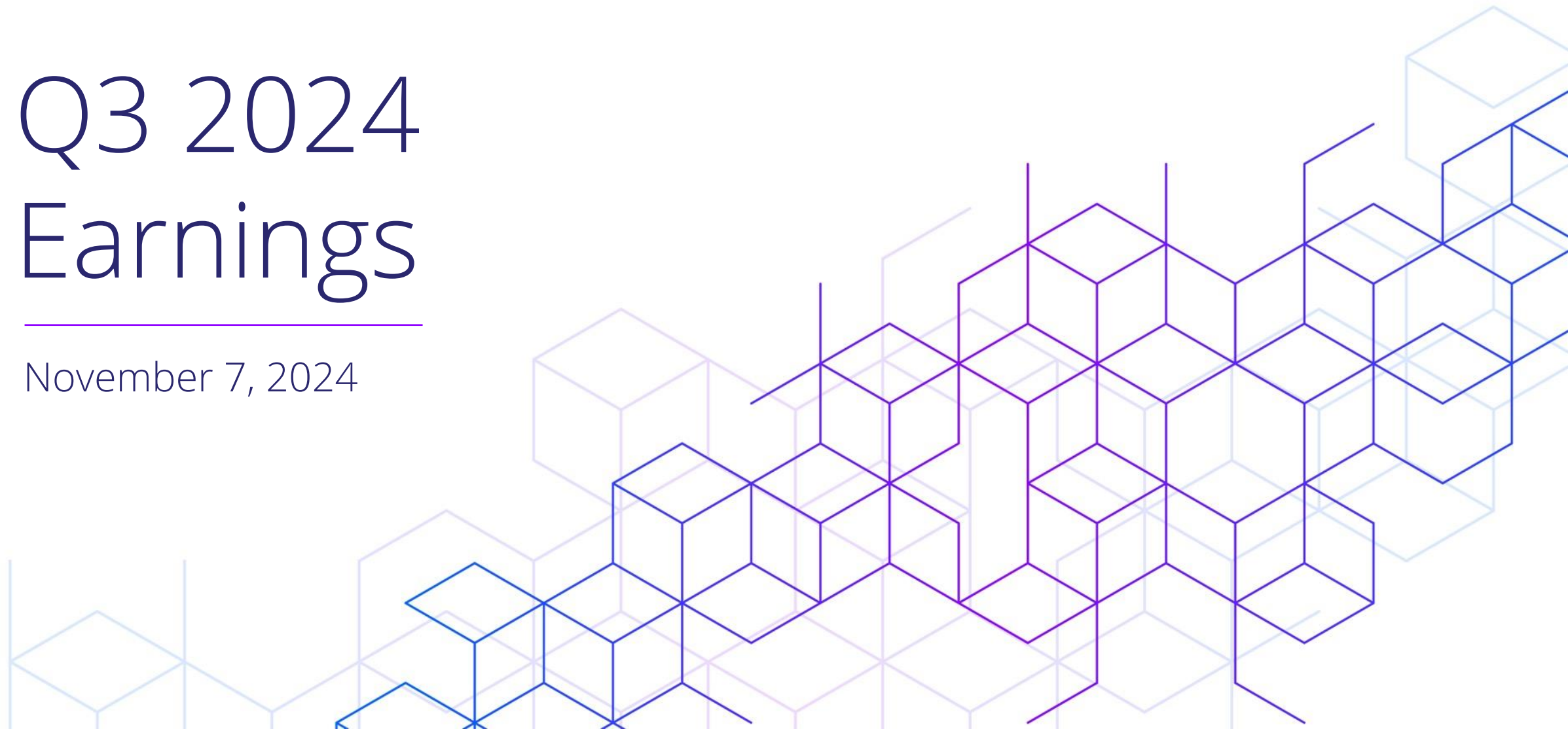




# Q3 2024 Earnings

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November 7, 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 2024 financial guidance; our strategic pillars to accelerate growth and shareholder return; diversified and growing base business; financial strength and significant cash flow; expanding innovative portfolio; positive top-line results of Ph3 study evaluating safety and efficacy of EFFEXOR® in Japanese adults with GAD; expect to achieve long-term gross leverage target of ~3.0x by the end of 2024; entered into exclusive licensing for sotagliflozin in October 2024, expanding our portfolio in innovative cardiovascular diseases; expects 2024 full-year operational revenue growth of ~2%; strong track record of delivering new product revenues; deep pipeline of core generics, complex generics and novel products; expects full year 2024 new product revenues of \$500M-\$600M; can leverage U.S. FDA approval as a reference in certain ex-US markets; potential expansion into further indications, which could include hypertrophic cardiac myopathy; clear line of sight to reaching our long-term gross leverage target by the end of 2024; expect notional debt outstanding of <\$14.0B by Q4 2024; balanced capital allocation framework; committed to investment grade rating; returning capital to shareholders via dividend and share buyback; investing in innovative portfolio to accelerate growth; 2024 key metrics; 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, announced and completed 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 divestitures, failure to realize the total transaction values or proceeds, 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, including but not limited to related to the divestiture or sale of businesses or assets; 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 Viatriis, 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 Viatriis' filings with the SEC through the SEC website at [www.sec.gov](http://www.sec.gov) or through our website and Viatriis strongly encourages you to do so. Viatriis routinely posts information that may be important to investors on our website at [investor.viatriis.com](http://investor.viatriis.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. Viatriis 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, 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 that closed in December 2023 and August 2024, 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, the divestiture of the API business in India that closed in June 2024, and the divestiture of the OTC business that closed in July 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 Viatris Inc. ("Viatris" 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 or 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 and DSA Reimbursement

Expenses related to TSA services provided for divested businesses are recorded in their respective functional line item; however, reimbursement of those expenses plus any mark-up is included in other 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, primarily related to the Biocon Biologics Transaction. This reclassification had no impact on adjusted net earnings, adjusted EBITDA or adjusted EPS. Any TSA reimbursement and DSA reimbursement amounts related to the closed divestitures are not direct offsets to operational expense and have not been reclassified.

