



GAAP / Non-GAAP Reconciliations

August 8, 2024



Non-GAAP Financial Measures and Other Information

Key References

New product sales, new product launches or new product revenues: Refers to revenue from new products launched in 2024 and the carryover impact of new products, including business development, launched within the last 12 months.

Operational change: Refers to constant currency percentage changes and is derived by translating amounts for the current period at prior year comparative period exchange rates, and in doing so shows the percentage change from 2024 constant currency net sales, revenues, adjusted EBITDA, and adjusted EPS to the corresponding amount in the prior year.

Divestiture-adjusted operational change: Refers to operational changes, further adjusted for the impact of the proportionate results from the divestitures that closed in 2023 and 2024, from the 2023 period by excluding such net sales from those divested businesses from comparable prior periods. Also, for adjusted EBITDA and adjusted EPS, refers to operational changes, adjusted as outlined in the previous sentence and further adjusted for the mark up for the TSA services provided to Biocon Biologics from the 2023 period.

Closed divestitures or divestitures closed in 2023 and 2024: Refers to the divestiture of the Company's rights to two women's healthcare products in certain countries (other than the U.K., which remains subject to regulatory approval) that closed in December 2023, the divestitures of the commercialization rights in certain of the Upjohn Distributor markets that closed in 2023 and 2024, the divestiture of the women's healthcare business that closed in March 2024, and the divestiture of the API business in India that closed in June 2024.

Non-GAAP Financial Measures

This presentation includes the presentation and discussion of certain financial information that differs from what is reported under accounting principles generally accepted in the United States ("U.S. GAAP"). These non-GAAP financial measures, including, but not limited to, adjusted EBITDA, free cash flow, free cash flow excluding transaction costs, adjusted EPS, adjusted gross margin, adjusted gross profit, 2023 adjusted total revenues excluding divestitures, 2023 adjusted net sales excluding divestitures, adjusted SG&A and as a percentage of total revenues, adjusted R&D and as a percentage of total revenues, constant currency adjusted EBITDA, adjusted EBITDA margin, adjusted net earnings, adjusted effective tax rate, adjusted earnings from operations, adjusted interest expense, adjusted other income, net, constant currency total revenues, constant currency net sales, divestiture-adjusted change, divestiture-adjusted operational change, notional debt, gross leverage ratio and long-term gross leverage ratio target, are presented in order to supplement investors' and other readers' understanding and assessment of the financial performance of Viatrix Inc. ("Viatrix" or the "Company"). Free cash flow refers to U.S. GAAP net cash provided by operating activities, less capital expenditures. Adjusted EBITDA margins refers to adjusted EBITDA divided by total revenues. Adjusted EPS refers to adjusted net earnings divided by the weighted average number of diluted shares of common stock outstanding. Viatrix has provided reconciliations of such non-GAAP financial measures to the most directly comparable U.S. GAAP financial measures. Investors and other readers are encouraged to review the related U.S. GAAP financial measures and the reconciliations of the non-GAAP measures to their most directly comparable U.S. GAAP measures set forth in this presentation or on our website at <https://investor.viatrix.com/financial-information/non-gaap-reconciliations>, and investors and other readers should consider non-GAAP measures only as supplements to, not as substitutes for or as superior measures to, the measures of financial performance prepared in accordance with U.S. GAAP.

SG&A and R&D TSA Reimbursement

Expenses related to TSA services provided for divested businesses are recorded in their respective functional line item; however, reimbursement of those expenses plus the mark-up is included in other expense (income), net. For comparability purposes, amounts related to the cost reimbursement were reclassified to adjusted SG&A and adjusted R&D during 2023 and the first quarter of 2024. This reclassification had no impact on adjusted net earnings, adjusted EBITDA or adjusted EPS.

2024 Guidance

The Company is not providing forward-looking guidance for U.S. GAAP net (loss) earnings or U.S. GAAP diluted (loss) earnings per share (EPS) or a quantitative reconciliation of its 2024 adjusted EBITDA or adjusted EPS guidance to the most directly comparable U.S. GAAP measures, U.S. GAAP net (loss) earnings or U.S. GAAP diluted EPS, respectively, because it is unable to predict with reasonable certainty the ultimate outcome of certain significant items, including integration, acquisition and divestiture-related expenses, restructuring expenses, asset impairments, litigation settlements, and other contingencies, such as changes to contingent consideration, acquired IPR&D and certain other gains or losses, including for the fair value accounting for non-marketable equity investments, as well as related income tax accounting, because certain of these items have not occurred, are out of the Company's control and/or cannot be reasonably predicted without unreasonable effort. These items are uncertain, depend on various factors, and could have a material impact on U.S. GAAP reported results for the guidance period.

Note: Certain amounts in this presentation may not add up due to rounding. All percentages have been calculated using unrounded amounts.



