To obtain these potential benefits, we anticipate incurring aggregate costs of between $350 million to $570 million by the end of fiscal year 2028 to complete the program implementation, including capital investments, restructuring expenses, and implementation costs. A significant portion of the annual run-rate potential savings of the Program, between $150 million to $200 million per year (not including related taking into account depreciation expense on capital investments) investments related to the program), are anticipated by the end of fiscal year 2025, along with associated potential spend of between $300 million and $450 million. Year to date, Supply Chain Reinvention Program has achieved gross savings of $23 million. Refer to Item 1. Note 13 14 for further details on restructuring charges.

Project Energize

Perrigo has successfully transformed into a pure-play consumer self-care company and is now embarking on the next stage of its self-care journey - evolving to One Perrigo. This evolution will create sustainable, value accretive growth through a blended-branded business model that better positions the Company to win in self-care.

As part of the Company's sustainable, value accretive growth strategy, the Company launched Project Energize - a global investment and efficiency program to drive the next evolution of capabilities and organizational agility. This three-year program is expected to produce significant benefits in the Company's long-term business performance by enabling our One Perrigo growth strategy, increasing organizational agility and mitigating impacts from stabilizing and strengthening the infant formula business.

Project Energize was initiated in the first quarter of 2024, subject to local law and consultation requirements, and is expected to deliver an annualized pre-tax savings in the range of $140 million to $170 million by 2026. The Company expects to reinvest approximately $40 million to $60 million of these savings to drive its blended-branded business model. Restructuring and related charges associated with these actions are estimated to be in the range of $140 million to $160 million, including $20 million to $40 million in investments to enhance capabilities, and are

expected to be substantially incurred by the end of 2026. Restructuring activities as part of Project Energize are expected to result in the net reduction of approximately 6% of total Perrigo roles. To Year to date, Project Energize has achieved gross savings of approximately $17 million $53 million.

U.S. Department of Justice Antitrust Division Investigation

On July 29, 2024, the Antitrust Division of the U.S. Department of Justice advised us that it no longer considers Perrigo a subject or target of the division's grand jury investigation of antitrust violations in savings. the generic drug industry. That investigation had stemmed from the Company's Rx Pharmaceuticals business, which was divested in 2021.

Market Factors and Trends

Economic Uncertainty

Current macroeconomic conditions remain very dynamic, including impacts from rising inflation and interest rates, volatile changes in foreign currency exchange rates, political unrest and uncertainty magnified by the 2024 U.S. presidential election and legislative and regulatory changes. Any causes of market size contraction could reduce our sales or erode our operating margin and consequently reduce our net earnings and cash flows.

Our interest expense is impacted by the overall global economic and interest rate environment. We manage interest rate risk through our capital structure and the use of interest rate swaps to fix the interest rate on greater than 90% of our outstanding debt.

Inflationary Costs and Supply Chain

As the war in Ukraine continues, supply chain disruptions in specific categories such as oil, agricultural and paper based commodities continue to lead to inflationary pressures in those respective areas. Additionally, we experienced employment vacancies and attrition as the labor market negatively impacted productivity and drove the need for wage rate increases and other retention benefits. We implemented a series of actions to substantially mitigate these and other inflationary cost pressures such as strategic pricing and our Supply Chain Reinvention Program. Benefits from our actions have begun to substantially offset inflationary pressures, the impacts of inflation, and the global freight constraints in availability of freight containers and truck drivers has normalized. However, future supply chain disruptions and inflationary pressures from the continuation of the war conflicts between Russia and Ukraine, Israel and Hamas and in Ukraine and the more recent events from the war in Israel Red Sea are uncertain.

Infant Formula

As part of its efforts to prevent supply interruptions and risk of *Cronobacter* spp. illnesses associated with powdered infant formula, in March 2023, the FDA released an "Immediate National Strategy to Increase the Resiliency of the U.S. Infant Formula Market" and issued a letter to the powdered infant formula industry to share information to assist the industry in improving the microbiologic safety of powdered infant formula. In response to those changes, we made considerable investments in all our infant formula manufacturing sites, including enhanced cleaning and sanitation protocols, enhancements to our environmental monitoring programs, enhanced quality oversight and additional increasing the number of quality and operations personnel. These changes resulted in higher costs and lower manufacturing output and production yields across our infant formula network.

As previously disclosed, the Company received a warning letter from the FDA on August 30, 2023 relating to the Perrigo Wisconsin infant formula facility, which was acquired from a third party in November 2022. While the Company worked to resolve the issues raised in the August 30 letter, on November 29, 2023, the Company received notice from the FDA of additional inspection observations relating to Perrigo Wisconsin. Consistent with the Company's commitment to quality, the Company temporarily paused all production at that facility and conducted an extended site-wide assessment and cleaning.

The Company also bolstered its internal resources and brought in additional outside expertise to help revise, enhance and strengthen comprehensive standards and processes across our infant formula network, including in some instances, pausing production for comprehensive cleaning and infrastructure improvements. Currently, any Any planned large-scale manufacturing plant resets have now been completed, and we are progressing the Company is implementing the next phase of our quality enhancements.

This next phase of enhancements, includes including further protocol, process and procedural improvements at the site level, and we are making additional investments to upgrade infrastructure. We do not expect these continuing improvements to result in extended shutdowns beyond normal typical planned maintenance activities.

 Currently, all sites are up and running and have returned to reliable, quality-assured production with recent output across the network near 2023 levels. Our focus now lies in rebuilding customer service levels and getting these critical products back on the shelves for consumers who need high-quality, affordable infant formula.

We have incurred and expect to incur certain extraordinary non-recurring costs associated with the evolving U.S. infant formula regulatory landscape, including consulting and legal fees relating to the Company's responses to the FDA and the development and institution of new protocols across our infant formula manufacturing sites, as well as other costs relating to the extended cleaning and sanitization and the pausing and restarting of production. Cash costs in 2024 to achieve this remediation plan are estimated at $35 $15 to $45 million. $20 million, of which approximately $10.5 million were incurred during the first two quarters. We also expect higher ongoing operating costs at our infant formula manufacturing sites moving forward as we continue to implement our enhanced program with additional internal capabilities. Due to these costs and the unabsorbed overhead and depressed sales volumes resulting from these actions, infant formula results in 2024 are expected to be below 2023 levels.

War in Ukraine

The invasion of Ukraine by Russia and resulting economic and political sanctions imposed by the United States, United Kingdom, European Union, and other countries on Russia, Belarus, and occupied regions in Ukraine have negatively impacted our results from operations in the region. We currently have 67 employees working in our Ukraine subsidiary. We do not have a subsidiary or employees in Russia. We have no manufacturing facilities in either Russia or Ukraine and we previously sold products into Russia entirely through distributors. In March 2022, we halted all sales to distributors in Russia and sales in Ukraine were severely depressed. Future impacts are difficult to predict due to the high level of uncertainty related to the war's duration, evolution and resolution. If the conflict spreads or materially escalates, or economic conditions deteriorate, the impact on our business and results of operations could be material.

Israel-Hamas War Middle East Conflicts

We continue to closely monitor the ongoing Israel/Hamas conflict and the social, political and economic environment in Israel and in the surrounding region to evaluate the impacts on our operations and supply chain. Israel is a global technology research and development center that plays a critical role to the global API market, as a number of key suppliers are located within Israel. The Company sources some raw materials and finished goods from suppliers in Israel for certain self-care products, including Omeprazole. Despite this situation, to date, Perrigo has confirmed that our suppliers in the region have active operations and continue to manufacture materials for us, and we have not received any reports of restrictions on imports or exports in Israel. However, there is potential for some disruption as it relates to in-country logistics, including freight. As a precaution, Perrigo has engaged alternate suppliers to help minimize a potential supply disruption. If the conflict spreads or materially escalates, or if the conflict leads to further volatility and uncertainty in financial markets or economic conditions, the impact on our business and results of operations could be material. This includes the related events developing in the Red Sea and their potential to disrupt supply chains and lead to further inflationary pressures which we are also continuing to monitor closely.

