



# Q1 2024 Earnings

May 9, 2024



# Forward Looking Statements

This presentation contains “forward-looking statements”. These statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements may include, without limitation, statements about our 2024 financial guidance; Idorsia collaboration added two phase 3 assets in areas of high unmet need with blockbuster revenue potential; expect divestiture of API business to close imminently; phase 3 studies expansion and enrollment acceleration underway for selatogrel and cenerimod; Idorsia collaboration deal structure reinforces our disciplined approach to capital allocation; Idorsia collaboration: initiated development of life cycle strategy for selatogrel and cenerimod, upcoming oral presentation of cenerimod’s effect on SLE markers at EULAR; eye care: phase 3 actively enrolling MR-139 (blepharitis) and MR-142 (dim light disturbances), MR-146 neurotrophic keratopathy IND enabling studies under way and targeting IND submission in H2 2024; novel and complex products: >25 products in pipeline; GA Depot FDA interaction expected in Q3 2024; meloxicam phase 3 studies are well underway; Xulane low dose phase 3 enrollment complete; complex injectables: >50 products in pipeline, 15 products currently under FDA review, 9 first-to-market potential opportunities; expect to pay down 2024 debt maturities plus incremental debt to reach our long-term gross leverage target in 2024; lower adjusted EBITDA due to the divestitures closed in 2023 and 2024, FX headwinds, and investments for future growth; 2024 financial guidance phasing; expect total revenues to be slightly higher in second half vs first half of 2024 driven by normal product seasonality; expect adjusted EBITDA and adjusted EPS to be slightly higher in second half vs first half of 2024; adjusted gross margin expected to moderate in second half due to segment and product mix; operating expense to be evenly phased between first half and second half of 2024; expect free cash flow to be higher in second half vs first half of 2024; Q2 and Q4 lower due to timing of semi-annual interest payments; 2024 key metrics; 2024 capital allocation framework; expect annual dividend of \$0.48 per share; committed to investment grade credit rating; expect to paydown 2024 maturities plus incremental debt to reach out long-term gross leverage target in 2024; continue to pursue licensing and partnership opportunities; the goals or outlooks with respect to the Company’s strategic initiatives, including but not limited to the Company’s two-phased strategic vision and potential and announced divestitures, acquisitions or other transactions; the benefits and synergies of such divestitures, acquisitions, or other transactions, or restructuring programs; future opportunities for the Company and its products; and any other statements regarding the Company’s future operations, financial or operating results, capital allocation, dividend policy and payments, stock repurchases, debt ratio and covenants, anticipated business levels, future earnings, planned activities, anticipated growth, market opportunities, strategies, competitions, commitments, confidence in future results, efforts to create, enhance or otherwise unlock the value of our unique global platform, and other expectations and targets for future periods. Forward-looking statements may often be identified by the use of words such as “will”, “may”, “could”, “should”, “would”, “project”, “believe”, “anticipate”, “expect”, “plan”, “estimate”, “forecast”, “potential”, “pipeline”, “intend”, “continue”, “target”, “seek” and variations of these words or comparable words. Because forward-looking statements inherently involve risks and uncertainties, actual future results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to: the possibility that the Company may not realize the intended benefits of, or achieve the intended goals or outlooks with respect to, its strategic initiatives (including divestitures, acquisitions, or other potential transactions) or move up the value chain by focusing on more complex and innovative products to build a more durable higher margin portfolio; the possibility that the Company may be unable to achieve intended or expected benefits, goals, outlooks, synergies, growth opportunities and operating efficiencies in connection with divestitures, acquisitions, other transactions, or restructuring programs, within the expected timeframes or at all; with respect to previously announced divestitures that have not been consummated, including the divestiture of substantially all of our OTC Business, such divestitures not being completed on the expected timelines or at all and the risk that the conditions set forth in the definitive agreements with respect to such divestitures will not be satisfied or waived; with respect to previously announced divestitures, failure to realize the total transaction values for the divestitures and/or the expected proceeds for any or all such divestitures, including as a result of any purchase price adjustment or a failure to achieve any conditions to the payment of any contingent consideration; goodwill or impairment charges or other losses related to the divestiture or sale of businesses or assets (including but not limited to announced divestitures that have not yet been consummated); the Company’s failure to achieve expected or targeted future financial and operating performance and results; the potential impact of public health outbreaks, epidemics and pandemics; actions and decisions of healthcare and pharmaceutical regulators; changes in relevant laws, regulations and policies and/or the application or implementation thereof, including but not limited to tax, healthcare and pharmaceutical laws, regulations and policies globally (including the impact of recent and potential tax reform in the U.S. and pharmaceutical product pricing policies in China); the ability to attract, motivate and retain key personnel; the Company’s liquidity, capital resources and ability to obtain financing; any regulatory, legal or other impediments to the Company’s ability to bring new products to market, including but not limited to “at-risk launches”; success of clinical trials and the Company’s or its partners’ ability to execute on new product opportunities and develop, manufacture and commercialize products; any changes in or difficulties with the Company’s manufacturing facilities, including with respect to inspections, remediation and restructuring activities, supply chain or inventory or the ability to meet anticipated demand; the scope, timing and outcome of any ongoing legal proceedings, including government inquiries or investigations, and the impact of any such proceedings on the Company; any significant breach of data security or data privacy or disruptions to our IT systems; risks associated with having significant operations globally; the ability to protect intellectual property and preserve intellectual property rights; changes in third-party relationships; the effect of any changes in the Company’s or its partners’ customer and supplier relationships and customer purchasing patterns, including customer loss and business disruption being greater than expected following an acquisition or divestiture; the impacts of competition, including decreases in sales or revenues as a result of the loss of market exclusivity for certain products; changes in the economic and financial conditions of the Company or its partners; uncertainties regarding future demand, pricing and reimbursement for the Company’s products; uncertainties and matters beyond the control of management, including but not limited to general political and economic conditions, inflation rates and global exchange rates; and inherent uncertainties involved in the estimates and judgments used in the preparation of financial statements, and the providing of estimates of financial measures, in accordance with U.S. GAAP and related standards or on an adjusted basis.