## 2024 Guidance

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





# Strategic Update

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**Scott A. Smith**

Chief Executive Officer



# Our Strategic Pillars

to Accelerate Growth and Shareholder Return

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DIVERSIFIED  
& GROWING  
BASE BUSINESS



FINANCIAL  
STRENGTH &  
SIGNIFICANT  
CASH FLOW



EXPANDING  
INNOVATIVE  
PORTFOLIO

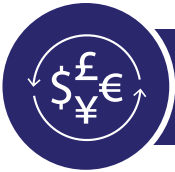


# Delivering on Our Strategic Pillars



## Diversified & Growing Base Business

- 6<sup>th</sup> consecutive quarter of divestiture-adjusted operational revenue growth with growth across all segments
- Delivered new product revenues of \$133M in Q3 and \$497M YTD
- Positive top-line results of Ph3 study evaluating safety and efficacy of EFFEXOR® in Japanese adults with GAD<sup>(1)</sup>



## Financial Strength & Significant Cash Flow

- Retired ~\$1.9B of debt<sup>(2)</sup> and expect to achieve long-term gross leverage target of ~3.0x by the end of 2024
- Generated free cash flow of \$866M in Q3 and \$1.9B YTD<sup>(3)</sup>



## Expanding Innovative Portfolio

- Entered into exclusive licensing agreement for sotagliflozin in October 2024, expanding our innovative portfolio in cardiovascular diseases

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

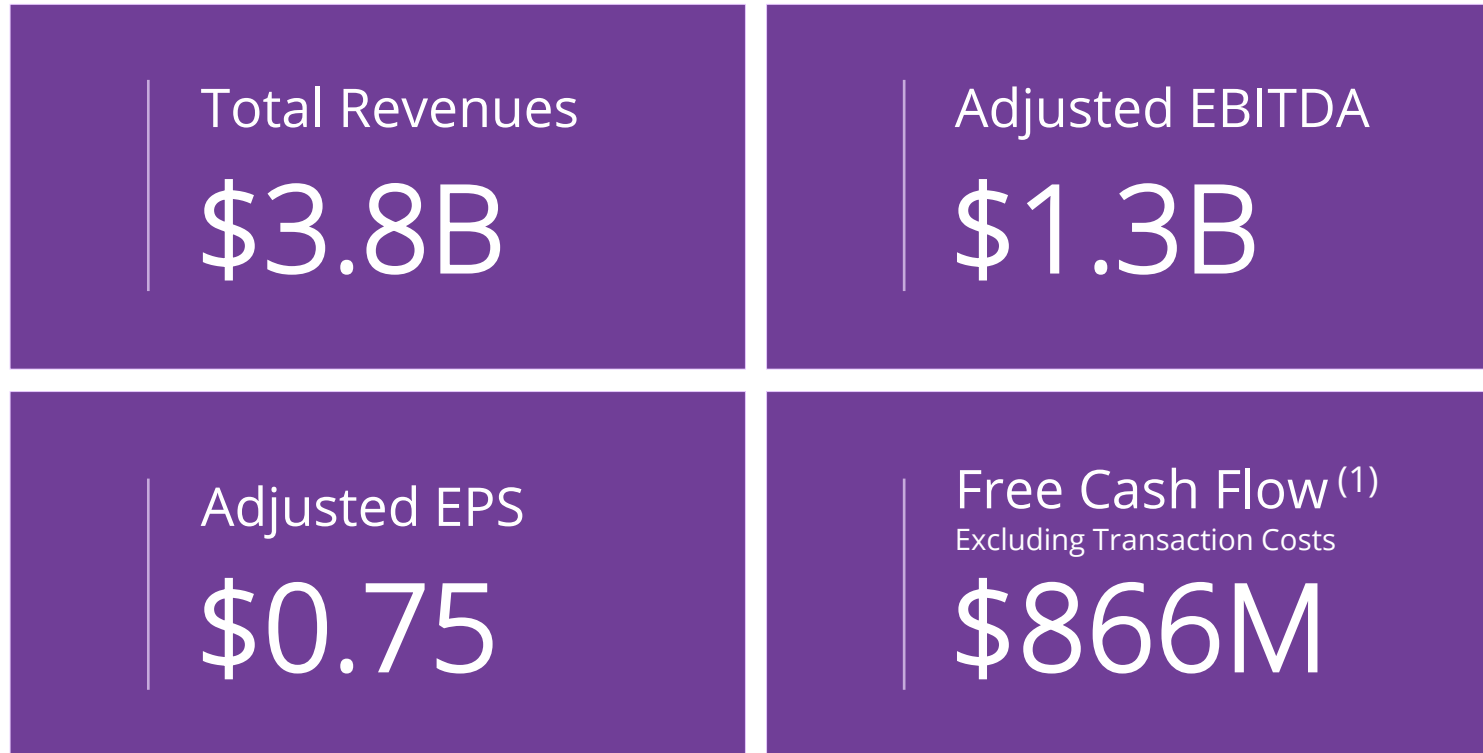
(1) GAD: generalized anxiety disorder.

(2) Includes the impact of make-whole call of €292M (~\$325M) of remaining 2025 Euro Senior Notes on October 16, 2024.

(3) Q3 2024 Free Cash Flow was \$750M. Excluding the impact of transaction costs primarily related to the divestitures of \$116M, Q3 2024 Free Cash Flow was \$866M. Q3 2024 YTD Free Cash Flow was \$1.6B. Excluding the impact of transaction costs primarily related to the divestitures of \$306M, Q3 2024 YTD Free Cash Flow was \$1.9B.

# Q3 2024 Financial Highlights

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Expects 2024 Full-Year Operational Revenue Growth of ~2%<sup>(2)</sup>

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

(1) Q3 2024 Free Cash Flow was \$750M. Excluding the impact of transaction costs primarily related to the divestitures of \$116M, Q3 2024 Free Cash Flow was \$866M.

(2) Expects 2024 full-year total revenue growth of ~2% on a divestiture-adjusted operational basis. U.S. GAAP total revenues for 2024 as of November 7, 2024 is estimated to be between \$14,600M and \$15,100M, with a midpoint of approximately \$14,850M or a full-year decrease of ~4%.