Foreign Exchange

We have both translation and transaction exposure to the fluctuation of exchange rates. Translation exposures relate to exchange rate impacts of measuring income statements of foreign subsidiaries that do not use the U.S. dollar as their functional currency. Transaction exposures relate to 1) the impact from input costs that are denominated in a currency other than the local reporting currency and 2) the revaluation of transaction-related working capital balances denominated in currencies other than the functional currency. Significant exchange rate

fluctuations, especially in the Euro or the British Pound Sterling, have had, and could continue to have, a significant impact on our net sales, net earnings and cash flows.

RESULTS OF OPERATIONS

Currency Translation

Any currency translation effects described below represent estimates of the net differences between translation of foreign currency transactions into U.S. dollars for the three and six months ended March 30, 2024 June 29, 2024 at the average exchange rates for the reporting period and average exchange rates for the three and six months ended April 1, 2023 July 1, 2023.

CONSOLIDATED FINANCIAL RESULTS

	Three Months Ended			
(in millions, except percentages)	March 30, 2024		April 1, 2023	
Net sales	$	1,082.1	$	1,181.7
Gross profit	$	357.7	$	413.8
Gross profit %		33.1 %		35.0 %
Operating income	$	(55.2)	$	48.5
Operating income %		(5.1)%		4.1 %

Three Month Comparison

	Three Months Ended			
(in millions, except percentages)	June 29, 2024		July 1, 2023	
Net sales	$	1,065.5	$	1,193.1
Gross profit	$	394.7	$	428.0
Gross profit %		37.0 %		35.9 %
Operating (loss) income	$	(26.5)	$	56.8
Operating (loss) income %		(2.5)%		4.8 %

Net sales decreased $99.6 million $127.6 million, or 8.4% 10.7%, due primarily to:

- $81.4 108.4 million decrease, or 7.0% 9.1%, due primarily to lower net sales in U.S. Nutrition driven by actions to augment and strengthen the infant formula network and lower net sales in Upper Respiratory and Pain & Sleep Aids categories. These factors were partially offset by strategic pricing actions and new products; and
- $10.9 million decrease from unfavorable foreign currency translation; and
- $8.3 million decrease from exited product lines.

Operating income decreased $83.3 million, or 146.7%, due primarily to:

- $33.3 million decrease in gross profit driven by lower manufacturing productivity within U.S. Nutrition driven by actions to augment and strengthen the infant formula network, and lower net sales volumes and unfavorable manufacturing absorption. These factors were partially offset by higher gross profit flow-through from strategic pricing actions and savings achieved through Supply Chain Reinvention and Project Energize activities. Gross profit as a percentage of net sales increased 120 basis points compared to the prior year due to benefits from purposeful SKU prioritization actions in addition to the same factors that drove gross profit.
- $50.0 million increase in operating expenses due primarily to the impairment charges recognized as part of the assets held for sale of the Rare Diseases Business, increased expenses associated with Project Energize and Supply Chain Reinvention activities and an additional provision for litigation contingencies; partially offset by savings from Project Energize and Supply Chain Reinvention activities.

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Consolidated

Six Month Comparison

	Six Months Ended			
(in millions, except percentages)	June 29, 2024		July 1, 2023	
Net sales	$	2,147.5	$	2,374.8
Gross profit	$	752.4	$	841.9
Gross profit %		35.0 %		35.5 %
Operating (loss) income	$	(81.7)	$	105.4
Operating (loss) income %		(3.8)%		4.4 %

Net sales decreased $227.3 million, or 9.6%, due primarily to:

- $189.8 million decrease, or 8.1%, due primarily to lower net sales in U.S. Nutrition driven by actions to augment and strengthen the infant formula network, lower net sales in Upper Respiratory and Pain & Sleep Aids categories and purposeful SKU prioritization actions to enhance margins as part of the Company's Supply Chain Reinvention Program across most product categories. These factors were partially offset by strategic pricing actions and new products. The primary product category drivers are the previously discussed issues relating to infant formula in Nutrition, and lower sales in Upper Respiratory and Oral Care from lost distribution, partially offset by growth in Women's Health and Skincare; and
- $15.3 23.5 million decrease from exited product lines. lines; and
- $14.0 million decrease from unfavorable foreign currency translation.

Operating income decreased $103.7 million $187.1 million, or 213.8% 177.5%, due primarily to:

- $56.1 89.5 million decrease in gross profit driven by lower manufacturing productivity within U.S. Nutrition driven by actions to augment and strengthen the infant formula network, lower volume, sales volume/mix, lower manufacturing volumes within OTC, and higher cost of goods sold inflation primarily in CSCI, increased expenses associated with Project Energize and Supply Chain Reinvention, partially offset by higher gross profit flow-through from strategic pricing actions, higher margin new products and savings achieved through our restructuring programs. Supply Chain Reinvention and Project Energize. Gross profit as a percentage of net sales decreased 190 40 basis points compared to the prior year due to the same factors that drove gross profit partially offset by benefits from purposeful SKU prioritization actions in CSCA. profit; and
- $47.6 97.6 million increase in operating expenses expense due primarily to increased expenses associated with an additional provision Supply Chain Reinvention and Project Energize and impairment charges recognized as part of the assets held for securities litigation contingencies and increased restructuring expenses; sale of the Rare Diseases Business; which were partially offset by decreased selling expenses and savings from Project Energize.

CONSUMER SELF-CARE AMERICAS FINANCIAL RESULTS

	Three Months Ended	
(in millions, except percentages)	**March 30, 2024**	**April 1, 2023**
Net sales	$ 644.1	$ 763.7
Gross profit	$ 153.5	$ 210.8
Gross profit %	23.8 %	27.6 %
Operating income	$ 15.7	$ 83.2
Operating income %	2.4 %	10.9 %

Three Month Comparison

	Three Months Ended	
(in millions, except percentages)	**June 29, 2024**	**July 1, 2023**
Net sales	$ 634.1	$ 750.8
Gross profit	$ 189.7	$ 224.5
Gross profit %	29.9 %	29.9 %
Operating income	$ 69.3	$ 97.7
Operating income %	10.9 %	13.0 %

Net sales decreased $119.6 million $116.7 million, or 15.7% 15.5%, due primarily to:

- $110.2 112.9 million decrease, or 14.6% 15.1%, due primarily to lower net sales in U.S. Nutrition driven by actions to augment and strengthen the infant formula network, purposeful and lower net sales in the Upper Respiratory and Pain & Sleep Aids categories due to lower seasonal demand and SKU prioritization actions to enhance margins as part of the Company's Supply Chain Reinvention program across most product categories, reduced inventories at retail customers resulting in lower net sales of store brand offerings and lower distribution in Oral Care. margins. These factors were partially offset by growth in e-commerce and new products, including the launch of *Opill*® in, and the U.S.; Healthy Lifestyle category; and
- $9.4 3.5 million decrease from exited product lines.