For more detailed information on the risks and uncertainties associated with Viatris, see the risks described in Part I, Item 1A of the Company’s Annual Report on Form 10-K for the year ended December 31, 2023, as amended, and our other filings with the SEC. You can access Viatris’ filings with the SEC through the SEC website at [www.sec.gov](http://www.sec.gov) or through our website and Viatris strongly encourages you to do so. Viatris routinely posts information that may be important to investors on our website at [investor.viatris.com](http://investor.viatris.com), and we use this website address as a means of disclosing material information to the public in a broad, non-exclusionary manner for purposes of the SEC’s Regulation Fair Disclosure (Reg FD). The contents of our website are not incorporated into this presentation or our filings with the SEC. Viatris undertakes no obligation to update any statements herein for revisions or changes after the date of this presentation other than as required by law.



# 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 and adjusted EBITDA 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 the divestiture of the women's healthcare business that closed in March 2024.

**Remaining divestitures or pending announced divestitures:** Refers to the remaining announced divestitures that have not been consummated to date, including the divestiture of substantially all of our over-the-counter ("OTC") business and the remaining commercialization rights in the Upjohn Distributor Markets.

## 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, 2023 adjusted EBITDA excluding divestitures, adjusted SG&A and as a percentage of total revenues, adjusted R&D and as a percentage of total revenues, adjusted IPR&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) expense, net, constant currency total revenues, constant currency net sales, constant currency adjusted EBITDA, divestiture-adjusted change, divestiture-adjusted operational change, notional debt, gross leverage ratio and long-term gross leverage ratio, are presented in order to supplement investors' and other readers' understanding and assessment of the financial performance of Viatris Inc. ("Viатris" 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. Viatris 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 on our website at <https://investor.viatris.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 income, net. For comparability purposes, amounts related to the cost reimbursement are reclassified to adjusted SG&A and adjusted R&D. This reclassification has no impact on adjusted net earnings, adjusted EBITDA or adjusted EPS.

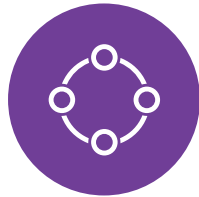
## 2024 Guidance

The Company is not providing forward-looking guidance for U.S. GAAP net earnings or U.S. GAAP diluted 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 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.



# Q1 2024 Highlights



## Business Performance & Execution

- ▶ Fourth consecutive quarter of divestiture-adjusted operational revenue growth
- ▶ Q1 2024 results:
  - ▶ Total Revenues \$3.66B
  - ▶ Adjusted EBITDA \$1.19B
  - ▶ Adjusted EPS \$0.67
  - ▶ Free Cash Flow \$565M

## Strategic Initiatives

- ▶ Idorsia collaboration added two phase 3 assets in areas of high unmet need with blockbuster revenue potential
- ▶ Closed divestiture of women's healthcare business
- ▶ Expect divestiture of API business to close imminently

## Delivering the Pipeline

- ▶ New product revenues of \$154M in Q1 2024
- ▶ Launched Ryzumvi™ for the treatment of pharmacologically-induced mydriasis
- ▶ Phase 3 studies expansion and enrollment acceleration underway for selatogrel and cenerimod

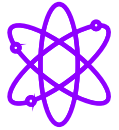
## Capital Allocation & Financial Commitments

- ▶ Returned \$393M of capital to shareholders in Q1 2024
  - ▶ \$143M dividends paid
  - ▶ \$250M share repurchases
- ▶ Idorsia collaboration deal structure reinforces our disciplined approach to capital allocation

For key references and non-GAAP measures, see slide 3

# Pipeline

# Pipeline Update



## Idorsia Collaboration



- ▶ Completed integration of Idorsia teams into Viatris
- ▶ Phase 3 studies expansion and enrollment acceleration underway
- ▶ Initiated development of life cycle strategy for selatogrel and cenerimod
- ▶ Upcoming oral presentation of cenerimod's effect on SLE markers at EULAR



## Eye Care



- ▶ Launched Ryzumvi™ for the treatment of pharmacologically-induced mydriasis
- ▶ Phase 3 actively enrolling: MR-139 (Blepharitis) and MR-142 (Dim Light Disturbances)
- ▶ MR-146: Neurotrophic Keratopathy IND enabling studies under way and targeting IND submission in H2 2024



## Novel & Complex Products



- ▶ >25 products in pipeline
  - ▶ GA Depot: FDA interaction expected in Q3 2024
  - ▶ Meloxicam: Phase 3 studies are well underway
  - ▶ Xulane Low Dose: Phase 3 enrollment complete



## Complex Injectables



- ▶ >50 products in pipeline
  - ▶ 15 products currently under FDA review
  - ▶ 9 first-to-market potential opportunities

# Segment Results



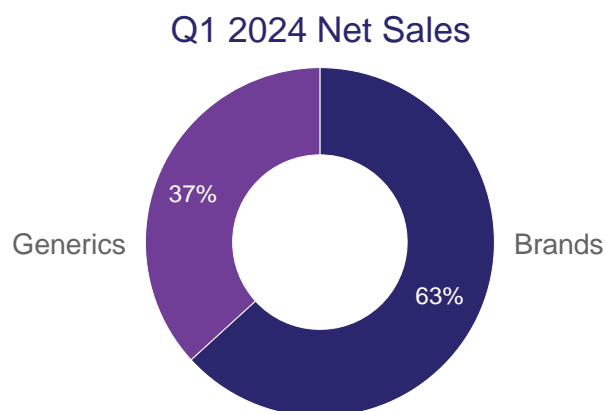
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# Total Net Sales

(\$M)	Q1 2024	Q1 2023	Change	Op Change
<b>Net Sales</b>	<b>\$3,653</b>	<b>\$3,719</b>	<b>(2%)</b>	<b>0%</b>
Brands	2,309	2,420	(5%)	(2%)
Generics	1,344	1,299	4%	5%
(\$M)	Q1 2024	Q1 2023 Adj Ex Divestitures <sup>(1)</sup>	Divestiture-Adj Change	Divestiture-Adj Op Change
<b>Net Sales</b>	<b>\$3,653</b>	<b>\$3,673</b>	<b>(1%)</b>	<b>2%</b>
Brands	2,309	2,379	(3%)	0%
Generics	1,344	1,295	4%	5%

See slide 3 for more information on operational change, divestiture-adjusted operational change, and non-GAAP measures

(1) Q1 2023 net sales adj ex divestitures refers to Q1 2023 U.S. GAAP net sales minus \$46M related to the divestitures closed in 2023 and 2024.