Full-Year 2024 Guidance Items as of August 8, 2024 ⁽¹⁾

	GAAP	Non-GAAP
Total Revenues	\$14,600 - \$15,100	N/A
Adjusted EBITDA	N/A	\$4,600 - \$4,870 ⁽²⁾
Net Cash provided by Operating Activities	\$2,620 - \$2,920	N/A
Free Cash Flow	N/A	\$2,170 - \$2,570
Adjusted EPS	N/A	\$2.58 - \$2.73

For key references and non-GAAP measures, see slide 2

(1) Exclude the expected performance of the OTC business for the remainder of the year through December 31, 2024, which was included in our 2024 Financial Guidance provided as of May 9, 2024. Also excludes any divestiture-related taxes and transaction costs and any acquired IPR&D to be incurred in any future period as it cannot be reasonably forecasted.

(2) Includes ~\$105M for the expected performance of the OTC business for the remainder of the year through December 31, 2024 and ~\$20M net dis-synergies.

Reconciliation of Estimated 2024 U.S. GAAP Net Cash Provided by Operating Activities to Free Cash Flow as of August 8, 2024 ⁽¹⁾

Estimated U.S. GAAP Net Cash provided by Operating Activities	\$2,620 - \$2,920
Less: Capital Expenditures	<u>(\$350) - (\$450)</u>
Free Cash Flow	\$2,170 - \$2,570

For key references and non-GAAP measures, see slide 2

(1) Exclude the expected performance of the OTC business for the remainder of the year through December 31, 2024, which was included in our 2024 Financial Guidance provided as of May 9, 2024. Also excludes any divestiture-related taxes and transaction costs and any acquired IPR&D to be incurred in any future period as it cannot be reasonably forecasted.

Full-Year 2024 Guidance Items as of May 9, 2024⁽¹⁾

	GAAP	Non-GAAP
Total Revenues	\$14,980 - \$15,480	N/A
Adjusted EBITDA	N/A	\$4,710 - \$5,010
Net Cash provided by Operating Activities	\$2,710 - \$3,010	N/A
Free Cash Flow	N/A	\$2,260 - \$2,660
Adjusted EPS	N/A	\$2.66 - \$2.81

For key references and non-GAAP measures, see slide 2

(1) With respect to the Estimated Ranges as provided as of May 9, 2024, at that time the Company did not provide forward-looking guidance for U.S. GAAP net earnings (loss) or U.S. GAAP diluted EPS or a quantitative reconciliation of its 2024 adjusted EBITDA or adjusted EPS guidance to the most directly comparable U.S. GAAP measures, U.S. GAAP net earnings (loss) or U.S. GAAP diluted EPS, respectively, because it was unable to predict with reasonable certainty the ultimate outcome of certain significant items, including integration, acquisition and divestiture-related expenses, restructuring expenses, asset impairments, litigation settlements and other contingencies, such as changes to contingent consideration, acquired IPR&D and certain other gains or losses, including for the fair value accounting for non-marketable equity investments, as well as related income tax accounting, because certain of these items had not occurred, were out of the Company's control and/or could be reasonably predicted without unreasonable effort. These items were uncertain, depended on various factors, and could have had a material impact on U.S. GAAP reported results for the guidance period. As previously disclosed, such guidance ranges included the full-year expected performance for the then-pending announced divestiture of substantially all of our OTC business and excluded any potential related costs, such as taxes and transaction costs, as well as any acquired IPR&D to be incurred in any future period as it could not be reasonably forecasted.

Reconciliation of Estimated 2024 U.S. GAAP Net Cash Provided by Operating Activities to Free Cash Flow as of May 9, 2024⁽¹⁾

Estimated U.S. GAAP Net Cash provided by Operating Activities	\$2,710 - \$3,010
Less: Capital Expenditures	<u>(\$350) - (\$450)</u>
Free Cash Flow	\$2,260 - \$2,660

For key references and non-GAAP measures, see slide 2

(1) Included the full-year expected performance for the then-pending announced divestiture of substantially all of our OTC business and excluded any potential related costs, such as taxes and transaction costs. Also excluded any acquired IPR&D to be incurred in any future period as it could not be reasonably forecasted.

Viatrix Inc. and Subsidiaries | Reconciliation of Non-GAAP Financial Measures (Unaudited; in millions, except per share amounts)

Net (Loss) Earnings to Adjusted Net Earnings and U.S. GAAP (Loss) Earnings Per Share to Adjusted EPS