# R&D Update

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**Philippe Martin**

Chief R&D Officer



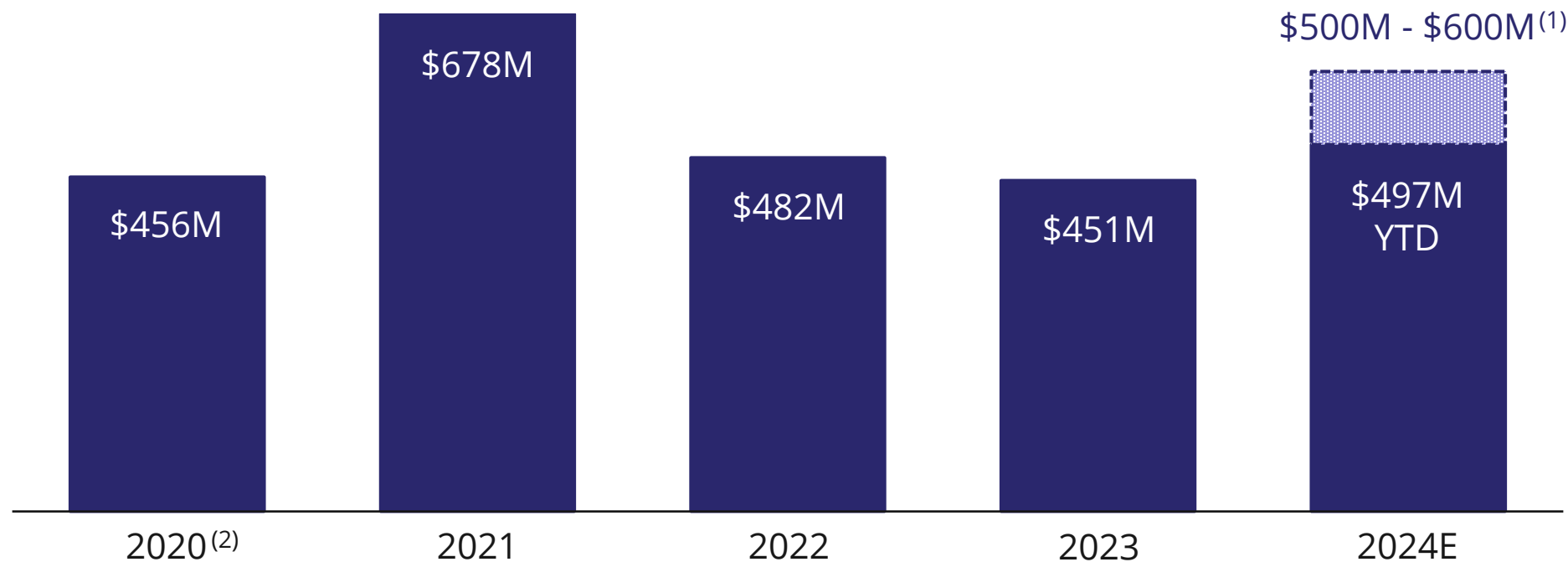


# Strong Track Record of Delivering New Product Revenues



Deep pipeline of core generics, complex generics and novel products

>\$450M New Product Revenues Each of the Last 5 Years



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

(1) Expect full-year 2024 new product revenues of \$500M-\$600M.

(2) Represents new product revenues for Mylan N.V. through closing of the combination with the Upjohn business to form Viatrix Inc. on November 16, 2020, and Viatrix Inc. thereafter.

# Expanding Our Innovative Portfolio



## Sotagliflozin Licensing Agreement Expands Our Innovative Portfolio in Cardiovascular Diseases

### Deal Overview

- Entered into exclusive licensing agreement with Lexicon Pharmaceuticals for sotagliflozin in all markets outside of the U.S. and Europe
- Sotagliflozin is approved by the U.S. FDA
- Leverages our expertise in cardiovascular disease and existing regional sales force and medical teams

### Product Profile & Approved Indication

- Broad label in Chronic Heart Failure (CHF) across full range of Left Ventricular Ejection Fraction, including HFpEF and HFrEF, and for patients with or without diabetes
- First and only SGLT Inhibitor labelled with a reduction of CV death and CHF events in patients initiated on therapy in hospital or promptly following discharge

### Registrational Path & Label Expansion

- Can leverage U.S. FDA approval as a reference in certain ex-US markets
- Potential expansion into further indications, which could include Hypertrophic Cardiac Myopathy



# Financial Update

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**Doretta Mistras**

Chief Financial Officer



# Q3 2024 Financial Highlights

(\$M, except percentages and Adjusted EPS)

	Q3 2024	Q3 2023 <sup>(1)</sup>	Change	Op Change	Divestiture-Adj Op Change
Total Revenues	\$3,751	\$3,942	(5%)	(4%)	3%
Adjusted EBITDA	\$1,285	\$1,360	(6%)	(5%)	4%
Adjusted EPS	\$0.75	\$0.79	(5%)	(5%)	6%
Free Cash Flow <sup>(2)(3)</sup> Excluding Transaction Costs	\$866	\$787	10%		

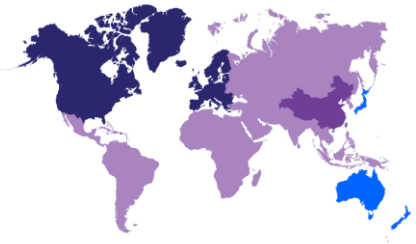
See slide 3 for more information on operational change, divestiture-adjusted operational change, and non-GAAP measures

(1) Q3 2023 figures represent reported results, including total net sales and adjusted EBITDA of \$291M and \$127M, 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) Q3 2024 Free Cash Flow was \$750M. Excluding the impact of transaction costs primarily related to the divestitures of \$116M, Q3 2024 Free Cash Flow was \$866M. Q3 2023 Free Cash Flow was \$739M. Excluding the impact of transaction costs primarily related to the divestitures of \$48M, Q3 2023 Free Cash Flow was \$787M.

(3) Beginning in 2024, upfront and milestone payments related to externally developed IPR&D projects acquired directly in a transaction other than a business combination, which were previously included in cash flows from operating activities in the condensed consolidated statements of cash flows, are now classified as cash flows from investing activities. Certain reclassifications were made to conform the prior period condensed consolidated financial statements to the current period presentation. The adjustments resulted in an increase to net cash provided by operating activities, free cash flow, and net cash used in investing activities of \$1M for the three months ended September 30, 2023.