CSCA net sales by product category were as follows:

Sales

(in millions, except percentages)(1)

(in millions, except percentages)(1)

(in millions, except percentages)(1)		**March 30, 2024**		**April 1, 2023**		**$ Change**			**% Change**		**June 29, 2024**		**July 1, 2023**		**$ Change**	
Digestive Health		$ 126.0		$ 126.1		$ (0.1)			(0.1)	%						
Upper Respiratory	Upper Respiratory	$ 130.3	$	$ 153.7	$	$ (23.4)	(15.2)		(15.2)	%	Upper Respiratory	118.8	137.3	137.3	(18.5)	(18.5
Digestive Health		122.2		124.0		(1.8)			(1.5)	%						
Nutrition	Nutrition	90.6	138.5	138.5	(47.9)	(47.9)	(34.6)		(34.6)	%	Nutrition	86.1	168.1	168.1	(82.0)	
Pain and Sleep-Aids	Pain and Sleep-Aids	82.6	103.4	103.4	(20.8)	(20.8)	(20.1)		(20.1)	%	Pain and Sleep-Aids	81.6	96.7	96.7	(15.1)	
Oral Care		73.2		75.5		(2.3)			(3.0)	%						
Healthy Lifestyle	Healthy Lifestyle	71.3	73.4	73.4	(2.1)	(2.1)	(2.9)		(2.9)	%	Healthy Lifestyle	69.1	66.5	66.5	2.6	
Oral Care		64.7		83.3		(18.6)			(22.3)	%						
Skin Care	Skin Care	49.6	69.8	69.8	(20.2)	(20.2)	(28.9)		(28.9)	%	Skin Care	57.1	61.8	61.8	(4.7)	
Women's Health	Women's Health	27.2	12.3	12.3	14.9	14.9	121.1		121.1	%	Women's Health	16.8	12.8	12.8	4.0	
Vitamins, Minerals, and Supplements ("VMS")	Vitamins, Minerals, and Supplements ("VMS")	4.2	4.5	4.5	(0.3)	(0.3)	(6.7)		(6.7)	%	Vitamins, Minerals, and Supplements ("VMS")	5.3	5.0	5.0	0.3	
Other CSCA	Other CSCA	1.4	0.8	0.8	0.6	0.6	75.0		75.0	%	Other CSCA	0.1	1.0	1.0	(0.9)	
Total CSCA	Total CSCA	$ 644.1	$	$ 763.7	$	$ (119.6)	(15.7)%		(15.7)%		Total CSCA	$ 634.1	$	$ 750.8	$	$ (116.7

(1) We updated our global reporting product categories as a result of legacy Rx sales being moved out of Other CSCA and into respective categories. These product categories have been adjusted retroactively to reflect the changes and have no impact on historical financial position, results of operations, or cash flows.

Sales in each category were driven primarily by:

- *Upper Respiratory:* Net sales of $130.3 million decreased 15.2% due primarily to inventory de-stocking at U.S. retail customers, resulting in lower net sales of cough cold and allergy products, in addition to strong net sales in the prior year quarter. The category was also impacted by a 2.7 percentage points reduction from exited product lines and portfolio optimization actions;
- *Digestive Health:* Net sales of $122.2 $126.0 million decreased 1.5% 0.1% as higher volumes of antacid products, including *Famotidine* and *Esomeprazole*, and laxative products, including *Polyethylene Glycol*, were more than offset by a 5.3 lower volume of *Omeprazole* and 0.8 percentage points reduction from exited product lines and portfolio optimization actions; actions.
- *Upper Respiratory:* Net sales of $118.8 million decreased 13.5% due primarily to lower consumer demand for cough cold and allergy products. The category was also impacted by 8.4 percentage points reduction from exited product lines and portfolio optimization actions in addition to net lost distribution of lower margin products. These dynamics more than offset strong double-digit growth of *Nasonex*®.
- *Nutrition:* Net sales of $90.6 $86.1 million decreased 34.6% 48.8% due primarily to lower shipments to customers as the company works through its infant formula plant remediation plans, in addition to a 1.8 0.4 percentage points reduction from exited product lines.
- *Pain and Sleep-aids:* Net sales of $81.6 million decreased 15.6% due primarily to net lost distribution of lower margin products, in addition to a 1.1 percentage point reduction from exited product lines and purposeful SKU prioritization actions.
- *Oral Care*: Net sales of $73.2 million decreased 3.0% due primarily to lower distribution at specific retail customers partially offset by higher net sales of *Reach*® and *Firefly*® toothbrushes.
- *Healthy Lifestyle*: Net sales of $69.1 million increased 3.9% due primarily to higher net sales of nicotine lozenges, including the new product launch of the *Nicotine Ice Mint Lozenge*.
- *Skin Care*: Net sales of $57.1 million decreased 7.6% due primarily to lower contract manufacturing sales and a 2.2 percentage point reduction from exited product lines and portfolio optimization actions. These dynamics more than offset strong double-digit growth of *Mederma*®.
- *Women's Health*: Net sales of $16.8 million increased 31.3% due primarily to the recent launch of *Opill*®, which was partially offset by a 5.2 percentage point reduction from exited product lines; and,
- *VMS and Other*: Net sales of $5.4 million decreased 10.0% due primarily to volume decline in the Other category.

Operating income decreased $28.4 million, or 29.1%, due primarily to:

- $34.8 million decrease in gross profit due primarily to lower net sales volumes in U.S. Nutrition driven by actions to augment and strengthen the infant formula network and unfavorable manufacturing absorption in OTC; partially offset by higher gross profit flow-through from strategic pricing actions and savings from Supply Chain Reinvention and Project Energize activities. Gross profit as a percentage of net sales remained flat compared to the prior year due to the same factors that impacted gross profit.

- $6.4 million decrease in operating expenses due primarily to lower administrative and employee expenses.

Six Month Comparison

	Six Months Ended	
(in millions, except percentages)	June 29, 2024	July 1, 2023
Net sales	$ 1,278.3	$ 1,514.4
Gross profit	$ 343.3	$ 435.3
Gross profit %	26.9 %	28.7 %
Operating income	$ 85.0	$ 181.0
Operating income %	6.6 %	12.0 %

Net sales decreased $236.1 million, or 15.6%, due primarily to:

- $223.1 million decrease, or 14.9%, due primarily to lower net sales in U.S. Nutrition driven by actions to augment and strengthen the infant formula network, SKU prioritization actions to enhance margins and lower net sales in the Upper Respiratory and Pain & Sleep Aids categories due to lower seasonal demand. These factors were partially offset by growth in e-commerce and new products, including *Opill*®; and
- $12.8 million decrease from exited product lines.

CSCA net sales by product category were as follows:

Sales	Six Months Ended			
(in millions, except percentages)(1)	June 29, 2024	July 1, 2023	$ Change	% Change
Upper Respiratory	$ 249.1	$ 291.0	$ (41.9)	(14.4)%
Digestive Health	248.2	250.1	(1.9)	(0.8)%
Nutrition	176.7	306.6	(129.9)	(42.4)%
Pain and Sleep-Aids	164.2	200.1	(35.9)	(17.9)%
Healthy Lifestyle	140.4	139.9	0.5	0.4 %
Oral Care	137.9	158.8	(20.9)	(13.2)%
Skin Care	106.7	131.6	(24.9)	(18.9)%
Women's Health	44.0	25.1	18.9	75.3 %
VMS	9.5	9.5	—	— %
Other CSCA	1.6	1.7	(0.1)	(5.8)%
Total CSCA	$ 1,278.3	$ 1,514.4	$ (236.2)	(15.6)%

(1) We updated our global reporting product categories as a result of legacy sales being moved out of Other CSCA and into respective categories. These product categories have been adjusted retroactively to reflect the changes and have no impact on historical financial position, results of operations, or cash flows.