	Three Months Ended				Six Months Ended			
	June 30,		June 30,		June 30,		June 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
U.S. GAAP net (loss) earnings and U.S. GAAP diluted (loss) earnings per share.....	\$ (326.4)	\$ (0.27)	\$ 264.0	\$ 0.22	\$ (212.5)	\$ (0.18)	\$ 488.7	\$ 0.41
Purchase accounting amortization (primarily included in cost of sales) (a).....	709.9	609.3	1,321.6	1,262.6				
Impairment of goodwill (included in SG&A) (b).....	321.0	–	321.0	–				
Litigation settlements and other contingencies, net.....	131.0	(11.0)	207.8	(10.4)				
Interest expense (primarily amortization of premiums and discounts on long term debt).....	(3.2)	(10.5)	(14.4)	(20.8)				
Loss on divestitures of businesses (included in other income, net) (c).....	258.8	–	188.4	–				
Acquisition and divestiture-related costs (primarily included in SG&A) (d).....	105.1	56.3	192.6	114.4				
Restructuring-related costs (e).....	21.1	74.1	40.7	83.8				
Share-based compensation expense.....	34.7	39.2	81.4	81.8				
Other special items included in:								
Cost of sales (f).....	19.1	36.4	47.3	75.2				
Research and development expense.....	0.4	0.4	2.8	2.4				
Selling, general and administrative expense.....	11.5	16.4	27.6	31.3				
Other income, net.....	(233.7)	(65.8)	(278.2)	(87.6)				
Tax effect of the above items and other income tax related items (g).....	(222.8)	(103.4)	(286.9)	(183.1)				
Adjusted net earnings and adjusted EPS.....	<u>\$ 826.5</u>	<u>\$ 0.69</u>	<u>\$ 905.4</u>	<u>\$ 0.75</u>	<u>\$ 1,639.2</u>	<u>\$ 1.36</u>	<u>\$ 1,838.3</u>	<u>\$ 1.53</u>
Weighted average diluted shares outstanding.....	1,197.7	1,203.5	1,203.6	1,204.6				

Significant items include the following:

- For the three and six months ended June 30, 2024, includes an IPR&D intangible asset impairment charge of \$102.0 million as the Company concluded that one of its IPR&D assets was fully impaired due to unfavorable clinical results and the termination of the development program.
- For the three and six months ended June 30, 2024, includes a goodwill impairment charge of \$321.0 million related to the JANZ reporting unit.
- For the three and six months ended June 30, 2024, includes an additional pre-tax charge related to the divestiture of the OTC Business of approximately \$247.6 million to further write down the disposal group to fair value, less cost to sell. Also includes a pre-tax charge related to the divestiture of the API business of approximately \$7.0 million and \$17.4 million, respectively. For the six months ended June 30, 2024, also includes a pre-tax gain on the divestiture of the women's healthcare business of approximately \$80.8 million for the difference between the consideration received and the carrying value of the assets transferred (including an allocation of goodwill).
- Acquisition and divestiture-related costs consist primarily of transaction costs including legal and consulting fees and integration activities.
- For the three and six months ended June 30, 2024, charges include approximately \$11.6 million and \$15.6 million, respectively, in cost of sales and approximately \$8.5 million and \$24.1 million, respectively, in SG&A.
- For the three and six months ended June 30, 2024, charges include incremental manufacturing variances at plants in the 2020 restructuring program of approximately \$(1.1) million and \$11.5 million, respectively.
- Adjusted for changes for uncertain tax positions.



Net (Loss) Earnings to EBITDA and Adjusted EBITDA

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
U.S. GAAP net (loss) earnings.....	\$ (326.4)	\$ 264.0	\$ (212.5)	\$ 488.7
Add / (deduct) adjustments:				
Income tax (benefit) provision.....	(65.4)	69.0	25.3	167.0
Interest expense (a).....	145.8	143.7	284.2	290.7
Depreciation and amortization (b).....	786.3	686.7	1,477.3	1,416.7
EBITDA.....	\$ 540.3	\$ 1,163.4	\$ 1,574.3	\$ 2,363.1
Add / (deduct) adjustments:				
Share-based compensation expense	34.7	39.2	81.4	81.8
Litigation settlements and other contingencies, net.....	131.0	(11.0)	207.8	(10.4)
Loss on divestitures of businesses.....	258.8	–	188.4	–
Impairment of goodwill.....	321.0	–	321.0	–
Restructuring, acquisition and divestiture-related and other special items (c).....	(77.9)	114.1	28.4	212.1
Adjusted EBITDA.....	\$ 1,207.9	\$ 1,305.7	\$ 2,401.3	\$ 2,646.6

(a) Includes amortization of premiums and discounts on long-term debt.

(b) Includes purchase accounting related amortization.

(c) See items detailed in the Reconciliation of U.S. GAAP Net (Loss) Earnings to Adjusted Net Earnings.

Summary of Total Revenues by Segment – Q2 2024

	Three Months Ended June 30,									
	2024	2023	% Change	2024 Currency Impact (1)	2024 Constant Currency Revenues	Constant Currency % Change (2)	Closed Divestitures (3)	2023 Adjusted Ex Divestitures (4)	Divestiture- Adjusted Operational Change (5)	
Net sales										
Developed Markets	\$ 2,319.2	\$ 2,353.8	(1)%	\$ 15.7	\$ 2,334.9	(1)%	\$ 31.6	\$ 2,322.2	1 %	
Greater China.....	539.0	532.1	1 %	19.0	558.0	5 %	–	532.1	5 %	
JANZ.....	349.6	375.5	(7)%	29.9	379.5	1 %	0.5	375.0	1 %	
Emerging Markets	578.1	648.1	(11)%	34.3	612.4	(6)%	77.1	571.0	7 %	
Total net sales.....	\$ 3,785.9	\$ 3,909.5	(3)%	\$ 98.9	\$ 3,884.8	(1)%	\$ 109.2	\$ 3,800.3	2 %	
Other revenues (6).....	10.7	9.1	NM	–	10.7	NM	–	9.1	NM	
Consolidated total revenues (7)....	\$ 3,796.6	\$ 3,918.6	(3)%	\$ 98.9	\$ 3,895.5	(1)%	\$ 109.2	\$ 3,809.4	2 %	

(1) Currency impact is shown as unfavorable (favorable).