## OPERATIONAL HIGHLIGHTS

### Q1 Performance vs. Prior Year Period

- ▶ **Brands:** Performance reflects strong growth in Emerging Markets and Europe and expansion of business activities in JANZ, offset by unfavorable channel dynamics in North America and expected base business erosion resulting from government price regulations in Japan and Australia
- ▶ **Generics:** Strong growth driven by strong new product launch performance in Developed Markets, along with improved performance of Wixela® and solid performance across broader portfolios in Developed and Emerging Markets



# Developed Markets

(\$M)	Q1 2024	Q1 2023	Change	Op Change
<b>Net Sales</b>	<b>\$2,165</b>	<b>\$2,170</b>	<b>0%</b>	<b>(1%)</b>
Brands	1,179	1,232	(4%)	(5%)
Generics	987	938	5%	5%

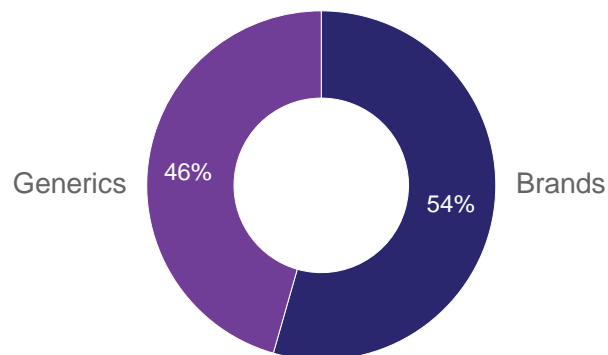
  

(\$M)	Q1 2024	Q1 2023 Adj Ex Divestitures <sup>(1)</sup>	Divestiture-Adj Change	Divestiture-Adj Op Change
<b>Net Sales</b>	<b>\$2,165</b>	<b>\$2,155</b>	<b>0%</b>	<b>0%</b>
Brands	1,179	1,219	(3%)	(4%)
Generics	987	937	5%	5%

See slide 3 for more information on operational change, divestiture-adjusted operational change, and non-GAAP measures  
 (1) Q1 2023 net sales adj ex divestitures refers to Q1 2023 U.S. GAAP net sales minus \$15M related to the divestitures closed in 2023 and 2024, which included net sales of \$14M for Europe and \$1M for North America.



Q1 2024 Net Sales



## OPERATIONAL HIGHLIGHTS

- ▶ **Europe:** ~\$1.27B; +2% divestiture-adj op change
- ▶ **North America:** ~\$0.9B; (3%) divestiture-adj op change

### Q1 Performance vs. Prior Year Period

- ▶ **Brands:** Decline resulting from unfavorable channel dynamics in North America, partially offset by growth in Europe. Includes solid year-over-year Yupelri<sup>®</sup> and Tyrvaya<sup>®</sup> performance.
- ▶ **Generics:** Growth driven by strong new product launch performance including Breyna<sup>™</sup> (NA) and teriflunomide (EU). In addition, improved performance of Wixela<sup>®</sup> and in key markets such as Italy and France.

Select Top Products: Lyrica<sup>®</sup>, Lipitor<sup>®</sup>, Creon<sup>®</sup>, Yupelri<sup>®</sup>, Dymista<sup>®</sup>, Viagra<sup>®</sup>

# Emerging Markets

(\$M)	Q1 2024	Q1 2023	Change	Op Change
<b>Net Sales</b>	<b>\$626</b>	<b>\$642</b>	<b>(2%)</b>	<b>4%</b>
Brands	404	436	(7%)	1%
Generics	222	206	8%	9%

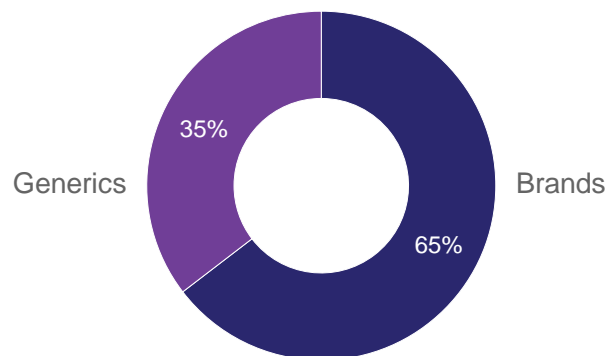
  

(\$M)	Q1 2024	Q1 2023 Adj Ex Divestitures <sup>(1)</sup>	Divestiture-Adj Change	Divestiture-Adj Op Change
<b>Net Sales</b>	<b>\$626</b>	<b>\$611</b>	<b>2%</b>	<b>9%</b>
Brands	404	408	(1%)	8%
Generics	222	204	9%	10%

See slide 3 for more information on operational change, divestiture-adjusted operational change, and non-GAAP measures  
 (1) Q1 2023 net sales adj ex divestitures refers to Q1 2023 U.S. GAAP net sales minus \$31M related to the divestitures closed in 2023 and 2024.