Sales drivers in each category are provided below:

- *Upper Respiratory:* Net sales of $249.1 million decreased 14.4% due primarily to lower consumer demand for cough cold and allergy products, resulting in lower net sales in addition to net lost distribution of lower margin products. The category was also impacted by a 5.4 percentage points reduction from exited product lines and portfolio optimization actions. These headwinds more than offset strong growth of *Nasonex®;*

- *Digestive Health:* Net sales of $248.2 million decreased 0.8% as higher volumes of antacid and laxative products, including *Polyethylene Glycol*, were more than offset by a 3.1 percentage points reduction from exited product lines and portfolio optimization actions and lower volume of *Omeprazole*;

- *Nutrition:* Net sales of $176.7 million decreased 42.4% due primarily to lower shipments to customers as the company works through its infant formula plant remediation plans in addition to a 1.0 percentage points decline from exited product lines in the category;
- *Pain and Sleep-aids:* Net sales of $82.6 million $164.2 million decreased 20.1% 17.9% due primarily to net lost distribution of lower margin products, purposeful SKU prioritization actions and exited product lines, which had an aggregate negative impact of 13.0 7.2 percentage points. In addition, inventory reductions by U.S. retail customers resulted in lower net sales of pain and sleep-aid products. These impacts more than offset new products, including store brand *Acetaminophen 250mg and Ibuprofen 125mg Tablets*; products;
- *Healthy Lifestyle:* Net sales of $71.3 million decreased 2.9% $140.4 million increased 0.4% due primarily to higher net sales of nicotine lozenges, including the new product launch of the *Nicotine Ice Mint Lozenge*, partially offset by inventory de-stocking at U.S. retail customers resulting in lower net sales of smoking cessation products, and lower category consumption compared to the prior year.; year period;
- *Oral Care:* Net sales of $64.7 million $137.9 million decreased 22.3% 13.2% due primarily to lower distribution at specific retail customers and the comparison to strong sales in the prior year quarter as customers normalized inventories; inventories, partially offset by higher net sales of *Reach*® and *Firefly*® toothbrushes;
- *Skin Care:* Net sales of $49.6 million $106.7 million decreased 28.9% 18.9% due primarily to portfolio optimization actions and exited product lines, which had an aggregate negative impact of 30.9 17.4 percentage points. These headwinds more than offset strong, double digit, growth of *Mederma*®;
- *Women's Health:* Net sales of $27.2 million $44.0 million increased 121.1% 75.3% due primarily to the new product launch of *Opill*®, which was partially offset by an 11.7 8.2 percentage point reduction from exited product lines and portfolio optimization actions; lines; and
- *VMS and Other:* Net sales of $5.6 million increased 5.7% $11.1 million decreased 0.9% due primarily to volume growth decline in the VMS Other category.

Operating income decreased $67.5 million $96.0 million, or 81.1% 53.0%, due primarily to:

- $57.3 92.0 million decrease in gross profit due primarily to lower net sales and manufacturing productivity in U.S. Nutrition driven by actions to augment and strengthen the infant formula network; network and lower manufacturing volumes in OTC; partially offset by new products and savings achieved through Supply Chain Reinvention savings. and Project Energize activities. Gross profit as a percentage of net sales decreased 380 180 basis points compared to the prior year due to the same factors that impacted gross profit, partially offset by benefits from purposeful SKU prioritization actions and high favorable product mix, including higher margin new products, including *Opill*®. products.

- $10.3 4.0 million increase in operating expenses due primarily to higher restructuring expenses; Supply Chain Reinvention and Project Energize activities; which were partially offset by decreased selling distribution expenses and savings from Project Energize. research and development expenses.

CONSUMER SELF-CARE INTERNATIONAL FINANCIAL RESULTS

	Three Months Ended	
(in millions, except percentages)	**March 30, 2024**	**April 1, 2023**
Net sales	$ 437.9	$ 418.1
Gross profit	$ 204.2	$ 203.0
Gross profit %	46.6 %	48.6 %
Operating income	$ 26.5	$ 21.3
Operating income %	6.1 %	5.1 %

Three Month Comparison

	Three Months Ended	
(in millions, except percentages)	**June 29, 2024**	**July 1, 2023**
Net sales	$ 431.3	$ 442.4
Gross profit	$ 205.0	$ 203.6
Gross profit %	47.5 %	46.0 %
Operating (loss) income	$ (10.3)	$ 8.8
Operating (loss) income %	(2.4)%	2.0 %

Net sales increased $19.8 million decreased $11.1 million, or 4.7% 2.5%, due primarily to:

- $28.7 10.8 million increase, or 7.0%, due primarily to strategic pricing actions in addition to new products, decrease from unfavorable foreign currency translation; and a favorable impact from the absence of distributor transition sales returns recognized in the prior year period. Product category growth was driven primarily by increased sales in Skin Care and Women's Health; partially offset by

- $5.9 4.8 million decrease from exited product lines lines; partially offset by
- $4.6 million increase, or 1.0%, due primarily to growth in the *Skin Care* and *Women's Health* categories stemming from market share gains in key brands, strategic pricing actions and new products, partially offset

by lower net sales in the *Upper Respiratory* and VMS *Pain & Sleep Aids* categories due primarily to lower seasonal demand and supply constraints.

CSCI net sales by product category were as follows:

Sales

(in millions, except percentages)

(in millions, except percentages)

(in millions, except percentages)		**March 30, 2024**		**April 1, 2023**		**$ Change**			**% Change**			**June 29, 2024**			**July 1, 2023**		**$ Change**		**% Change**	
Skin Care	Skin Care	$114.7	$	$ 83.4	$	$31.3	37.5		37.5		%	Skin Care	$ 127.7	$	$123.0	$	$ 4.7	3.8		3.8 %
Healthy Lifestyle		57.5		60.6		(3.1)			(5.1)		%									
Upper Respiratory	Upper Respiratory	69.1	84.8	84.8	(15.7)		(15.7)	(18.5)		(18.5)	%	Upper Respiratory	50.7	64.9		64.9	(14.2)	(14.2)	(21.9)	(21.9)%
Healthy Lifestyle		64.6		66.4		(1.8)			(2.7)		%									
Pain and Sleep-Aids	Pain and Sleep-Aids	51.4	49.9	49.9	1.5		1.5	3.0		3.0	%	Sleep-Aids	50.3	52.8		52.8	(2.5)	(2.5)	(4.7)	(4.7)%
VMS	VMS	44.6	47.8	47.8	(3.2)		(3.2)	(6.7)		(6.7)	%	VMS	39.9	41.5		41.5	(1.6)	(1.6)	(3.9)	(3.9)%
Women's Health	Women's Health	32.0	29.1	29.1	2.9		2.9	10.0		10.0	%	Women's Health	36.9	31.9		31.9	5.0	5.0	15.7	15.7 %
Oral Care	Oral Care	28.7	29.1	29.1	(0.4)		(0.4)	(1.4)		(1.4)	%	Oral Care	23.0	21.6		21.6	1.4	1.4	6.5	6.5 %
Digestive Health	Digestive Health	9.5	8.8	8.8	0.7		0.7	8.0		8.0	%	Digestive Health	8.5	10.4		10.4	(1.9)	(1.9)	(18.3)	(18.3)%
Other CSCI	Other CSCI	23.3	18.8	18.8	4.5		4.5	23.9		23.9	%	Other CSCI	36.8	35.7		35.7	1.1	1.1	3.1	3.1 %
Total CSCI	Total CSCI	$437.9	$	$418.1	$	$19.8	4.7		4.7		%	Total CSCI	$ 431.3	$	$442.4	$	$(11.1)	(2.5)		(2.5)%

Sales in each category were driven primarily by:

- *Skin Care:* Net sales of $114.7 $127.7 million increased 37.5% 3.8%, inclusive of a 3.4% 4.8% unfavorable effect of currency translation, due to strong growth in store brands and *Compeed* driven by market share gains, higher net sales within the *Sebamed* brand portfolio, and the absence of prior year distribution transitions;
- *Healthy Lifestyle:* Net sales of $57.5 million decreased 5.1%, inclusive of a 5.0% unfavorable effect of currency translation, as higher consumption for anti-parasite products including *Paranix*, were more than offset by lower category consumption in weight loss, impacting *XLS Medical;*
- *Upper Respiratory:* Net sales of $50.7 million decreased 21.9%, inclusive of a 0.4% unfavorable effect of currency translation, due primarily to lower seasonal demand for cough cold and allergy products throughout Europe and supply constraints on several products;
- *Pain & Sleep-Aids:* Net sales of $50.3 million decreased 4.7%, inclusive of a 0.1% unfavorable effect of currency translation, due primarily to lower net sales of *Solpadeine*, due primarily to supply constraints, and lower net sales of store brand products due primarily to lower seasonal demand for pain products, partially offset by higher net sales of *Tiger Balm* for muscle relief;
- *VMS:* Net sales of $39.9 million decreased 3.9%, inclusive of a 1.0% unfavorable effect of currency translation, due primarily to lower net sales of nutraceutical products, including *Arterin* and *Granufink,* stemming from lower consumption. These dynamics were partially offset by higher net sales of *Abtei* and promotional phasing of *Davitamon;*
- *Women's Health:* Net sales of $36.9 million increased 15.7%, inclusive of a 1.3% unfavorable effect of currency translation, due primarily to higher net sales of contraceptive products including *EllaOne*, driven by market share gains and the absence of prior year distribution transitions;
- *Oral Care*: Net sales of $23.0 million increased 6.5%, inclusive of a 0.2% unfavorable effect of currency translation, due primarily to higher net sales of *Plackers* and store brand offerings; and,

- *Digestive Health and Other:* Net sales of $45.3 million decreased 1.7%, inclusive of a 1.3% unfavorable effect of currency translation, as higher net sales of*Clément – Thékan* and *Omron* were more than offset by lower net sales of *Kijimea*.