(2) The constant currency percentage change is derived by translating net sales or revenues for the current period at prior year comparative period exchange rates, and in doing so shows the percentage change from 2024 constant currency net sales or revenues to the corresponding amount in the prior year.

(3) Represents proportionate net sales relating to divestitures that have closed during 2023 and 2024 in the relevant period.

(4) Represents U.S. GAAP net sales minus proportionate net sales relating to divestitures that have closed during 2023 and 2024 for the relevant period.

(5) See Key References on slide 2.

(6) For the three months ended June 30, 2024, other revenues in Developed Markets, Greater China, JANZ, and Emerging Markets were approximately \$5.9 million, \$0.4 million, \$0.2 million, and \$4.2 million, respectively.

(7) Amounts exclude intersegment revenue which eliminates on a consolidated basis.

Summary of Total Revenues by Segment – Q2 2024 YTD

	Six Months Ended June 30,									
	2024	2023	% Change	2024 Currency Impact (1)	2024 Constant Currency Revenues	Constant Currency % Change (2)	Closed Divestitures (3)	2023 Adjusted Ex Divestitures (4)	Divestiture-Adjusted Operational Change (5)	
Net sales										
Developed Markets	\$ 4,484.6	\$ 4,524.2	(1)%	\$ 1.7	\$ 4,486.3	(1)%	\$ 46.7	\$ 4,477.5	– %	
Greater China.....	1,082.9	1,096.7	(1)%	40.5	1,123.4	2 %	–	1,096.7	2 %	
JANZ.....	667.4	717.7	(7)%	60.7	728.1	1 %	0.6	717.1	1 %	
Emerging Markets	1,204.5	1,290.0	(7)%	73.2	1,277.7	(1)%	107.5	1,182.5	8 %	
Total net sales.....	\$ 7,439.4	\$ 7,628.6	(2)%	\$ 176.1	\$ 7,615.5	– %	\$ 154.8	\$ 7,473.8	2 %	
Other revenues (6).....	20.6	19.1	NM	–	20.6	NM	–	19.1	NM	
Consolidated total revenues (7)....	\$ 7,460.0	\$ 7,647.7	(2)%	\$ 176.1	\$ 7,636.1	– %	\$ 154.8	\$ 7,492.9	2 %	

(1) Currency impact is shown as unfavorable (favorable).

(2) The constant currency percentage change is derived by translating net sales or revenues for the current period at prior year comparative period exchange rates, and in doing so shows the percentage change from 2024 constant currency net sales or revenues to the corresponding amount in the prior year.

(3) Represents proportionate net sales relating to divestitures that have closed during 2023 and 2024 in the relevant period.

(4) Represents U.S. GAAP net sales minus proportionate net sales relating to divestitures that have closed during 2023 and 2024 for the relevant period.

(5) See Key References on slide 2.

(6) For the six months ended June 30, 2024, other revenues in Developed Markets, Greater China, JANZ, and Emerging Markets were approximately \$13.1 million, \$0.4 million, \$0.5 million, and \$6.6 million, respectively.

(7) Amounts exclude intersegment revenue which eliminates on a consolidated basis.

Key Product Net Sales, on a Consolidated Basis

	Three months ended		Six months ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Select Key Global Products				
Lipitor®	\$ 348.4	\$ 380.0	\$ 737.3	\$ 797.9
Norvasc®	161.9	182.4	338.2	385.1
Lyrica®	124.3	137.1	238.5	281.4
EpiPen® Auto-Injectors	115.5	127.5	195.7	223.3
Viagra®	106.1	111.0	206.8	226.0
Creon®	78.2	74.1	153.2	146.8
Celebrex®	72.2	82.0	144.4	170.8
Effexor®	62.7	64.8	122.1	129.4
Zoloft®	58.9	54.5	116.9	111.0
Xalabrand	45.6	50.4	88.1	97.1
Select Key Segment Products				
Dymista®	\$ 55.0	\$ 57.7	\$ 103.2	\$ 110.9
Yupelri®	54.5	55.0	109.7	102.0
Amitiza®	36.9	41.5	69.9	78.1
Xanax®	35.4	51.8	69.9	91.5

(a) The Company does not disclose net sales for any products considered competitively sensitive.