Q1 2024 Net Sales



## OPERATIONAL HIGHLIGHTS

### Q1 Performance vs. Prior Year Period

- ▶ **Brands:** Strong performance in key brands such as Lipitor<sup>®</sup>, Elidel<sup>®</sup> and Xalabrand
- ▶ **Generics:** Growth driven by ARV phasing benefits and strength across broad portfolio
- ▶ Growth in MENA & Eurasia region, as well as key markets like Thailand and Malaysia

Select Top Products: Lipitor<sup>®</sup>, Lyrica<sup>®</sup>, Norvasc<sup>®</sup>, Celebrex<sup>®</sup>, Zolof<sup>®</sup>, Viagra<sup>®</sup>, Xalabrand

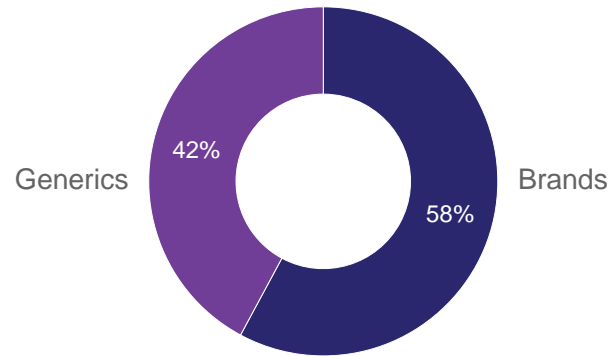
# JANZ

(\$M)	Q1 2024	Q1 2023	Change	Op Change
<b>Net Sales</b>	<b>\$318</b>	<b>\$342</b>	<b>(7%)</b>	<b>2%</b>
Brands	184	190	(3%)	6%
Generics	134	152	(12%)	(3%)

See slide 3 for more information on operational change and non-GAAP measures



Q1 2024 Net Sales



## OPERATIONAL HIGHLIGHTS

### Q1 Performance vs. Prior Year Period

- ▶ **Brands:** Growth primarily due to expansion of business activities in Australia, partially offset by expected base business erosion resulting from government price regulations in Japan and Australia
- ▶ **Generics:** Slight decline in line with expectations

Select Top Products: Amitiza<sup>®</sup>, Lyrica<sup>®</sup>, Effexor<sup>®</sup>, Creon<sup>®</sup>, Lipitor<sup>®</sup>, Norvasc<sup>®</sup>, Celebrex<sup>®</sup>

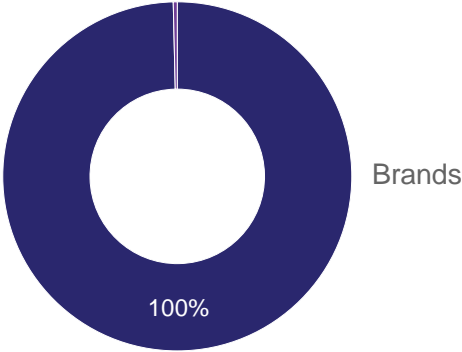
# Greater China

(\$M)	Q1 2024	Q1 2023	Change	Op Change
<b>Net Sales</b>	<b>\$544</b>	<b>\$565</b>	<b>(4%)</b>	<b>0%</b>
Brands	542	562	(4%)	0%
Generics	2	2	NM	NM

See slide 3 for more information on operational change and non-GAAP measures



Q1 2024 Net Sales



## OPERATIONAL HIGHLIGHTS

### Q1 Performance vs. Prior Year Period

- ▶ Overall results flat to prior year
- ▶ Continue to navigate the evolving policy environment

Select Top Products: Lipitor®, Norvasc®, Viagra®

# Q1 Financial Highlights



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# Q1 2024 Financial Highlights

(\$M, except percentages and Adjusted EPS)	Q1 2024	Q1 2023 <sup>(1)</sup>	Change	Op Change	Divestiture-Adj Op Change
<b>Total Net Sales</b>	<b>\$3,653</b>	<b>\$3,719</b>	<b>(2%)</b>	<b>0%</b>	<b>2%</b>
Developed Markets	2,165	2,170	0%	(1%)	0%
Emerging Markets	626	642	(2%)	4%	9%
JANZ	318	342	(7%)	2%	2%
Greater China	544	565	(4%)	0%	0%
Other Revenues	10	10	NM	NM	NM
<b>Total Revenues</b>	<b>\$3,663</b>	<b>\$3,729</b>	<b>(2%)</b>	<b>0%</b>	<b>2%</b>
<b>Adjusted Gross Margin</b>	<b>58.8%</b>	<b>60.4%</b>	<b>(160 bps)</b>		
<b>Adjusted SG&amp;A as % of total revenues</b>	<b>23.5%</b>	<b>22.2%</b>	<b>130 bps</b>		
<b>Adjusted R&amp;D as % of total revenues</b>	<b>5.2%</b>	<b>4.5%</b>	<b>70 bps</b>		
<b>Acquired IPR&amp;D as % of total revenues</b>	<b>0.2%</b>	<b>0.0%</b>	<b>20 bps</b>		
<b>Adjusted EBITDA</b>	<b>\$1,193</b>	<b>\$1,341</b>	<b>(11%)</b>	<b>(9%)</b>	<b>(7%)</b>
<b>Adjusted EBITDA Margin</b>	<b>32.7%</b>	<b>36.0%</b>	<b>(330 bps)</b>		
<b>Adjusted Net Earnings</b>	<b>\$813</b>	<b>\$933</b>	<b>(13%)</b>		
<b>Adjusted EPS</b>	<b>\$0.67</b>	<b>\$0.77</b>	<b>(13%)</b>	<b>(11%)</b>	<b>(8%)</b>
<b>U.S. GAAP Net Cash Provided by Operating Activities</b>	<b>\$615</b>	<b>\$971</b>	<b>(37%)</b>		
<b>Capital Expenditures</b>	<b>\$50</b>	<b>\$48</b>	<b>4%</b>		
<b>Free Cash Flow</b>	<b>\$565</b>	<b>\$923</b>	<b>(39%)</b>		
<b>Free Cash Flow Excluding Transaction Costs<sup>(2)</sup></b>	<b>\$648</b>	<b>\$945</b>	<b>(31%)</b>		

See slide 3 for more information on operational change, divestiture-adjusted operational change, and non-GAAP measures

(1) Q1 2023 figures represent reported results, including total net sales and adjusted EBITDA of \$46M and \$38M, respectively, of proportionate results from the divestitures that closed in 2023 and 2024 and the mark up for the TSA services provided to Biocon Biologics.

(2) Excluding the impact of transaction costs related to divestitures of \$83M, Q1 2024 Free Cash Flow Excluding Transaction Costs was \$648M. Excluding the impact of transaction costs related to divestitures of \$22M, Q1 2023 Free Cash Flow Excluding Transaction Costs was \$945M.