Operating income decreased $19.1 million, or 217.0%, due primarily to:

- $1.4 million increase in gross profit due primarily to higher gross profit flow-through from strategic pricing actions, new products, and Supply Chain Reinvention savings,partially offset by lower volume/mix and cost of goods sold inflation. Gross profit as a percentage of net sales increased 150 basis points compared to the prior year due to the same factors impacting gross profit; more than offset by

- $20.5 million increase in operating expenses due primarily to impairment charges recognized as part of the assets held for sale of the Rare Diseases Business, and increased expenses associated with Supply Chain Reinvention and Project Energize activities; which were partially offset by savings from Project Energize.

Six Month Comparison

	Six Months Ended			
(in millions, except percentages)	June 29, 2024		July 1, 2023	
Net sales	$	869.3	$	860.4
Gross profit	$	409.2	$	406.6
Gross profit %		47.1 %		47.3 %
Operating income	$	16.2	$	30.0
Operating income %		1.9 %		3.5 %

Net sales increased $8.9 million, or 1.0%, due primarily to:

- $33.3 million increase, or 3.9%, due primarily to growth in the *Skin Care* and *Women's Health* categories stemming from strategic pricing actions and new products, partially offset by lower net sales in the *Upper Respiratory* category due to lower seasonal demand and supply constraints; partially offset by
- $13.8 million decrease from unfavorable foreign currency translation; and
- $10.7 million decrease from exited product lines.

CSCI net sales by product category were as follows:

Sales	Six Months Ended							
(in millions, except percentages)	June 29, 2024		July 1, 2023		$ Change		% Change	
Skin Care	$	242.4	$	206.4	$	36.0	17.4	%
Healthy Lifestyle		122.1		127.0		(4.9)	(3.8)	%
Upper Respiratory		119.8		149.7		(29.9)	(20.0)	%
Pain and Sleep-Aids		101.7		102.7		(1.0)	(1.0)	%
VMS		84.5		89.3		(4.8)	(5.4)	%
Women's Health		68.9		61.0		7.9	13.0	%
Oral Care		51.7		50.7		1.0	2.0	%
Digestive Health		18.0		19.2		(1.2)	(6.3)	%
Other CSCI		60.1		54.4		5.7	10.5	%
Total CSCI	$	869.3	$	860.4	$	8.9	1.0	%

Sales in each category were driven primarily by:

- *Skin Care:* Net sales of $242.4 million increased 17.4%, inclusive of a 4.3% unfavorable effect of currency translation, due to strong growth in *Compeed*® driven by the new product launch of *Compeed Spots,* and the absence of prior year distribution transitions sales returns. transitions. Category growth was also driven by improved performance of *ACO*® and within the *Sebamed*®, partially offset by a 2.2 percentage point reduction from exited product lines;

- *Upper Respiratory:* Net sales of $69.1 million decreased 18.5%, inclusive of a 1.7% favorable effect of currency translation, due primarily to lower net sales of cough cold products stemming from lower incidence of cough cold throughout the E.U. compared to the prior year and supply constraints on several products in the category. The category was also impacted by a 2.4 percentage points reduction from exited product lines; brand portfolio;

- *Healthy Lifestyle:* Net sales of $64.6 million $122.1 million decreased 2.7% 3.8%, inclusive of a 7.4% 6.3% unfavorable effect of currency translation, due primarily to the seasonal sell in higher consumption of anti-parasite products including, *Jungle Formula* and *Paranix*, partially offset by lower category consumption in weight loss, impacting *XLS Medical Medical;*

Perrigo Company plc. The category was impacted by a 1.3 percentage points reduction from exited product lines - Item 2; CSCI

- *Pain & Sleep-Aids: Upper Respiratory:* Net sales of $51.4 million increased 3.0% $119.8 million decreased 20.0%, inclusive of a 3.8% an 0.8% favorable effect of currency translation, due primarily to lower net sales of cough cold products stemming from lower incidence of cough cold throughout the E.U. compared to the prior year and supply constraints on several products in the category;
- *Pain & Sleep-Aids:* Net sales of $101.7 million decreased 1.0%, inclusive of a 1.8% favorable effect of currency translation, due primarily to lower net sales of *Solpadeine* and lower net sales of store brand products; products, partially offset by higher net sales of *Tiger Balm* for muscle relief;
- *VMS:* Net sales of $44.6 million $84.5 million decreased 6.7% 5.4%, inclusive of a 1.0% 0.1% favorable effect of currency translation, due primarily to timing of lower net sales of *Granufink* and *Abte, Arterin,* in addition to stemming from lower consumption. These dynamics were partially offset by higher net sales of *Abtei* and promotional phasing of *Davitamon;*
- *Women's Health:* Net sales of $32.0 million $68.9 million increased 10.0% 13.0%, inclusive of a 0.3% favorable 0.6% unfavorable effect of currency translation, due primarily to higher net sales of contraceptive products including *EllaOne*®, driven by market share gains and the absence of prior year distribution transitions sales returns; transitions;
- *Oral Care*: Net sales of $28.7 million decreased 1.4% $51.7 million increased 2.0%, inclusive of a 2.0% 1.1% favorable effect of currency translation, due primarily to lower higher net sales of *Plackers* and store brand offerings;
- *Digestive Health and Other:* Net sales of $32.8 million $78.1 million increased 18.8% 6.1%, inclusive of a 1.0% favorable 0.5% unfavorable effect of currency translation, due primarily to higher net sales of store brand digestive health products.

Operating income increased $5.2 million decreased $13.8 million, or 24.4% 46.0%, due primarily to:

- $1.2 2.6 million increase in gross profit due primarily to higher gross profit flow-through from strategic pricing actions, higher margin new products, and Supply Chain Reinvention savings, partially offset by lower volume/mix and higher cost of goods sold inflation. Gross profit as a percentage of net sales decreased 200 20 basis points compared to the prior year due to the same factors impacting gross profit being more than offset by higher cost of goods sold inflation and unfavorable product mix driven in part by supply constraints; and more than offset by
- $4.1 16.4 million decrease increase in operating expenses due primarily to lower operating impairment charges recognized as part of the assets held for sale of the Rare Diseases Business and increased expenses driven by associated with Project Energize cost savings and HRA synergies, Supply Chain Reinvention activities; which were partially offset by increased restructuring expenses. decreased selling expenses and savings from Project Energize.

Unallocated Expenses

Unallocated expenses are comprised of certain corporate services not allocated to our reporting segments and are recorded in Operating income on the Consolidated Statements of Operations. Unallocated expenses were as follows (in millions):

Three Months Ended	Three Months Ended		Six Months Ended
Three Months Ended			
Three Months Ended			
March 30, 2024			
March 30, 2024			
March 30, 2024			
June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
$			
$			
$			

The increase of $41.4 $35.8 million in unallocated expenses during the three months ended March 30, 2024 June 29, 2024, and the increase of $77.2 million in unallocated expenses during the six months ended June 29, 2024, compared to the prior year period periods was due primarily to an increase in expenses associated with our securities for litigation settlement and as well as restructuring expenses associated primarily with Project Energize.