(b) Products disclosed may change in future periods, including as a result of seasonality, competition or new product launches.

(c) Amounts for the three and six months ended June 30, 2024 include the impact of foreign currency translations compared to the prior year period.

Cost of Sales

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
U.S. GAAP cost of sales.....	\$ 2,351.2	\$ 2,310.0	\$ 4,510.6	\$ 4,496.9
Deduct:				
Purchase accounting amortization and other related items.....	(709.9)	(609.3)	(1,321.4)	(1,262.7)
Acquisition and divestiture-related costs.....	(17.0)	(7.6)	(23.3)	(12.6)
Restructuring related costs.....	(11.6)	(68.9)	(15.6)	(79.8)
Share-based compensation expense.....	(0.9)	(0.9)	(1.7)	(1.5)
Other special items.....	(19.1)	(36.4)	(47.3)	(75.2)
Adjusted cost of sales.....	<u>\$ 1,592.7</u>	<u>\$ 1,586.9</u>	<u>\$ 3,101.3</u>	<u>\$ 3,065.1</u>
Adjusted gross profit (a).....	<u>\$ 2,203.9</u>	<u>\$ 2,331.7</u>	<u>\$ 4,358.7</u>	<u>\$ 4,582.6</u>
Adjusted gross margin (a).....	<u>58%</u>	<u>60%</u>	<u>58%</u>	<u>60%</u>

(a) U.S. GAAP gross profit is calculated as total revenues less U.S. GAAP cost of sales. U.S. GAAP gross margin is calculated as U.S. GAAP gross profit divided by total revenues. Adjusted gross profit is calculated as total revenues less adjusted cost of sales. Adjusted gross margin is calculated as adjusted gross profit divided by total revenues.

SG&A

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
U.S. GAAP SG&A.....	\$ 1,358.0	\$ 1,031.9	\$ 2,375.5	\$ 1,990.8
Deduct:				
Acquisition and divestiture-related costs.....	(84.9)	(43.6)	(161.4)	(94.7)
Restructuring and related costs.....	(8.5)	(5.2)	(24.1)	(4.0)
Purchase accounting amortization and other related items.....	(0.1)	-	(0.2)	-
Share-based compensation expense.....	(32.2)	(37.5)	(76.1)	(77.8)
Impairment of goodwill.....	(321.0)	-	(321.0)	-
SG&A and R&D TSA reimbursement (a).....	-	(27.8)	(5.7)	(52.2)
Other special items and reclassifications.....	(11.5)	(16.4)	(27.6)	(31.3)
Adjusted SG&A.....	\$ 899.8	\$ 901.4	\$ 1,759.4	\$ 1,730.8
Adjusted SG&A as % of total revenues.....	24%	23%	24%	23%

(a) See SG&A and R&D TSA Reimbursement on slide 2.

R&D

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
U.S. GAAP R&D.....	\$ 204.1	\$ 208.3	\$ 403.8	\$ 391.2
Deduct:				
Acquisition and divestiture-related costs.....	(3.1)	(5.0)	(7.7)	(7.0)
Restructuring and related costs.....	(1.0)	–	(1.0)	–
Share-based compensation expense.....	(1.8)	(0.9)	(3.7)	(2.5)
SG&A and R&D TSA reimbursement (a).....	–	(8.1)	(1.7)	(18.4)
Other special items.....	(0.4)	(0.4)	(2.8)	(2.4)
Adjusted R&D.....	<u>\$ 197.8</u>	<u>\$ 193.9</u>	<u>\$ 386.9</u>	<u>\$ 360.9</u>
Adjusted R&D as % of total revenues.....	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>

(a) See SG&A and R&D TSA Reimbursement on slide 2.

Total Operating Expenses

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
U.S. GAAP total operating expenses.....	\$ 1,685.3	\$ 1,239.4	\$ 2,985.4	\$ 2,381.8
Add / (Deduct):.....				
Litigation settlements and other contingencies, net.....	(131.0)	11.0	(207.8)	10.4
R&D adjustments.....	(6.3)	(14.4)	(16.9)	(30.3)
SG&A adjustments.....	(458.2)	(130.5)	(616.1)	(260.0)
Adjusted total operating expenses.....	<u>\$ 1,089.8</u>	<u>\$ 1,105.5</u>	<u>\$ 2,144.6</u>	<u>\$ 2,101.9</u>
Adjusted earnings from operations (a).....	<u>\$ 1,114.1</u>	<u>\$ 1,226.2</u>	<u>\$ 2,214.1</u>	<u>\$ 2,480.7</u>

(a) U.S. GAAP earnings from operations is calculated as U.S. GAAP gross profit less U.S. GAAP total operating expenses. Adjusted earnings from operations is calculated as adjusted gross profit less adjusted total operating expenses.