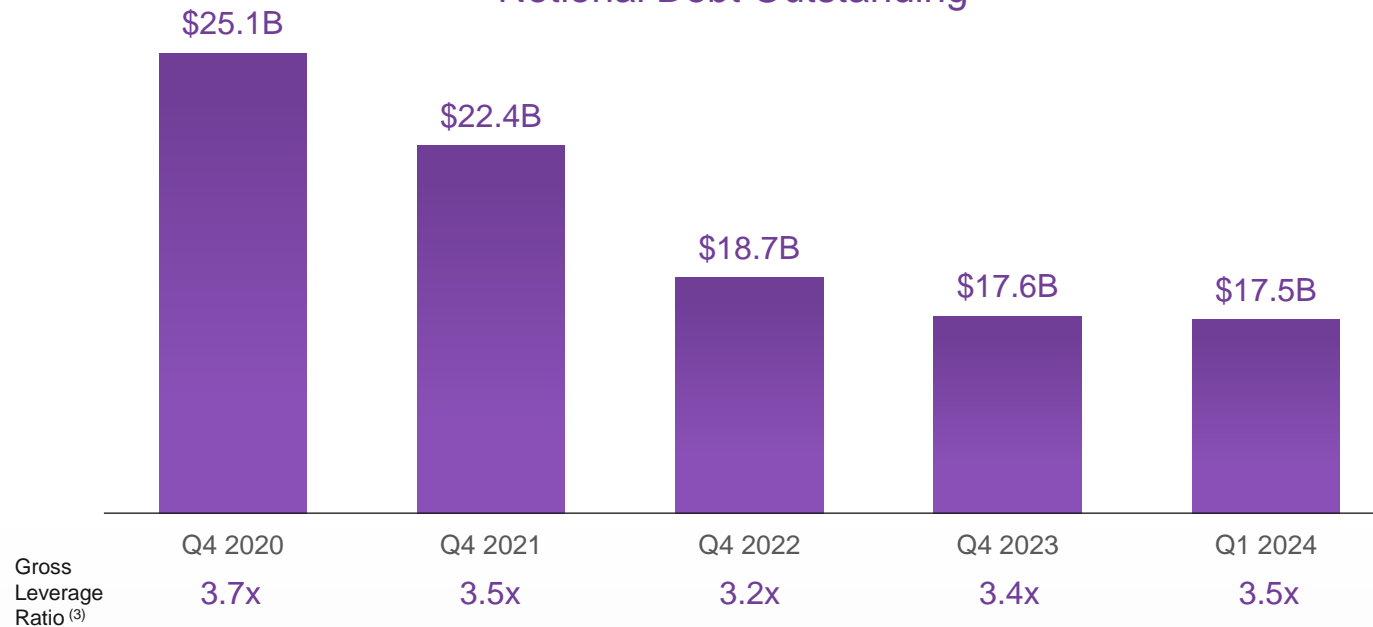


# Delivering on our Financial Commitments

~\$8.1B<sup>(1)</sup> Free Cash Flow since beginning of 2021

>\$6.6B Debt Repayment since beginning of 2021

Notional Debt Outstanding<sup>(2)</sup>



For key references and non-GAAP measures, see slide 3

(1) Excluding the impact of transaction costs related to divestitures and acquisitions of \$557M, Free Cash Flow Excluding Transaction Costs was >\$8.6B since the beginning of 2021.

(2) Change in notional debt includes repayment and impact of FX.

(3) Gross leverage ratio is the ratio of notional debt to adjusted EBITDA.

## Return of Capital

- ▶ \$393M of capital returned in Q1 2024, including \$143M quarterly dividend and \$250M share repurchases
- ▶ ~\$2.2B of capital returned since the beginning of 2021 from quarterly dividends and share repurchases

## Debt Repayment

- ▶ No short-term debt outstanding
- ▶ Expect to pay down 2024 maturities plus incremental debt to reach our long-term gross leverage target in 2024

## Gross Leverage Ratio

- ▶ Lower Adjusted EBITDA due to the divestitures closed in 2023 and 2024, FX headwinds, and investments for future growth

# 2024 Financial Guidance



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# 2024 Financial Guidance

(\$M, except Adjusted EPS)	Estimated Ranges <sup>(1)</sup> February 28, 2024	Midpoint <sup>(1)</sup> February 28, 2024	Divestiture Impact <sup>(2)</sup>	Acquired IPR&D	Estimated Ranges <sup>(3)</sup> May 9, 2024	Midpoint <sup>(3)</sup> May 9, 2024
Total Revenues	\$15,250 - \$15,750	\$15,500	(~\$270)	–	\$14,980 - \$15,480	\$15,230
Adjusted EBITDA	\$4,800 - \$5,100	\$4,950	(~\$80)	(\$6)	\$4,710 - \$5,010	\$4,860
Free Cash Flow	\$2,300 - \$2,700	\$2,500	(~\$40)	–	\$2,260 - \$2,660	\$2,460
Adjusted EPS	\$2.70 - \$2.85	\$2.78	(~\$0.04)	–	\$2.66 - \$2.81	\$2.73

For key references and non-GAAP measures, see slide 3

- (1) 2024 Financial Guidance as provided on February 28, 2024 included the full-year expected performance for the then-pending announced divestitures of substantially all of our OTC business, API business in India, and women's healthcare 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.
- (2) With respect to the impact of divestitures, the women's healthcare business divestiture closed in March 2024 and the API business divestiture is expected to close imminently. The adjusted 2024 financial guidance ranges exclude the expected performance of the women's healthcare business and the API business in India for the remainder of the year through December 31, 2024, which was included in our 2024 Financial Guidance as provided on February 28, 2024.
- (3) 2024 Financial Guidance as provided on May 9, 2024 includes the full-year expected performance for the pending announced divestiture of substantially all of our OTC business, and excludes any potential related costs, such as taxes and transaction costs. Also excludes any acquired IPR&D to be incurred in any future period as it cannot be reasonably forecasted.