Interest expense, net, and Other expense (income) expense, , net

Three Months Ended	Three Months Ended	Six Months Ended

	Three Months Ended				
	Three Months Ended				
(in millions)					
(in millions)					
(in millions)	*(in millions)*	**June 29, 2024**	**July 1, 2023**	**June 29, 2024**	**July 1, 2023**
Interest expense, net					
Interest expense, net					
Interest expense, net					
Other (income) expense, net					
Other (income) expense, net					
Other (income) expense, net					
Other expense (income), net					

The $0.7 million decrease in

Interest Expense, expense, net during the three and six months ended March 30, 2024 compared June 29, 2024 was comparable to the prior year period was due primarily to an increase in interest income partially offset by increasing interest rates on debt (see Item 1. Note 10 for further detail).periods.

The $13.1 million decrease in Other (Income) Expense, expense (income), net for the three months ended March 30, 2024 was comparable June 29, 2024 compared to the prior year period. period was due primarily to the absence of higher prior year milestone income related to legacy royalty rights.

The $12.8 million decrease in Other expense (income), net for the six months ended June 29, 2024 compared to the prior year period was due primarily to the same factors as noted above.

Income Taxes (Consolidated)

The effective tax rates were as follows:

Three Months Ended	
March 30, 2024	**April 1, 2023**
104.2 %	123.8 %

Three Months Ended		Six Months Ended	
June 29, 2024	**July 1, 2023**	**June 29, 2024**	**July 1, 2023**
(42.8)%	60.5 %	41.1 %	70.8 %

The effective tax rate on the pre-tax loss for the three and six months ended March 30, 2024 June 29, 2024 was largely impacted by the year-to-date losses recognized in the various tax jurisdictions, in both periods, as well as the impacts of accounting for income taxes in interim reporting periods. As a result, a significant variation in the customary relationship between income tax expense and pre-tax book income may occur. Due to the net impact of planned an inter-company intellectual property sales, sale, estimated worldwide non-deductible expenses, as well as establishing a partial valuation allowance in the United States, we are projecting an income tax expense for the full year ended December 31, 2024, which results in an unusually high annual effective tax rate when applied to the forecasted pre-tax income for the year. Although a significant tax benefit has been recorded on the losses for the six months ended June 29, 2024, a tax expense has been recorded for the three months ended June 29, 2024, and as noted above, we are projecting an income tax expense for the full year ended December 31, 2024.

FINANCIAL CONDITION, LIQUIDITY, AND CAPITAL RESOURCES

Overview

We finance our operations with internally generated funds, supplemented by credit arrangements with third parties and capital market financing. We routinely monitor current and expected operational requirements and financial market conditions to evaluate other available financing sources including term and revolving bank credit and securities offerings. In determining our future capital requirements, we regularly consider, among other factors, known trends and uncertainties, such as the war in Ukraine and conflict between Israel and Hamas and related developments in the Red Sea, inflation and interest rates, the status of material contingent liabilities, recent financial market volatility and other uncertainties. Subject to relevant restrictions under our debt agreements, our cash requirements for other purposes and other factors management deems relevant, we may from time to time use available funds to redeem, repurchase or refinance our debt in privately negotiated or open market transactions, by tender offer or otherwise, in compliance with applicable laws, rules and regulations, at prices and on terms we deem appropriate (which may be below par).

Based on the foregoing, management believes that our operations and borrowing resources are sufficient to provide for our short-term and long-term capital requirements, as described below. However, an adverse result with respect to our appeal of any material outstanding tax assessments or litigation, including securities or drug pricing matters and product liability cases, damages resulting from third-party claims, and related interest and/or penalties, could ultimately require the use of corporate assets to pay such assessments and any such use of corporate assets would limit the assets available for other corporate purposes. As such, we continue to evaluate the impact of the above factors on liquidity and may determine that modifications to our capital structure are appropriate if market conditions deteriorate, favorable capital market opportunities become available, or any change in conditions relating to the war in Ukraine and Israel, inflation and interest rates, the status of material contingent liabilities, financial market volatility or other uncertainties have a material impact on our capital requirements.

Cash, Cash Equivalents and Restricted Cash

(in millions)	*(in millions)* March 30, 2024	December 31, 2023	*(in millions)* June 29, 2024	December 31, 2023
Cash, cash equivalents and restricted cash				
Working capital(1)				

(1) Working capital represents current assets less current liabilities, excluding cash, cash equivalents and restricted cash and excluding current indebtedness.

Cash, cash equivalents, restricted cash, cash flows from operations, and borrowings available under our credit facilities are expected to be sufficient to finance our liquidity and capital expenditures in both the short and long term. Although our lenders have made commitments to make funds available to us in a timely fashion under our revolving credit agreements and overdraft facilities, if economic conditions worsen or new information becomes publicly available impacting the institutions' credit rating or capital ratios, these lenders may be unable or unwilling to

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Financial Condition, Liquidity and Capital Resources

lend money pursuant to our existing credit facilities. Should our outlook on liquidity requirements change substantially from current projections, we may seek additional sources of liquidity in the future.

Cash Flows

The following table includes summarized cash flow activities:

	Three Months Ended					
	Six Months Ended					
(in millions)						
(in millions)						
(in millions)	March 30, 2024	April 1, 2023	$ Change	June 29, 2024	July 1, 2023	$ Change
Net cash (for) from operating activities						
Net cash from operating activities						
Net cash for investing activities						
Net cash for financing activities						
Effect of exchange rate changes on cash and cash equivalents						
Net decrease in cash and cash equivalents						

Net cash (for) from Operating Activities

The $20.8 million $64.2 million decrease in operating cash flow was primarily driven by the change in accrued income taxes, partially offset by an increase in cash flow from the change in net earnings after adjustments for items including depreciation restructuring, settlement of interest rate derivatives and amortization, restructuring and share-based compensation. impairment charges. The interest rate derivatives were settled in conjunction with foreign currency derivatives presented in investing activities, which resulted in a net cash inflow of $0.1 million.

Net cash for Investing Activities

The $3.9 million $72.8 million decrease in investing cash flow was due primarily to increased capital expenditures the settlement of foreign currency derivatives in the current period and the absence of higher proceeds received in the prior year from the sale royalty rights. The foreign currency derivatives were settled in conjunction with interest rate derivatives presented in operating activities, which resulted in a net cash inflow of a brand asset. $0.1 million after adjustments for accrued interest.

Net cash for Financing Activities

The $9.7 million $10.9 million decrease in financing cash flow was due primarily to payments on our Senior Secured Credit Facilities and an increase in dividend other financing payments compared to the prior year.

Borrowings and Capital Resources

Credit Agreements

On April 20, 2022, we and our indirect wholly-owned subsidiary, Perrigo Investments, LLC (the "Borrower") entered into the senior secured credit facilities, which consisted of (i) a $1.0 billion five-year revolving credit facility (the "Revolver"), (ii) a $500.0 million five-year Term Loan A facility (the "Term Loan A Facility" and the Term A Loans thereunder, the "Term A Loans"), and (iii) a $1.1 billion seven-year Term Loan B facility (the "Term Loan B Facility" and the Term B loans thereunder borrowed on April 20, 2022, the "2022 Term B Loans"), all pursuant to a Term Loan and Revolving Credit Agreement (the "Credit Agreement").

On December 15, 2023, we and the Borrower entered into Amendment No. 1, an Incremental Assumption Agreement (the "Amendment") to the Credit Agreement. The Amendment provides for a fungible add on to the 2022 Term B Loans in an aggregate principal amount of $300.0 million (the "Incremental Term B Loans" and together with the 2022 Term B Loans, the "Term B Loans"). The terms of the Incremental Term B Loans, including pricing and maturity, are identical to the 2022 Term B Loans. The Term B Loans will mature on April 20, 2029. The net proceeds from the Incremental Term B Loans were used to settle the cash tender offer by Perrigo Finance for $300.0 million in aggregate principal amount of 3.900% Senior Notes due 2024 ("2024 Notes"). The tender offer was settled on December 15, 2023, and Perrigo Finance accepted for purchase $300.0 million of the 2024 Notes and paid approximately $295.1 million in aggregate cash consideration (excluding accrued interest). Refer to Item 1. Note 10. 11.