Interest Expense

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
U.S. GAAP interest expense.....	\$ 145.8	\$ 143.7	\$ 284.2	\$ 290.7
Add / (Deduct):				
Accretion of contingent consideration liability.....	(9.5)	(2.1)	(11.2)	(4.3)
Amortization of premiums and discounts on long-term debt.....	13.5	13.6	27.3	27.1
Other special items.....	(0.9)	(1.0)	(1.8)	(2.0)
Adjusted interest expense.....	<u>\$ 148.9</u>	<u>\$ 154.2</u>	<u>\$ 298.5</u>	<u>\$ 311.5</u>

Other Expense (Income), Net

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
U.S. GAAP other expense (income), net.....	\$ 6.1	\$ (107.5)	\$ (133.0)	\$ (177.4)
Add / (Deduct):				
Fair value adjustments on non-marketable equity investments.....	248.8	74.5	295.7	96.0
SG&A and R&D TSA reimbursement (a).....	–	35.9	7.4	70.6
Loss on divestitures of businesses.....	(258.8)	–	(188.4)	–
Other items.....	(14.8)	(8.7)	(17.4)	(8.4)
Adjusted other income, net.....	<u>\$ (18.7)</u>	<u>\$ (5.8)</u>	<u>\$ (35.7)</u>	<u>\$ (19.2)</u>

(a) See SG&A and R&D TSA Reimbursement on slide 2.

(Loss) Earnings Before Income Taxes and Income Tax (Benefit) Provision

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
U.S. GAAP (loss) earnings before income taxes.....	\$ (391.8)	\$ 333.0	\$ (187.2)	\$ 655.7
Total pre-tax non-GAAP adjustments.....	1,375.8	744.8	2,138.7	1,532.7
Adjusted earnings before income taxes.....	<u>\$ 984.0</u>	<u>\$ 1,077.8</u>	<u>\$ 1,951.5</u>	<u>\$ 2,188.4</u>
U.S. GAAP income tax (benefit) provision.....	\$ (65.4)	\$ 69.0	\$ 25.3	\$ 167.0
Adjusted tax expense.....	222.8	103.4	286.9	183.1
Adjusted income tax provision.....	<u>\$ 157.4</u>	<u>\$ 172.4</u>	<u>\$ 312.2</u>	<u>\$ 350.1</u>
Adjusted effective tax rate.....	<u>16.0%</u>	<u>16.0%</u>	<u>16.0%</u>	<u>16.0%</u>

Free Cash Flow and Free Cash Flow Excluding Transaction Costs

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
U.S. GAAP net cash provided by operating activities.....	\$ 379.1	\$ 525.1	\$ 993.7	\$ 1,496.3
Capital expenditures.....	(58.8)	(67.8)	(108.6)	(115.6)
Free cash flow.....	<u>\$ 320.3</u>	<u>\$ 457.3</u>	<u>\$ 885.1</u>	<u>\$ 1,380.7</u>
Acquisition and divestiture-related transaction costs.....	106.1	9.1	189.6	31.5
Free cash flow excluding transaction costs.....	<u>\$ 426.4</u>	<u>\$ 466.4</u>	<u>\$ 1,074.7</u>	<u>\$ 1,412.2</u>

Free Cash Flow Since Beginning of 2021

	Year Ended			Six Months Ended	Free Cash Flow Since Beginning of 2021
	December 31, 2021	December 31, 2022	December 31, 2023	June 30, 2024	
U.S. GAAP net cash provided by operating activities.....	\$ 3,016.9	\$ 2,952.6	\$ 2,799.6	\$ 993.7	\$ 9,762.8
Capital expenditures.....	(457.2)	(406.0)	(377.0)	(108.6)	(1,348.8)
Free cash flow.....	<u>\$ 2,559.7</u>	<u>\$ 2,546.6</u>	<u>\$ 2,422.6</u>	<u>\$ 885.1</u>	<u>\$ 8,414.0</u>
Acquisition and divestiture-related transaction costs.....	—	254.3	219.3	189.6	663.2
Free cash flow excluding transaction costs.....	<u>\$ 2,559.7</u>	<u>\$ 2,800.9</u>	<u>\$ 2,641.9</u>	<u>\$ 1,074.7</u>	<u>\$ 9,077.2</u>

Expectations for free cash flow, excluding transaction costs and taxes, annually

The Company is not providing forward-looking information for U.S. GAAP net cash provided by operating activities or a quantitative reconciliation of its expectation for free cash flow, excluding transaction costs and taxes, to its most directly comparable U.S. GAAP measure, U.S. GAAP net cash provided by operating activities, because it is unable to predict with reasonable certainty the ultimate outcome of certain significant items, including integration, acquisition and divestiture-related expenses, restructuring expenses, asset impairments, litigation settlements, and other contingencies, such as changes to contingent consideration, acquired IPR&D and certain other gains or losses, including for the fair value accounting for non-marketable equity investments, as well as related income tax accounting, because certain of these items have not occurred, are out of the Company's control and/or cannot be reasonably predicted without unreasonable effort. These items are uncertain, depend on various factors, and could have a material impact on U.S. GAAP reported results for the relevant periods.