## 2024 Financial Guidance Phasing

- ▶ Expect Total Revenues to be slightly higher in second half vs first half of 2024
  - ▶ Driven by normal product seasonality
- ▶ Expect Adjusted EBITDA and Adjusted EPS to be slightly higher in second half vs first half of 2024
  - ▶ Adjusted Gross Margin expected to moderate in second half due to segment and product mix
  - ▶ Operating expenses to be evenly phased between first half and second half of 2024
- ▶ Expect Free Cash Flow to be higher in second half vs first half of 2024
  - ▶ Q2 and Q4 lower due to timing of semi-annual interest payments

# 2024 Key Metrics

Key Metrics Utilized for 2024 Financial Guidance	Estimated Ranges <sup>(1)</sup> February 28, 2024	Estimated Ranges <sup>(2)</sup> May 9, 2024
Adjusted Gross Margin	57.0% - 58.0%	57.0% - 58.0%
Adjusted SG&A % of Total Revenues	22.0% - 23.0%	22.0% - 23.0%
Adjusted R&D % of Total Revenues	5.0% - 5.6%	5.0% - 5.6%
Net Cash Provided by Operating Activities	\$2,750M - \$3,050M	\$2,710M - \$3,010M
Capital Expenditures	\$350M - \$450M	\$350M - \$450M
Adjusted Effective Tax Rate	15.5% - 16.5%	15.5% - 16.5%
Shares Outstanding	~1,210M	~1,210M

For key references and non-GAAP measures, see slide 3

- (1) Key Metrics as provided on February 28, 2024 included the full-year expected performance for the then-pending announced divestitures of substantially all of our OTC business, API business in India, and women's healthcare 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.
- (2) Key Metrics as provided on May 9, 2024 include the full-year expected performance for the pending announced divestiture of substantially all of our OTC business, and excludes any potential related costs, such as taxes and transaction costs. Also excludes any acquired IPR&D to be incurred in any future period as it cannot be reasonably forecasted.

# 2024 Capital Allocation Framework

Supported by Free Cash Flow Generation and Divestiture Proceeds

## Capital Return



- ▶ Expected annual dividend of \$0.48 per share
- ▶ Share repurchases (\$250M completed in Q1 2024)
- ▶ Share repurchase authorization increased by additional \$1B<sup>(1)</sup>

## Debt Paydown



- ▶ Committed to investment grade rating
- ▶ Expect to pay down 2024 maturities plus incremental debt to reach our long-term gross leverage target in 2024

## Business Development



- ▶ R&D collaboration with Idorsia
- ▶ Continue to pursue licensing and partnership opportunities

For key references and non-GAAP measures, see slide 3

(1) Board of Directors increased share repurchase authorization by additional \$1B in February 2024, bringing our total authorization to \$2B, of which a total of \$500M has been repurchased under the program.

# Appendix

# Executive Leadership Team



Scott Smith  
**Chief Executive Officer**



Doretta Mistras  
**Chief Financial Officer**



Andrew Enrietti  
**Chief People Officer**



Derek Glover  
**Chief Quality Officer**



Corinne Le Goff  
**Chief Commercial Officer**



Philippe Martin  
**Chief R&D Officer**



Peter McCormick  
**Chief Supply Officer**



Lara Ramsburg  
**Chief Corporate Affairs Officer**



Ramkumar Rayapureddy  
**Chief Information Officer**



Brian Roman  
**Chief Legal Officer**

# Q1 2024 Select Key Product Net Sales, on a Consolidated Basis

(Unaudited; in millions)

(\$M)	Q1 2024
<b>Select Key Global Products</b>	
Lipitor®	\$388.9
Norvasc®	176.3
Lyrica®	114.2
Viagra®	100.7
EpiPen® Auto-Injectors	80.2
Creon®	75.0
Celebrex®	72.2
Effexor®	59.4
Zoloff®	58.0
Xalabrand	42.5

(\$M)	Q1 2024
<b>Select Key Segment Products</b>	
Yupelri®	\$55.2
Dymista®	48.2
Xanax®	34.5
Amitiza®	33.0

- (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 months ended March 31, 2024 include the impact of foreign currency translations compared to the prior year period.

# GAAP / Non-GAAP Reconciliations

## Full-Year 2024 Guidance Items as of May 9, 2024<sup>(1)</sup>

	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 3

(1) Includes the full-year expected performance for the pending announced divestiture of substantially all of our OTC business, and excludes any potential related costs, such as taxes and transaction costs. Also excludes any acquired IPR&D to be incurred in any future period as it cannot 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<sup>(1)</sup>

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 3

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

## Full-Year 2024 Guidance Items as of February 28, 2024 <sup>(1)</sup>

	GAAP	Non-GAAP
Total Revenues	\$15,250 - \$15,750	N/A
Adjusted EBITDA	N/A	\$4,800 - \$5,100
Net Cash provided by Operating Activities	\$2,750 - \$3,050	N/A
Free Cash Flow	N/A	\$2,300 - \$2,700
Adjusted EPS	N/A	\$2.70 - \$2.85

For key references and non-GAAP measures, see slide 3

(1) Included the full-year expected performance for the then-pending announced divestitures of substantially all of our OTC business, API business in India, and women's healthcare 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.

# Reconciliation of Estimated 2024 U.S. GAAP Net Cash Provided by Operating Activities to Free Cash Flow as of February 28, 2024 <sup>(1)</sup>

Estimated U.S. GAAP Net Cash provided by Operating Activities	\$2,750 - \$3,050
Less: Capital Expenditures	<u>(\$350) - (\$450)</u>
Free Cash Flow	\$2,300 - \$2,700

For key references and non-GAAP measures, see slide 3

(1) Included the full-year expected performance for the then-pending announced divestitures of substantially all of our OTC business, API business in India, and women's healthcare 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.