As of March 30, 2024 June 29, 2024 and December 31, 2023, we had $1,848.3 million $1,838.6 million and $1,858.1 million, respectively, outstanding under our Term Loan A Facility and Term Loan B Facility. Our short-term debt as of March 30, 2024 June 29, 2024 of $440.6 million $440.8 million is comprised of (i) the remaining portion of the 3.900% Senior Notes due 2024, (ii) amortization payments for the Term A Loans and the Term B Loans and (iii) lease payments.

Perrigo Company plc - Item 2
Financial Condition, Liquidity and Capital Resources

The interest rate net of derivatives results in a fixed rate on a substantial portion of our long-term debt, the earliest of which matures in December 2024.

We are in compliance with all the covenants under our debt agreements as of March 30, 2024 June 29, 2024.

Other Financing

We have overdraft facilities available that we may use to support our cash management operations. There were no borrowings outstanding under the overdraft facilities as of March 30, 2024 June 29, 2024 or December 31, 2023.

Leases

We had $194.0 million $207.7 million and $202.2 million of lease liabilities and $190.1 million $202.9 million and $197.3 million of lease assets as of March 30, 2024 June 29, 2024 and December 31, 2023, respectively. For information on our operating and finance lease obligations and the amount and timing of future payments refer to Item 1. Note 6 7.

Credit Ratings

Our credit ratings on March 30, 2024 June 29, 2024 were Ba2 (negative), BB- (stable), and BB+ BB (negative), by Moody's Investor Services, S&P Global Ratings, and Fitch Ratings Inc., respectively. On March 25, 2024, S&P downgraded our issuer credit rating to BB- from BB, senior secured notes ratings to BB from BB+ and senior unsecured notes ratings to B+ from BB- and the rating outlooks remained stable. On April 16, 2024, Fitch downgraded our issuer credit rating to BB from BB+ and the rating outlooks remained negative.

Due to the downgrade by S&P Global Ratings, the interest of the 3.150% Senior Notes due 2030 will step stepped up from 4.650% to 4.900% on payments made after June 15, 2024. There was no impact to our interest rates as a result of the Fitch downgrade. Future interest rate adjustments of the 3.150% Senior Notes due 2030 are subject to a 2.0% total cap above the original 3.150% interest rate which would result in an interest rate not to exceed 5.150% based on certain rating events as specified in the Note's Supplemental Indenture No. 3, dated as of June 19, 2020, among Perrigo Finance Unlimited Company, Perrigo Company plc and Wells Fargo Bank, National Association, as trustee.

Perrigo Company plc - Item 2
Financial Condition, Liquidity and Capital Resources

Guarantor Financial Information

As detailed in Item 1. Note 10 11, the Guarantor Subsidiaries and the Borrower provide full and unconditional guarantees, jointly and severally, on a senior unsecured basis, of the 5.300% Notes due 2043 issued by the Company, and the Loan Parties provide full and unconditional guarantees, jointly and severally, on a senior unsecured basis, of the 3.900% Notes due 2024, the 4.375% Notes due 2026, the 4.650% 4.900% Notes due 2030 and the 4.900% Notes due 2044 issued by Perrigo Finance Unlimited Company ("Perrigo Finance").

The guarantees of the Guarantor Subsidiaries, the Company and the Borrower are subject to release in limited circumstances only upon the occurrence of certain customary conditions. The guarantees of the Guarantor Subsidiaries, the Company and the Borrower rank senior in right of payment to any future subordinated indebtedness of the Company, equal in right of payment with all of the Company's existing and future senior indebtedness and effectively subordinated to any of the Company's existing and future secured indebtedness, to the extent of the value of the collateral securing such indebtedness.

Basis of Presentation

The following tables include summarized financial information of the obligor groups of debt issued by Perrigo Finance and the Company. The summarized financial information of each obligor group is presented on a combined basis with balances and transactions within the obligor group eliminated. Investments in and the equity in earnings of non-guarantor subsidiaries, which would otherwise be consolidated in accordance with U.S. GAAP, are excluded from the below summarized financial information pursuant to SEC Regulation S-X Rule 13-01.

The summarized balance sheet information for the consolidated obligor group of debt issued by Perrigo Finance and the Company is presented in the table below:

	March 30, 2024	December 31, 2023
	June 29, 2024	December 31, 2023
Current Assets		
Non-current Assets		
Current liabilities		
Non-current liabilities		
Due to non-guarantors		

The summarized results of operations information for the consolidated obligor group of debt issued by Perrigo Finance and the Company is presented in the table below:

		Three Six Months Ended
		March 30, June 29, 2024
Total Revenues	$	748.9 1,487.3
Gross Profit	$	188.8 448.7
Operating Income (loss)	$	(106.6) (122.6)
Net Income (loss)	$	(18.9) (92.8)
Revenue from non-guarantors	$	86.4 150.4
Operating Expenses to non-guarantors	$	(1.1) 0.3
Other (income) expense to non-guarantors	$	(14.7) (49.8)

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have a material current effect or that are reasonably likely to have a material future effect on our financial condition, changes in financial condition, net sales or expenses, results of operations, liquidity, capital expenditures, or capital resources.

Contractual Obligations

There were no material changes in contractual obligations as of March 30, 2024 June 29, 2024 from those provided in our 2023 Form 10-K.

Significant Accounting Policies

There have been no material changes to the significant accounting policies as disclosed in our 2023 Form 10-K.

Critical Accounting Estimates

The determination of certain amounts in our financial statements requires the use of estimates. These estimates are based upon our historical experiences combined with management's understanding of current facts and circumstances. Although the estimates are considered reasonable based on the currently available information, actual results could differ from the estimates we have used. There have been no material changes to the critical accounting estimates as disclosed in our 2023 Form 10-K.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes to our quantitative or qualitative disclosures found in Item 7A, "Quantitative and Qualitative Disclosures about Market Risk," of our 2023 Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) or

15d-15(e) of the Exchange Act) as of March 30, 2024June 29, 2024. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures are effective in ensuring that all material information relating to us and our consolidated subsidiaries required to be included in our periodic SEC filings would be made known to them by others within those entities in a timely manner and that no changes are required at this time.

Evaluation of the Effectiveness of Internal Control over Financial Reporting

Our management assessed the effectiveness of our internal control over financial reporting as of March 30, 2024June 29, 2024. The framework used in carrying out our evaluation was the 2013 *Internal Control - Integrated Framework* published by the Committee of Sponsoring Organizations ("COSO") of the Treadway Commission. In evaluating our information technology controls, we also used components of the framework contained in the *Control Objectives for Information and related Technology*, which was developed by the Information Systems Audit and Control Association's IT Governance Institute, as a complement to the COSO internal control framework. Management has concluded that our internal control over financial reporting was effective as of March 30, 2024June 29, 2024. The results of management's assessment have been reviewed with our Audit Committee.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting during the three months ended March 30, 2024June 29, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Refer to Item 1. Note 1415 and Item 1. Note 1516 of the Notes to the Condensed Consolidated Financial Statements.

ITEM 1A. RISK FACTORS

Our Annual Report on Form 10-K for the year ended December 31, 2023 includes a detailed discussion of our risk factors. At the time of this filing, there have been no material changes to the risk factors that were included in the Form 10-K.

ITEM 5. OTHER INFORMATION

Rule 10b5-1 Trading Plans

During the three months ended March 30, 2024June 29, 2024, no director or executive officer adopted, modified or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement", as each term is defined in Item 408(a) of Regulation S-K.