Gross Leverage - Debt to Adjusted EBITDA

Gross Leverage Ratio is the ratio of Viatrix' total debt at notional amounts at June 30, 2024 to the sum of Viatrix' adjusted EBITDA for the quarters ended September 30, 2023, December 31, 2023, March 31, 2024, and June 30, 2024.

	Three Months Ended				Twelve Months Ended
	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024	June 30, 2024
Adjusted EBITDA.....	\$ 1,360.1	\$ 1,117.4	\$ 1,193.4	\$ 1,207.9	\$ 4,878.8
Reported debt balances:					
Long-term debt, including current portion.....					17,091.3
Short-term borrowings and other current obligations.....					—
Total.....					\$ 17,091.3
Add / (deduct):					
Net premiums on various debt issuances.....					(507.7)
Deferred financing fees.....					27.6
Total debt at notional amounts.....					\$ 16,611.2
Gross debt to adjusted EBITDA.....					3.4 x

Long-term Gross Leverage Target

The stated forward-looking non-GAAP financial measure of long-term gross leverage target of 3.0x, with a range of 2.8x – 3.2x, is based on the ratio of (i) targeted notional gross debt and (ii) targeted Adjusted EBITDA. However, the Company has not quantified future amounts to develop this target but has stated its goal to manage notional gross debt and adjusted EBITDA over time in order to generally maintain or reach the target. This target does not reflect Company guidance.

Net Earnings (Loss) to EBITDA and Adjusted EBITDA – Last Twelve Months

	Three Months Ended			
	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024
U.S. GAAP net earnings (loss).....	\$ 331.6	\$ (765.6)	\$ 113.9	\$ (326.4)
Add / (deduct) adjustments:				
Income tax provision (benefit).....	70.6	(89.4)	90.7	(65.4)
Interest expense (a).....	141.5	140.9	138.4	145.8
Depreciation and amortization (b).....	679.4	644.4	691.0	786.3
EBITDA.....	\$ 1,223.1	\$ (69.7)	\$ 1,034.0	\$ 540.3
Add / (deduct) adjustments:				
Share-based compensation expense.....	43.1	55.8	46.7	34.7
Litigation settlements and other contingencies, net.....	(26.1)	148.1	76.8	131.0
Loss (gain) on divestitures of businesses.....	–	239.9	(70.4)	258.8
Impairment of goodwill.....	–	580.1	–	321.0
Restructuring, acquisition and divestiture-related and other special items.....	120.0	163.2	106.3	(77.9)
Adjusted EBITDA.....	\$ 1,360.1	\$ 1,117.4	\$ 1,193.4	\$ 1,207.9

(a) Includes amortization of premiums and discounts on long-term debt.

(b) Includes purchase accounting related amortization.

Gross Leverage – Debt to Adjusted EBITDA – Q4 2023

	Year Ended
	December 31, 2023
Adjusted EBITDA (a).....	\$ 5,124.1
Reported debt balances:	
Long-term debt, including current portion.....	18,122.8
Short-term borrowings and other current obligations.....	-
Total.....	18,122.8
Add / (deduct):	
Net premiums on various debt issuances.....	(536.9)
Deferred financing fees.....	30.2
Total debt at notional amounts.....	\$ 17,616.1
Gross debt to adjusted EBITDA.....	3.4 x

(a) See Q4 2023 reconciliation from U.S. GAAP Net Earnings to Adjusted EBITDA in the subsequent table.

Net Earnings to EBITDA and Adjusted EBITDA – Q4 2023

	Year ended
	December 31, 2023
U.S. GAAP net earnings.....	\$ 54.7
Add adjustments:	
Income tax provision.....	148.2
Interest expense (a).....	573.1
Depreciation and amortization (b).....	2,740.5
EBITDA.....	3,516.5
Add adjustments:	
Share-based compensation expense.....	180.7
Litigation settlements and other contingencies, net.....	111.6
Loss on divestitures of businesses.....	239.9
Impairment of goodwill related to assets held for sale.....	580.1
Restructuring, acquisition and divestiture-related and other special items.....	495.3
Adjusted EBITDA.....	<u>\$ 5,124.1</u>

(a) Includes amortization of premiums and discounts on long-term debt.

(b) Includes purchase accounting related amortization.



Gross Leverage – Debt to Adjusted EBITDA – Q4 2022

	Year Ended
	December 31, 2022
Adjusted EBITDA (a).....	\$ 5,776.8
Reported debt balances:	
Long-term debt, including current portion.....	19,265.7
Short-term borrowings and other current obligations.....	-
Total.....	19,265.7
Add / (deduct):	
Net premiums on various debt issuances.....	(583.8)
Deferred financing fees.....	35.7
Fair value adjustment for hedged debt.....	(0.6)
Total debt at notional amounts.....	<u>\$ 18,717.0</u>
Gross debt to adjusted EBITDA.....	3.2 x

(a) See Q4 2022 reconciliation from U.S. GAAP Net Earnings to Adjusted EBITDA in the subsequent table.