# Net Earnings to Adjusted Net Earnings and U.S. GAAP EPS to Adjusted EPS

	Three Months Ended March 31,							
	2024		2023					
U.S. GAAP net earnings and U.S. GAAP diluted EPS.....	\$	113.9	\$	0.09	\$	224.7	\$	0.19
Purchase accounting amortization (primarily included in cost of sales) .....		611.7				653.3		
Litigation settlements and other contingencies, net.....		76.8				0.6		
Interest expense (primarily amortization of premiums and discounts on long term debt).....		(11.2)				(10.3)		
Gain on divestitures of businesses (included in other income, net) (a).....		(70.4)				-		
Acquisition and divestiture-related costs (primarily included in SG&A) (b).....		87.5				58.1		
Restructuring-related costs (c).....		19.6				9.7		
Share-based compensation expense.....		46.7				42.6		
Other special items included in:								
Cost of sales (d).....		28.2				38.8		
Research and development expense.....		2.4				2.0		
Selling, general and administrative expense.....		16.1				14.9		
Other income, net.....		(44.5)				(21.8)		
Tax effect of the above items and other income tax related items (e).....		(64.1)				(79.7)		
Adjusted net earnings and adjusted EPS.....	\$	<u>812.7</u>	\$	0.67	\$	<u>932.9</u>	\$	0.77
Weighted average diluted shares outstanding.....		<u>1,209.5</u>				<u>1,205.6</u>		

Significant items include the following:

- (a) For the three months ended March 31, 2024, 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). Also includes a pre-tax charge related to the planned divestiture of the API business of approximately \$10.4 million to write down the disposal group to fair value, less cost to sell.
- (b) Acquisition and divestiture-related costs consist primarily of transaction costs including legal and consulting fees and integration activities.
- (c) For the three months ended March 31, 2024, charges include approximately \$4.0 million in cost of sales and approximately \$15.6 million in SG&A.
- (d) For the three months ended March 31, 2024, charges include incremental manufacturing variances at plants in the 2020 restructuring program of approximately \$12.6 million.
- (e) Adjusted for changes for uncertain tax positions.

# Net Earnings to Adjusted EBITDA

	Three Months Ended	
	March 31,	
	2024	2023
U.S. GAAP net earnings.....	\$ 113.9	\$ 224.7
Add adjustments:		
Income tax provision.....	90.7	98.0
Interest expense (a).....	138.4	147.0
Depreciation and amortization (b).....	691.0	730.0
EBITDA.....	\$ 1,034.0	\$ 1,199.7
Add / (deduct) adjustments:		
Share-based compensation expense.....	46.7	42.6
Litigation settlements and other contingencies, net.....	76.8	0.6
Gain on divestitures of businesses.....	(70.4)	-
Restructuring, acquisition and divestiture-related and other special items (c).....	106.3	98.0
Adjusted EBITDA.....	\$ 1,193.4	\$ 1,340.9

(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 Earnings to Adjusted Net Earnings.

# Summary of Total Revenues by Segment – Q1 2024

	Three Months Ended March 31,										
	2024	2023	% Change	2024 Currency Impact <sup>(1)</sup>	2024 Constant Currency Revenues	Constant Currency % Change <sup>(2)</sup>	Closed Divestitures <sup>(3)</sup>	2023 Adjusted Ex Divestitures <sup>(4)</sup>	Divestiture Adjusted Operational Change <sup>(5)</sup>		
Net sales											
Developed Markets.....	\$ 2,165.4	\$ 2,170.4	- %	\$ (14.1)	\$ 2,151.3	(1)%	\$ 15.0	\$ 2,155.4	- %		
Greater China.....	543.9	564.6	(4)%	21.5	565.4	- %	-	564.6	- %		
JANZ.....	317.8	342.2	(7)%	30.8	348.6	2 %	0.1	342.1	2 %		
Emerging Markets.....	626.4	641.9	(2)%	38.9	665.3	4 %	30.6	611.3	9 %		
Total net sales.....	\$ 3,653.5	\$ 3,719.1	(2)%	\$ 77.1	\$ 3,730.6	- %	\$ 45.7	\$ 3,673.4	2 %		
Other revenues (6).....	9.9	10.0	NM	0.1	10.0	NM					
Consolidated total revenues (7).....	\$ 3,663.4	\$ 3,729.1	(2)%	\$ 77.2	\$ 3,740.6	- %					

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

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

(5) See key references on slide 3.

(6) For the three months ended March 31, 2024, other revenues in Developed Markets, JANZ, and Emerging Markets were approximately \$7.2 million, \$0.3 million, and \$2.4 million, respectively.

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

# Cost of Sales

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2024</b>	<b>2023</b>
U.S. GAAP cost of sales.....	\$ 2,159.4	\$ 2,186.9
Deduct:		
Purchase accounting amortization and other related items.....	(611.5)	(653.4)
Acquisition and divestiture-related costs.....	(6.3)	(5.0)
Restructuring related costs.....	(4.0)	(10.9)
Share-based compensation expense.....	(0.8)	(0.6)
Other special items.....	(28.2)	(38.8)
Adjusted cost of sales.....	<u>\$ 1,508.6</u>	<u>\$ 1,478.2</u>
Adjusted gross profit (a).....	<u>\$ 2,154.8</u>	<u>\$ 2,250.9</u>
Adjusted gross margin (a).....	<u>59 %</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

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2024</b>	<b>2023</b>
U.S. GAAP SG&A.....	\$ 1,017.5	\$ 958.9
Add / (Deduct):		
Acquisition and divestiture-related costs.....	(76.5)	(51.1)
Restructuring and related costs.....	(15.6)	1.2
Purchase accounting amortization and other related items.....	(0.1)	-
Share-based compensation expense.....	(43.9)	(40.3)
SG&A and R&D TSA reimbursement (a).....	(5.7)	(24.4)
Other special items and reclassifications.....	(16.1)	(14.9)
Adjusted SG&A.....	<u>\$ 859.6</u>	<u>\$ 829.4</u>
Adjusted SG&A as % of total revenues.....	<u>23 %</u>	<u>22 %</u>

(a) See SG&A and R&D TSA Reimbursement on slide 3.



# R&D

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2024</b>	<b>2023</b>
U.S. GAAP R&D.....	\$ 199.7	\$ 182.9
Deduct:		
Acquisition and divestiture-related costs.....	(4.6)	(2.0)
Share-based compensation expense.....	(1.9)	(1.6)
SG&A and R&D TSA reimbursement (a).....	(1.7)	(10.3)
Other special items.....	(2.4)	(2.0)
Adjusted R&D.....	<u>\$ 189.1</u>	<u>\$ 167.0</u>
Adjusted R&D as % of total revenues.....	<u>5 %</u>	<u>4 %</u>

(a) See SG&A and R&D TSA Reimbursement on slide 3.