ITEM 6. EXHIBITS

Exhibit Number	Description
3.1	Certificate of Incorporation of Perrigo Company plc (formerly known as Perrigo Company Limited) (incorporated by reference from Exhibit 4.1 to the Company’s Registration Statement on Form S-8 filed on December 19, 2013).
3.2	Memorandum and Articles of Association of Perrigo Company plc, as amended and restated (incorporated by reference from Exhibit 3.2 to the Company’s Quarterly Report on Form 10-Q filed on August 10, 2017).
10.1*	Letter Amendment No. 2 to Employment Agreement greement dated June 11, 2024, by and between the Company and Patrick Lockwood-Taylor, effectiv Kyle L. Hansoe as of February 21, 202 n (4 (inc filed herorporated ewith).
10.2*	Compromise Waiver Agreement dated April 5, 2024, by reference from Ex and bhibit 10.52 to the Company's Annual Report on Form 10-K filed on February 27, 2024). etween Perrigo Corporation DAC and Grainne Quinn (filed herewith).
22	List of Guarantor Subsidiaries (filed herewith).
31.1	Rule 13a-14(a) Certification by Patrick Lockwood-Taylor, Chief Executive Officer (filed herewith).
31.2	Rule 13a-14(a) Certification by Eduardo Bezerra, Chief Financial Officer (filed herewith).
32	Certification Pursuant to 18 United States Code 1350 and Rule 13a-14(b) of the Securities Exchange Act of 1934 (furnished herewith).
101. INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Date File, formatted in Inline XBRL (contained in Exhibit 101).

*Denotes management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PERRIGO COMPANY PLC

(Registrant)

Date: May 7, August 2, 2024

/s/ Patrick Lockwood-Taylor

Patrick Lockwood-Taylor

Chief Executive Officer and President

(Principal Executive Officer)

Date: May 7, August 2, 2024

/s/ Eduardo Bezerra

Eduardo Bezerra

Chief Financial Officer

(Principal Accounting and Financial Officer)

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Exhibit 22

Subsidiary Guarantors and Issuers of Guaranteed Securities and Affiliates Whose Securities Collateralize Securities of the Registrant

As of March 30, 2024 June 29, 2024, the obligors under (i) the 5.300% Notes due 2043 issued by the Company (the “Company Notes”) consisted of the subsidiaries listed in the following table and (ii) the 3.900% Notes due 2024, the 4.375% Notes due 2026, the 4.650% 4.900% Notes due 2030 and the 4.900% Notes due 2044 issued by Perrigo Finance Unlimited Company (collectively, the “Perrigo Finance Notes”) consisted of the Company, as a guarantor, and its subsidiaries listed in the following table.

Name of Entity	Obligor Type (Company Notes)	Obligor Type (Perrigo Finance Notes)
Athena Neurosciences, LLC	Guarantor	Guarantor
Chefaro Ireland Designated Activity Company	Guarantor	Guarantor
Elan Pharmaceuticals, LLC	Guarantor	Guarantor
Galpharm Healthcare Limited	Guarantor	Guarantor
Galpharm International Limited	Guarantor	Guarantor
Gr8ness, LLC	Guarantor	Guarantor
L. Perrigo Company	Guarantor	Guarantor
Medgenix Benelux NV	Guarantor	Guarantor
OCE-BIO BV	Guarantor	Guarantor
Perrigo Belgium NV	Guarantor	Guarantor
Perrigo Capital NV	Guarantor	Guarantor
Omega Pharma Innovation & Development NV	Guarantor	Guarantor
Omega Pharma International NV	Guarantor	Guarantor
Omega Pharma Limited	Guarantor	Guarantor
Omega Pharma Trading NV	Guarantor	Guarantor
Omega Teknika Designated Activity Company	Guarantor	Guarantor
PBM Canada Holdings, LLC	Guarantor	Guarantor
PBM Nutritionals, LLC	Guarantor	Guarantor
PBM Products, LLC	Guarantor	Guarantor
Perrigo America Americas Holdings, Inc	Guarantor	Guarantor
Perrigo Company	Guarantor	Guarantor
Perrigo Company Plc	Issuer	Guarantor
Perrigo Corporation Designated Activity Company	Guarantor	Guarantor
Perrigo Diabetes Care, LLC	Guarantor	Guarantor
Perrigo Direct, Inc.	Guarantor	Guarantor
Perrigo Europe Invest NV	Guarantor	Guarantor
Perrigo Finance (US) LLC	Guarantor	Guarantor
Perrigo Finance Unlimited Company	Guarantor	Guarantor Issuer
Perrigo Florida, Inc.	Guarantor	Guarantor
Perrigo Holding NV	Guarantor	Guarantor
Perrigo Holdings Unlimited Company	Guarantor	Guarantor
Perrigo International Finance Designated Activity Company	Guarantor	Guarantor
Perrigo International Holdings II, Inc.	Guarantor	Guarantor
Perrigo International Holdings, LLC	Guarantor	Guarantor
Perrigo International, Inc.	Guarantor	Guarantor
Perrigo Investments, LLC	Guarantor	Guarantor

Perrigo Ireland 1 Designated Activity Company	Guarantor	Guarantor
Perrigo Ireland 10 Unlimited Company	Guarantor	Guarantor
Perrigo Supply Chain International Designated Activity Company	Guarantor	Guarantor
Perrigo Ireland 13 Designated Activity Company	Guarantor	Guarantor
Perrigo Ireland 2 Designated Activity Company	Guarantor	Guarantor
Perrigo Ireland 4 Unlimited Company	Guarantor	Guarantor
Perrigo Ireland 5 Unlimited Company	Guarantor	Guarantor
Perrigo Ireland 6 Unlimited Company	Guarantor	Guarantor
Perrigo Ireland 9 Unlimited Company	Guarantor	Guarantor
Perrigo Management Company	Guarantor	Guarantor
Perrigo Mexico Investment Holdings, LLC	Guarantor	Guarantor
Perrigo New York, Inc.	Guarantor	Guarantor
Perrigo Pharma International Designated Activity Company	Guarantor	Guarantor
Perrigo Pharma Limited	Guarantor	Guarantor
Perrigo Research & Development Company	Guarantor	Guarantor
Perrigo Sales Corporation	Guarantor	Guarantor
Perrigo Science One Unlimited Designated Activity Company	Guarantor	Guarantor
Perrigo UK Acquisition Limited	Guarantor	Guarantor
PMI Branded Pharmaceuticals, Inc.	Guarantor	Guarantor
Ranir Global Holdings, LLC	Guarantor	Guarantor
Ranir (Holdings) Limited	Guarantor	Guarantor
Ranir, LLC	Guarantor	Guarantor
Wrafton Laboratories Limited	Guarantor	Guarantor

Exhibit 31.1

CERTIFICATION

I, Patrick Lockwood-Taylor, certify that:

1. I have reviewed this report on Form 10-Q of Perrigo Company plc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
    a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting, which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2024 August 2, 2024

/s/ Patrick Lockwood-Taylor

Patrick Lockwood-Taylor

Chief Executive Officer and President

Exhibit 31.2

CERTIFICATION

I, Eduardo Bezerra, certify that:

1. I have reviewed this report on Form 10-Q of Perrigo Company plc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
   a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting, which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2024 August 2, 2024

/s/ Eduardo Bezerra

Eduardo Bezerra

Chief Financial Officer

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Exhibit 32

The following statement is being made to the Securities and Exchange Commission solely for the purposes of Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350), which carries with it certain criminal penalties in the event of a knowing or willful misrepresentation.

Securities and Exchange Commission

100 F Street NE

Washington, D.C. 20549

Re: Perrigo Company plc

Ladies and Gentlemen:

In accordance with the requirements of Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350), each of the undersigned hereby certifies that:

(i) this Quarterly Report on Form 10-Q for the period ended March 30, 2024 June 29, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(ii) the information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of Perrigo Company plc.

Date:	May 7, August 2, 2024	/s/ Patrick Lockwood-Taylor
		Patrick Lockwood-Taylor
		Chief Executive Officer and President
Date:	May 7, August 2, 2024	/s/ Eduardo Bezerra
		Eduardo Bezerra
		Chief Financial Officer

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