# Total Net Sales

(\$M)	Q3 2024	Q3 2023	Change	Op Change
<b>Net Sales</b>	<b>\$3,738</b>	<b>\$3,934</b>	<b>(5%)</b>	<b>(5%)</b>
Brands	2,362	2,533	(7%)	(6%)
Generics	1,376	1,401	(2%)	(2%)

(\$M)	Q3 2024	Q3 2023 Adj Ex Divestitures <sup>(1)</sup>	Divestiture-Adj Change	Divestiture-Adj Op Change
<b>Net Sales</b>	<b>\$3,738</b>	<b>\$3,643</b>	<b>3%</b>	<b>3%</b>
Brands	2,362	2,325	2%	2%
Generics	1,376	1,318	4%	4%

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

(1) Q3 2023 net sales adj ex divestitures refers to Q3 2023 U.S. GAAP net sales minus \$291M related to the divestitures closed in 2023 and 2024.

## OPERATIONAL HIGHLIGHTS

### Q3 Performance vs. Prior Year Period

- ▶ Divestiture-adjusted operational growth across all segments
- ▶ **Brands:** Expansion of our portfolio in Emerging Markets and JANZ, and strong growth in Europe and Greater China
- ▶ **Generics:** Strong growth from new product performance in Developed Markets, continued growth from complex products, and solid performance across our broader European portfolio





# Developed Markets

(\$M)	Q3 2024	Q3 2023	Change	Op Change
<b>Net Sales</b>	<b>\$2,299</b>	<b>\$2,409</b>	<b>(5%)</b>	<b>(5%)</b>
Brands	1,218	1,391	(12%)	(13%)
Generics	1,081	1,017	6%	6%

(\$M)	Q3 2024	Q3 2023 Adj Ex Divestitures <sup>(1)</sup>	Divestiture-Adj Change	Divestiture-Adj Op Change
<b>Net Sales</b>	<b>\$2,299</b>	<b>\$2,224</b>	<b>3%</b>	<b>3%</b>
Brands	1,218	1,225	(1%)	(2%)
Generics	1,081	999	8%	8%

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

(1) Q3 2023 net sales adj ex divestitures refers to Q3 2023 U.S. GAAP net sales minus \$185M related to the divestitures closed in 2023 and 2024, which included net sales of \$176M for Europe and \$9M for North America.

## OPERATIONAL HIGHLIGHTS

### Q3 Performance vs. Prior Year Period

- ▶ Europe: ~\$1.3B; +6% divestiture-adj op change
- ▶ North America: ~\$1.0B; (1%) divestiture-adj op change
- ▶ Brands: Impacted by increased Medicaid utilization in certain non-promoted brands and lower volumes in EpiPen<sup>®</sup> (North America) and Influvac (Europe)
- ▶ Generics: Strong growth from complex products, including Breyna<sup>™</sup> and Wixela<sup>®</sup>, uptake from new products, and strong performance in key European markets



# Emerging Markets

(\$M)	Q3 2024	Q3 2023	Change	Op Change
<b>Net Sales</b>	<b>\$533</b>	<b>\$642</b>	<b>(17%)</b>	<b>(14%)</b>
Brands	396	410	(3%)	2%
Generics	137	233	(41%)	(42%)

(\$M)	Q3 2024	Q3 2023 Adj Ex Divestitures <sup>(1)</sup>	Divestiture-Adj Change	Divestiture-Adj Op Change
<b>Net Sales</b>	<b>\$533</b>	<b>\$543</b>	<b>(2%)</b>	<b>2%</b>
Brands	396	372	6%	12%
Generics	137	171	(19%)	(21%)

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

(1) Q3 2023 net sales adj ex divestitures refers to Q3 2023 U.S. GAAP net sales minus \$99M related to the divestitures closed in 2023 and 2024.

## OPERATIONAL HIGHLIGHTS

### Q3 Performance vs. Prior Year Period

- ▶ **Brands:** Expansion of cardiovascular portfolio in certain Latin American countries and further strength in MENA & Emerging Asia regions
- ▶ **Generics:** Supply chain impacts affecting our ARV business



# JANZ

(\$M)	Q3 2024	Q3 2023	Change	Op Change
<b>Net Sales</b>	<b>\$344</b>	<b>\$335</b>	<b>3%</b>	<b>6%</b>
Brands	189	186	2%	4%
Generics	155	149	4%	9%

(\$M)	Q3 2024	Q3 2023 Adj Ex Divestitures <sup>(1)</sup>	Divestiture-Adj Change	Divestiture-Adj Op Change
<b>Net Sales</b>	<b>\$344</b>	<b>\$328</b>	<b>5%</b>	<b>8%</b>
Brands	189	181	4%	6%
Generics	155	147	6%	10%

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

(1) Q3 2023 net sales adj ex divestitures refers to Q3 2023 U.S. GAAP net sales minus \$6M related to the divestitures closed in 2023 and 2024.

## OPERATIONAL HIGHLIGHTS

### Q3 Performance vs. Prior Year Period

- ▶ **Brands:** New products in Australia and volume growth of promoted brands in Japan, partially offset by impact from government price regulations in Japan and Australia
- ▶ **Generics:** Strong volume performance across the portfolio and uptake in new products, partially offset by government price regulations



# Greater China

(\$M)	Q3 2024	Q3 2023	Change	Op Change
Net Sales	\$562	\$548	2%	3%
Brands	560	546	2%	3%
Generics	2	2	NM	NM

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

## OPERATIONAL HIGHLIGHTS

### Q3 Performance vs. Prior Year Period

- ▶ Overall performance reflects strong volume growth in China and across multiple channels, including E-commerce, retail, and private hospitals
- ▶ Continue to navigate the evolving policy environment

# Strengthening Our Balance Sheet

~\$9.2B<sup>(1)</sup> Free Cash Flow since beginning of 2021

~\$9.3B<sup>(2)</sup> Debt repayment since beginning of 2021

## Notional Debt Outstanding<sup>(3)</sup>



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

(1) Excluding the impact of transaction costs related to divestitures and acquisitions of \$780M, Free Cash Flow was ~\$9.9B since the beginning of 2021.

(2) Includes the impact of make-whole call of €292M (~\$325M) of remaining 2025 Euro Senior Notes on October 16, 2024.