# Total Operating Expenses

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2024</b>	<b>2023</b>
U.S. GAAP total operating expenses.....	\$ 1,300.1	\$ 1,142.4
Deduct:		
Litigation settlements and other contingencies, net.....	(76.8)	(0.6)
R&D adjustments.....	(10.6)	(15.9)
SG&A adjustments.....	(157.9)	(129.5)
Adjusted total operating expenses.....	<u>\$ 1,054.8</u>	<u>\$ 996.4</u>
Adjusted earnings from operations (a).....	<u>\$ 1,100.0</u>	<u>\$ 1,254.5</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

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2024</b>	<b>2023</b>
U.S. GAAP interest expense.....	\$ 138.4	\$ 147.0
Add / (Deduct):		
Accretion of contingent consideration liability.....	(1.7)	(2.2)
Amortization of premiums and discounts on long-term debt.....	13.8	13.5
Other special items.....	(0.9)	(1.0)
Adjusted interest expense.....	<u>\$ 149.6</u>	<u>\$ 157.3</u>

## Other Income, Net

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2024</b>	<b>2023</b>
U.S. GAAP other income, net.....	\$ (139.1)	\$ (69.9)
Add / (Deduct):		
Fair value adjustments on non-marketable equity investments.....	46.9	18.9
SG&A and R&D TSA reimbursement (a).....	7.4	34.7
Gain on divestitures of businesses.....	70.4	-
Other items.....	(2.6)	2.9
Adjusted other income, net.....	<u>\$ (17.0)</u>	<u>\$ (13.4)</u>

(a) See SG&A and R&D TSA Reimbursement on slide 3.

# Earnings Before Income Taxes and Income Tax Provision

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2024</b>	<b>2023</b>
U.S. GAAP earnings before income taxes.....	\$ 204.6	\$ 322.7
Total pre-tax non-GAAP adjustments.....	762.9	787.9
Adjusted earnings before income taxes.....	<u>\$ 967.5</u>	<u>\$ 1,110.6</u>
U.S. GAAP income tax provision.....	\$ 90.7	\$ 98.0
Adjusted tax expense.....	64.1	79.7
Adjusted income tax provision.....	<u>\$ 154.8</u>	<u>\$ 177.7</u>
Adjusted effective tax rate.....	<u>16.0 %</u>	<u>16.0 %</u>

# Free Cash Flow Since Beginning of 2021

	Year Ended			Three Months Ended March 31, 2024	Free Cash Flow Since Beginning of 2021
	December 31, 2021	December 31, 2022	December 31, 2023		
U.S. GAAP net cash provided by operating activities.....	\$ 3,016.9	\$ 2,952.6	\$ 2,799.6	\$ 614.6	\$ 9,383.7
Capital expenditures.....	(457.2)	(406.0)	(377.0)	(49.8)	(1,290.0)
Free cash flow.....	<u>\$ 2,559.7</u>	<u>\$ 2,546.6</u>	<u>\$ 2,422.6</u>	<u>\$ 564.8</u>	<u>\$ 8,093.7</u>
Add: Acquisition and divestiture-related transaction costs.....	-	254.3	219.3	83.5	557.1
Free cash flow excluding transaction costs.....	<u>\$ 2,559.7</u>	<u>\$ 2,800.9</u>	<u>\$ 2,641.9</u>	<u>\$ 648.3</u>	<u>\$ 8,650.8</u>

# Gross Leverage - Debt to Adjusted EBITDA

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

	Three Months Ended				Twelve Months Ended
	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024	March 31, 2024
Adjusted EBITDA.....	\$ 1,305.7	\$ 1,360.1	\$ 1,117.4	\$ 1,193.4	\$ 4,976.6
Reported debt balances:					
Long-term debt, including current portion.....					17,962.2
Short-term borrowings and other current obligations.....					-
Total.....					17,962.2
Add / (deduct):					
Net premiums on various debt issuances.....					(521.0)
Deferred financing fees.....					28.9
Total debt at notional amounts.....					\$ 17,470.1
Gross debt to adjusted EBITDA.....					3.5 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 Adjusted EBITDA – Last Twelve Months

	Three Months Ended			
	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024
U.S. GAAP net earnings (loss).....	\$ 264.0	\$ 331.6	\$ (765.6)	\$ 113.9
Add / (deduct) adjustments:				
Income tax provision (benefit).....	69.0	70.6	(89.4)	90.7
Interest expense (a).....	143.7	141.5	140.9	138.4
Depreciation and amortization (b).....	686.7	679.4	644.4	691.0
EBITDA.....	\$ 1,163.4	\$ 1,223.1	\$ (69.7)	\$ 1,034.0
Add / (deduct) adjustments:				
Share-based compensation expense.....	39.2	43.1	55.8	46.7
Litigation settlements and other contingencies, net.....	(11.0)	(26.1)	148.1	76.8
Loss (gain) on divestitures of businesses.....	-	-	239.9	(70.4)
Impairment of goodwill related to assets held for sale.....	-	-	580.1	-
Restructuring, acquisition and divestiture-related and other special items.....	114.1	120.0	163.2	106.3
Adjusted EBITDA.....	\$ 1,305.7	\$ 1,360.1	\$ 1,117.4	\$ 1,193.4

(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

	<b>Year Ended</b>
	<b>December 31, 2023</b>
Adjusted EBITDA.....	\$ 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.....	<u>\$ 17,616.1</u>
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 Adjusted EBITDA – Q4 2023

	<b>Year ended</b>
	<b>December 31, 2023</b>
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

	<b>Year Ended</b>
	<b>December 31, 2022</b>
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 Adjusted EBITDA – Q4 2022

	<b>Year ended</b>
	<b>December 31, 2022</b>
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

	<b>Year Ended</b>
	<b>December 31, 2021</b>
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.....	<u>1,493.0</u>
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.....	<u>(16.3)</u>
Total debt at notional amounts.....	<u>\$ 22,444.9</u>
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 Adjusted EBITDA – Q4 2021

	<b>Year ended</b>
	<b>December 31, 2021</b>
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

	<b>Year Ended</b>
	<b>December 31, 2020</b>
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 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.