Net Earnings to EBITDA and Adjusted EBITDA – Q4 2022

	Year ended
	December 31, 2022
U.S. GAAP net earnings.....	\$ 2,078.6
Add adjustments:	
Income tax provision.....	734.6
Interest expense (a).....	592.4
Depreciation and amortization (b).....	3,027.6
EBITDA.....	6,433.2
Add / (deduct) adjustments:	
Share-based compensation expense.....	116.4
Litigation settlements and other contingencies, net.....	4.4
Biocon Biologics gain on divestiture.....	(1,754.1)
Impairment of goodwill related to assets held for sale.....	117.0
Restructuring, acquisition and divestiture-related and other special items.....	859.9
Adjusted EBITDA.....	<u>\$ 5,776.8</u>

(a) Includes amortization of premiums and discounts on long-term debt.

(b) Includes purchase accounting related amortization.

Gross Leverage – Debt to Adjusted EBITDA – Q4 2021

	Year Ended
	December 31, 2021
Adjusted EBITDA (a).....	\$ 6,426.1
Reported debt balances:	
Long-term debt, including current portion.....	21,577.4
Short-term borrowings and other current obligations.....	1,493.0
Total.....	23,070.4
Add / (deduct):	
Net premiums on various debt issuances.....	(651.6)
Deferred financing fees.....	42.4
Fair value adjustment for hedged debt.....	(16.3)
Total debt at notional amounts.....	\$ 22,444.9
Gross debt to adjusted EBITDA.....	3.5 x

(a) See Q4 2021 reconciliation from U.S. GAAP Net Loss to Adjusted EBITDA in the subsequent table. Beginning in 2022, the Company no longer excludes upfront and milestone related R&D expenses from adjusted EBITDA. For purposes of calculating the gross leverage ratio, adjusted EBITDA for prior periods has not been revised as the impact of this change was immaterial to the report gross leverage ratio for those periods.

Net Loss to EBITDA and Adjusted EBITDA – Q4 2021

	Year ended
	December 31, 2021
U.S. GAAP net loss.....	\$ (1,269.1)
Add / (deduct) adjustments:	
Net contribution attributable to equity method investments.....	61.9
Income tax provision.....	604.7
Interest expense (a).....	636.2
Depreciation and amortization (b).....	<u>4,506.5</u>
EBITDA.....	4,540.2
Add adjustments:	
Share-based compensation expense.....	111.2
Litigation settlements and other contingencies, net.....	329.2
Restructuring, acquisition-related and other special items.....	<u>1,445.5</u>
Adjusted EBITDA.....	<u><u>\$ 6,426.1</u></u>

(a) Includes amortization of premiums and discounts on long-term debt.

(b) Includes purchase accounting related amortization.

Gross Leverage – Debt to Combined Adjusted EBITDA – Q4 2020

	Year Ended
	December 31, 2020
Combined Adjusted EBITDA (a).....	\$ 6,807.2
Reported debt balances:	
Long-term debt, including current portion.....	24,685.5
Short-term borrowings and other current obligations.....	1,100.9
Total.....	25,786.4
Add / (deduct):	
Net premiums on various debt issuances.....	(731.4)
Deferred financing fees.....	49.2
Fair value adjustment for hedged debt.....	(31.6)
Total debt at notional amounts.....	\$ 25,072.6
Gross debt to adjusted EBITDA.....	3.7 x

(a) See Q4 2020 reconciliation from U.S. GAAP Net Loss to Adjusted EBITDA in the subsequent table. Beginning in 2022, the Company no longer excludes upfront and milestone related R&D expenses from adjusted EBITDA. For purposes of calculating the gross leverage ratio, adjusted EBITDA for prior periods has not been revised as the impact of this change was immaterial to the report gross leverage ratio for those periods.

Net Loss to EBITDA and Combined Adjusted EBITDA – Q4 2020

	Year ended December 31, 2020
U.S. GAAP net loss.....	\$ (669.9)
Add / (deduct) adjustments:	
Net contribution attributable to equity method investments.....	48.4
Income tax benefit	(51.3)
Interest expense (a).....	497.8
Depreciation and amortization (b).....	2,216.1
EBITDA.....	2,041.1
Add adjustments:	
Share-based compensation expense.....	79.2
Litigation settlements and other contingencies, net.....	107.8
Restructuring, acquisition-related and other special items.....	1,426.0
Viatrix Adjusted EBITDA.....	3,654.1
Upjohn Adjusted EBITDA for nine months ended September 30, 2020.....	2,806.0
	6,460.1
Upjohn estimated Adjusted EBITDA (c)	347.1
Combined Adjusted EBITDA.....	<u>\$ 6,807.2</u>

(a) Includes amortization of premiums and discounts on long-term debt.

(b) Includes purchase accounting related amortization.

(c) Amount represents an estimate of Upjohn's Adjusted EBITDA for the period from October 1, 2020, through the closing of the Combination, including estimated adjustments.