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

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

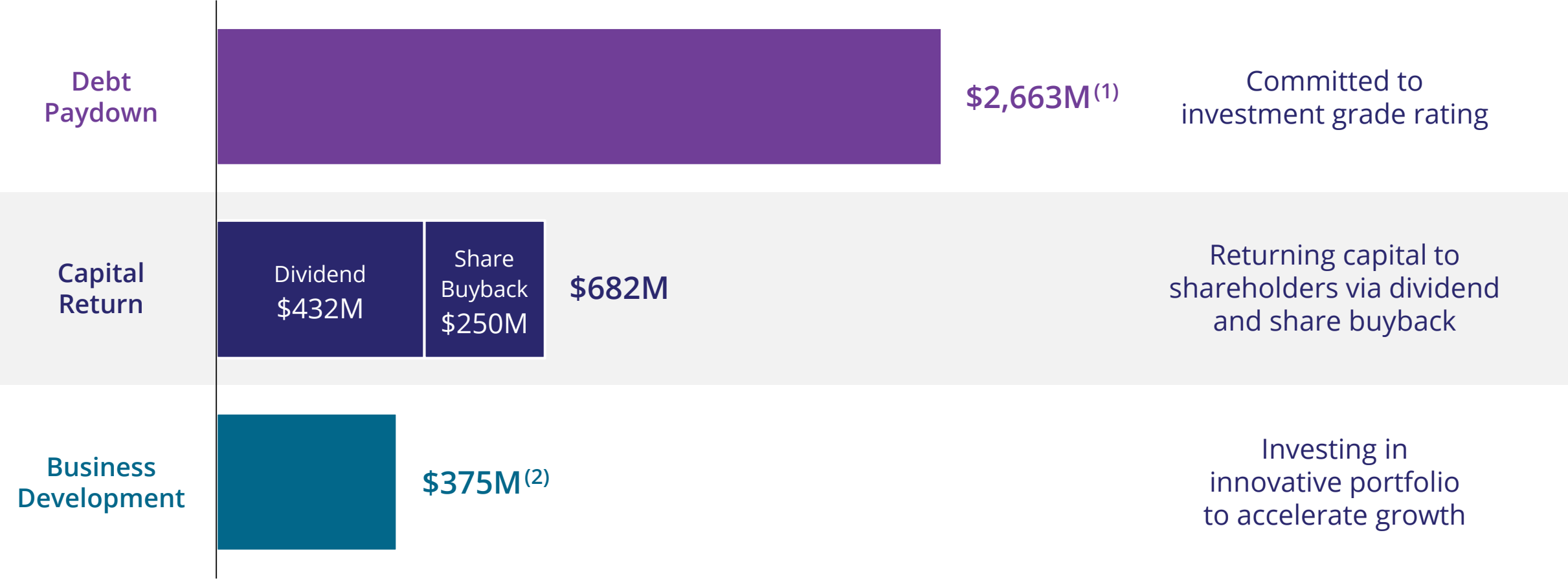
(5) Q4 2024E notional debt outstanding of <math>< \\$14.0B</math> includes the impact of make-whole call of €292M (~\$325M) of remaining 2025 Euro Senior Notes on October 16, 2024, and the expected repayment of €1.0B (~\$1.1B) maturity of 2024 Euro Senior Notes in November 2024.



# Balanced Capital Allocation Framework

## 2024 YTD Capital Allocation

## Framework



(1) Includes the impact of make-whole call of €292M (~\$325M) of remaining 2025 Euro Senior Notes on October 16, 2024.

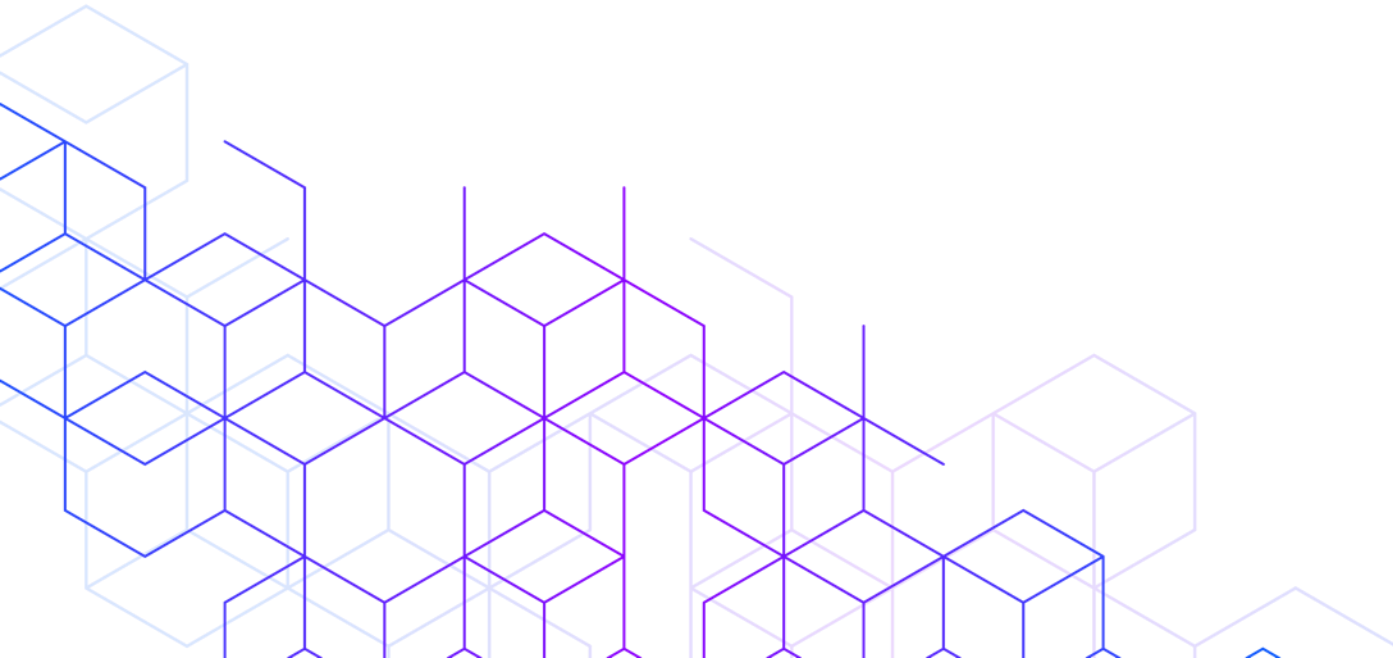
(2) Includes the impact of sotagliflozin licensing agreement upfront payment of \$25M in October 2024.





# Financial Guidance

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# 2024 Financial Guidance

(\$M, except percentages and Adjusted EPS)

	Estimated Ranges <sup>(1)</sup> August 8, 2024	Midpoint <sup>(1)</sup> August 8, 2024	Acquired IPR&D <sup>(2)</sup>	Estimated Ranges <sup>(3)</sup> November 7, 2024	Midpoint <sup>(3)</sup> November 7, 2024
Total Revenues	\$14,600 - \$15,100	\$14,850	-	\$14,600 - \$15,100	\$14,850
Adjusted EBITDA	\$4,600 - \$4,870	\$4,735	(\$25)	\$4,575 - \$4,845	\$4,710
Free Cash Flow	\$2,170 - \$2,570	\$2,370	-	\$2,170 - \$2,570	\$2,370
Adjusted EPS	\$2.58 - \$2.73	\$2.66	(\$0.02)	\$2.56 - \$2.71	\$2.64

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

(1) 2024 Financial Guidance as provided as of August 8, 2024 excluded the impact of any divestiture-related 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.

(2) Acquired IPR&D impact related to sotagliflozin licensing agreement entered into in October 2024.

(3) 2024 Financial Guidance as provided as of November 7, 2024 excludes the impact of any divestiture-related taxes and transaction costs. Also excludes any acquired IPR&D for unsigned deals to be incurred in any future period as it cannot be reasonably forecasted.

# 2024 Key Metrics

Key Metrics Utilized for 2024 Financial Guidance	Estimated Ranges <sup>(1)</sup> August 8, 2024	Estimated Ranges <sup>(2)</sup> November 7, 2024
Adjusted Gross Margin	57.5% - 58.5%	57.5% - 58.5%
Adjusted SG&A % of Total Revenues	23.0% - 24.0% <sup>(3)</sup>	23.0% - 24.0% <sup>(3)</sup>
Adjusted R&D % of Total Revenues	5.0% - 5.6%	5.0% - 5.6%
Net Cash Provided by Operating Activities	\$2,620M - \$2,920M	\$2,620M - \$2,920M
Capital Expenditures	\$350M - \$450M	\$350M - \$450M
Adjusted Effective Tax Rate	15.5% - 16.5%	15.5% - 16.5%
Shares Outstanding	~1,205M	~1,205M

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

(1) Key Metrics as provided as of August 8, 2024 excluded the impact of any divestiture-related 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.

(2) Key Metrics as provided as of November 7, 2024 excludes the impact of any divestiture-related taxes and transaction costs. Also excludes any acquired IPR&D for unsigned deals to be incurred in any future period as it cannot be reasonably forecasted.

(3) Includes estimated costs associated with transition services to be included in SG&A, while any reimbursement of these costs will be included in other expense (income), net.



# Q&A



**Scott A. Smith**  
Chief Executive Officer



**Doretta Mistras**  
Chief Financial Officer



**Philippe Martin**  
Chief R&D Officer



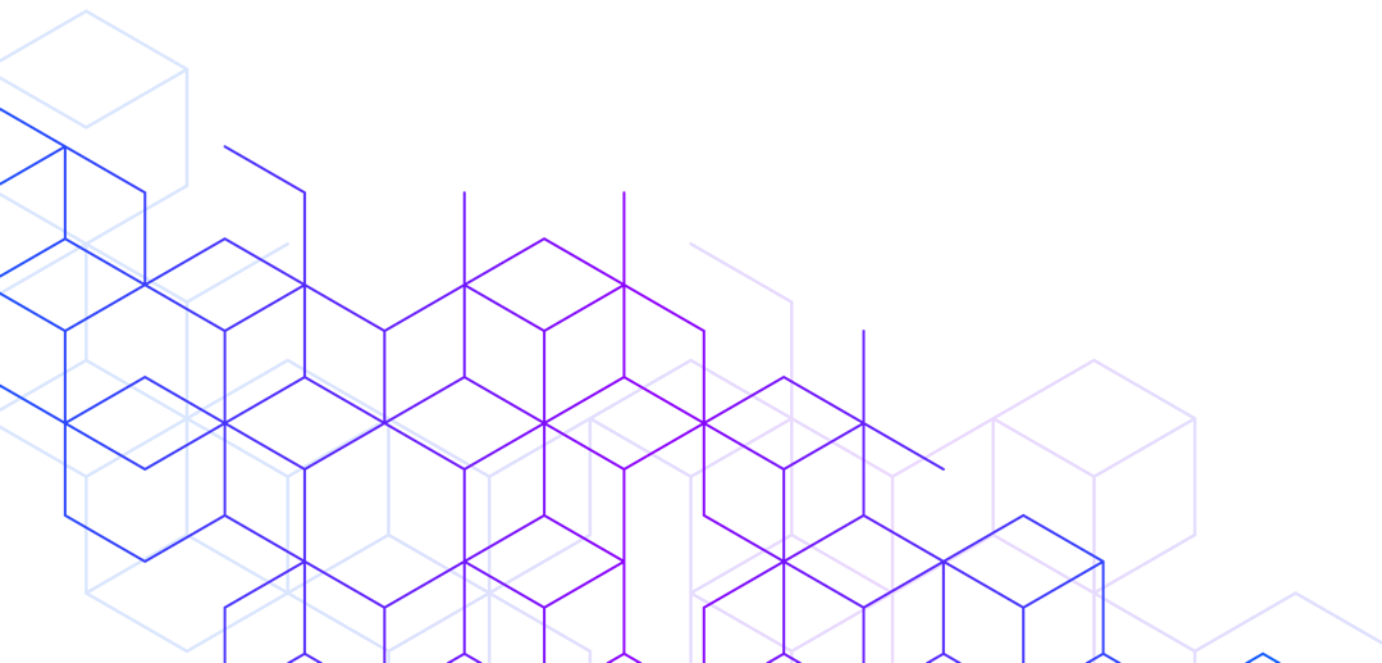
**Corinne Le Goff**  
Chief Commercial Officer







# GAAP / Non-GAAP Reconciliations



## Full-Year 2024 Guidance Items as of November 7, 2024 <sup>(1)</sup>

	GAAP	Non-GAAP
Total Revenues	\$14,600 - \$15,100	N/A
Adjusted EBITDA	N/A	\$4,575 - \$4,845
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	\$2.56 - \$2.71

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

(1) 2024 Financial Guidance as provided as of November 7, 2024 excludes the impact of any divestiture-related taxes and transaction costs. Also excludes any acquired IPR&D for unsigned deals 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 November 7, 2024<sup>(1)</sup>

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 3

(1) Excludes the impact of any divestiture-related taxes and transaction costs.

## Full-Year 2024 Guidance Items as of August 8, 2024 <sup>(1)</sup>

	GAAP	Non-GAAP
Total Revenues	\$14,600 - \$15,100	N/A
Adjusted EBITDA	N/A	\$4,600 - \$4,870
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 3

(1) 2024 Financial Guidance as provided as of August 8, 2024 excluded the impact of any divestiture-related 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 August 8, 2024 <sup>(1)</sup>

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 3

(1) Excluded the impact of any divestiture-related taxes and transaction costs.

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

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

	Three Months Ended				Nine Months Ended			
	September 30,		September 30,		September 30,		September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
U.S. GAAP net earnings (loss) and U.S. GAAP diluted earnings (loss) per share.....	\$ 94.8	\$ 0.08	\$ 331.6	\$ 0.27	\$ (117.7)	\$ (0.10)	\$ 820.3	\$ 0.68
Purchase accounting amortization (primarily included in cost of sales) (a).....	586.0	602.0	1,907.6	1,864.6				
Impairment of goodwill (included in SG&A) (b).....	–	–	321.0	–				
Litigation settlements and other contingencies, net.....	31.5	(26.1)	239.3	(36.5)				
Interest expense (primarily amortization of premiums and discounts on long term debt).....	0.4	(10.7)	(14.0)	(31.5)				
Loss on divestitures of businesses (included in other income, net) (c).....	107.4	–	295.8	–				
Acquisition and divestiture-related costs (primarily included in SG&A) (d).....	98.2	115.7	290.8	230.1				
Restructuring-related costs (e).....	105.4	14.9	146.1	98.7				
Share-based compensation expense.....	32.4	43.1	113.8	124.9				
Other special items included in:								
Cost of sales (f).....	45.2	16.7	92.5	91.9				
Research and development expense.....	–	0.3	2.8	2.7				
Selling, general and administrative expense.....	15.5	2.7	43.1	34.0				
Other income, net (g).....	(43.9)	(26.4)	(322.1)	(114.0)				
Tax effect of the above items and other income tax related items (h).....	(175.3)	(111.0)	(462.2)	(294.1)				
Adjusted net earnings and adjusted EPS.....	<u>\$ 897.6</u>	<u>\$ 0.75</u>	<u>\$ 952.8</u>	<u>\$ 0.79</u>	<u>\$ 2,536.8</u>	<u>2.11</u>	<u>\$ 2,791.1</u>	<u>\$ 2.32</u>
Weighted average diluted shares outstanding.....	1,200.4	1,207.6	1,202.5	1,205.6				

- (a) For the nine months ended September 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.
- (b) For the nine months ended September 30, 2024, includes a goodwill impairment charge of \$321.0 million related to the JANZ reporting unit.
- (c) For the three months ended September 30, 2024, consists primarily of additional pre-tax charges related to the divestitures of the OTC, API, and women's healthcare businesses of approximately \$92.6 million, \$15.1 million, and \$2.0 million, respectively. For the nine months ended September 30, 2024, consists primarily of additional pre-tax charges / (gains) related to the divestitures of the OTC, API, and women's healthcare businesses of approximately \$340.2 million, \$32.5 million, and \$(77.6) million, respectively.
- (d) Acquisition and divestiture-related costs consist primarily of transaction costs including legal and consulting fees and integration activities.
- (e) For the three and nine months ended September 30, 2024, charges include approximately \$82.7 million and \$98.3 million, respectively, in cost of sales, approximately \$0.9 million and \$1.9 million, respectively, in R&D, and approximately \$21.8 million and \$45.9 million, respectively, in SG&A.
- (f) For the three and nine months ended September 30, 2024, charges include incremental manufacturing variances at plants in the 2020 restructuring program of approximately \$4.0 million and \$15.5 million, respectively.
- (g) For the three and nine months ended September 30, 2024, includes gains of approximately \$39.4 million and \$368.7 million, respectively, as a result of remeasuring the CCPS in Biocon Biologics to fair value. Also includes a gain on the extinguishment of debt of \$16.7 million.
- (h) Adjusted for changes for uncertain tax positions.

# Net Earnings (Loss) to EBITDA and Adjusted EBITDA

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
U.S. GAAP net earnings (loss).....	\$ 94.8	\$ 331.6	\$ (117.7)	\$ 820.3
Add / (deduct) adjustments:				
Income tax (benefit) provision.....	(4.3)	70.6	21.0	237.6
Interest expense (a).....	145.6	141.5	429.8	432.2
Depreciation and amortization (b).....	669.7	679.4	2,147.0	2,096.1
EBITDA.....	\$ 905.8	\$ 1,223.1	\$ 2,480.1	\$ 3,586.2
Add / (deduct) adjustments:				
Share-based compensation expense	32.4	43.1	113.8	124.9
Litigation settlements and other contingencies, net.....	31.5	(26.1)	239.3	(36.5)
Loss on divestitures of businesses.....	107.4	–	295.8	–
Impairment of goodwill.....	–	–	321.0	–
Restructuring, acquisition and divestiture-related and other special items (c).....	207.5	120.0	235.9	332.1
Adjusted EBITDA.....	\$ 1,284.6	\$ 1,360.1	\$ 3,685.9	\$ 4,006.7

(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 (Loss) to Adjusted Net Earnings.



# Summary of Total Revenues by Segment – Q3 2024

	Three Months Ended September 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 .....	\$ 2,298.7	\$ 2,408.5	(5)%	\$ (15.4)	\$ 2,283.3	(5)%	\$ 184.7	\$ 2,223.8	3 %	
Greater China.....	561.8	548.4	2 %	1.9	563.7	3 %	–	548.4	3 %	
JANZ.....	344.3	334.5	3 %	9.8	354.1	6 %	6.5	328.0	8 %	
Emerging Markets .....	533.2	642.5	(17)%	18.3	551.5	(14)%	99.5	543.0	2 %	
Total net sales.....	\$ 3,738.0	\$ 3,933.9	(5)%	\$ 14.6	\$ 3,752.6	(5)%	\$ 290.7	\$ 3,643.2	3 %	
Other revenues (6).....	13.2	8.0	NM	(0.1)	13.1	NM	–	8.0	NM	
Consolidated total revenues (7)....	\$ 3,751.2	\$ 3,941.9	(5)%	\$ 14.5	\$ 3,765.7	(4)%	\$ 290.7	\$ 3,651.2	3 %	

(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 3.

(6) For the three months ended September 30, 2024, other revenues in Developed Markets, Greater China, JANZ, and Emerging Markets were approximately \$9.5 million, \$0.4 million, \$1.2 million, and \$2.1 million, respectively.

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

# Summary of Total Revenues by Segment – Q3 2024 YTD

	Nine Months Ended September 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 .....	\$ 6,783.3	\$ 6,932.7	(2)%	\$ (13.6)	\$ 6,769.7	(2)%	\$ 231.3	\$ 6,701.4	1 %	
Greater China.....	1,644.7	1,645.1	– %	42.4	1,687.1	3 %	–	1,645.1	3 %	
JANZ.....	1,011.7	1,052.2	(4)%	70.6	1,082.3	3 %	7.1	1,045.1	4 %	
Emerging Markets .....	1,737.7	1,932.5	(10)%	91.5	1,829.2	(5)%	207.0	1,725.5	6 %	
Total net sales.....	\$ 11,177.4	\$ 11,562.5	(3)%	\$ 190.9	\$ 11,368.3	(2)%	\$ 445.4	\$ 11,117.1	2 %	
Other revenues (6).....	33.8	27.1	NM	(0.1)	33.7	NM	–	27.1	NM	
Consolidated total revenues (7)....	\$ 11,211.2	\$ 11,589.6	(3)%	\$ 190.8	\$ 11,402.0	(2)%	\$ 445.4	\$ 11,144.2	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 3.

(6) For the nine months ended September 30, 2024, other revenues in Developed Markets, Greater China, JANZ, and Emerging Markets were approximately \$22.6 million, \$0.8 million, \$1.7 million, and \$8.7 million, respectively.

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

# Key Product Net Sales, on a Consolidated Basis

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2024	2023	2024	2023
<b>Select Key Global Products</b>				
Lipitor ®	\$ 375.6	\$ 381.6	\$ 1,112.9	\$ 1,179.5
Norvasc ®	168.9	175.5	507.1	560.6
Lyrica ®	129.9	141.7	368.4	423.1
EpiPen ® Auto-Injectors	123.2	131.9	318.9	355.2
Viagra ®	100.2	110.5	307.0	336.5
Creon ®	84.6	77.5	237.8	224.3
Celebrex ®	74.1	84.7	218.5	255.5
Effexor ®	66.3	65.5	188.4	194.9
Zoloft ®	60.6	62.7	177.5	173.7
Xalabrand	41.2	47.9	129.3	145.0
<b>Select Key Segment Products</b>				
Influvac ®	\$ 121.3	\$ 137.2	\$ 126.0	\$ 137.5
Yupelri ®	62.2	58.3	171.9	160.3
Dymista ®	43.5	44.1	146.7	155.0
Xanax ®	38.6	28.2	108.5	119.7
Amitiza ®	38.2	37.7	108.1	115.8

(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 nine months ended September 30, 2024 include the impact of foreign currency translations compared to the prior year period.

# Cost of Sales

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
U.S. GAAP cost of sales.....	\$ 2,292.0	\$ 2,250.6	\$ 6,802.6	\$ 6,747.5
Deduct:				
Purchase accounting amortization and other related items.....	(586.2)	(602.0)	(1,907.6)	(1,864.7)
Acquisition and divestiture-related costs.....	(18.8)	(14.1)	(42.1)	(26.7)
Restructuring related costs.....	(82.7)	(9.1)	(98.3)	(88.9)
Share-based compensation expense.....	(0.8)	(0.7)	(2.5)	(2.2)
Other special items.....	(45.2)	(16.7)	(92.5)	(91.9)
Adjusted cost of sales.....	<u>\$ 1,558.3</u>	<u>\$ 1,608.0</u>	<u>\$ 4,659.6</u>	<u>\$ 4,673.1</u>
Adjusted gross profit (a).....	<u>\$ 2,192.9</u>	<u>\$ 2,333.9</u>	<u>\$ 6,551.6</u>	<u>\$ 6,916.5</u>
Adjusted gross margin (a).....	<u>58%</u>	<u>59%</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		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
U.S. GAAP SG&A.....	\$ 1,003.4	\$ 1,053.5	\$ 3,378.9	\$ 3,044.3
Deduct:				
Acquisition and divestiture-related costs.....	(77.9)	(99.4)	(239.3)	(194.1)
Restructuring and related costs.....	(21.8)	(5.8)	(45.9)	(9.8)
Purchase accounting amortization and other related items.....	0.2	-	-	-
Share-based compensation expense.....	(29.8)	(40.9)	(105.9)	(118.7)
Impairment of goodwill.....	-	-	(321.0)	-
SG&A and R&D TSA reimbursement (a).....	-	(27.6)	(5.7)	(79.8)
Other special items and reclassifications.....	(15.5)	(2.7)	(43.1)	(34.0)
Adjusted SG&A.....	<u>\$ 858.6</u>	<u>\$ 877.1</u>	<u>\$ 2,618.0</u>	<u>\$ 2,607.9</u>
Adjusted SG&A as % of total revenues.....	<u>23%</u>	<u>22%</u>	<u>23%</u>	<u>23%</u>

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

# R&D

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
U.S. GAAP R&D.....	\$ 198.4	\$ 211.2	\$ 602.2	\$ 602.4
Deduct:				
Acquisition and divestiture-related costs.....	(1.6)	(2.2)	(9.3)	(9.2)
Restructuring and related costs.....	(0.9)	–	(1.9)	–
Share-based compensation expense.....	(1.7)	(1.5)	(5.4)	(4.0)
SG&A and R&D TSA reimbursement (a).....	–	(8.6)	(1.7)	(27.0)
Other special items.....	–	(0.3)	(2.8)	(2.7)
Adjusted R&D.....	<u>\$ 194.2</u>	<u>\$ 198.6</u>	<u>\$ 581.1</u>	<u>\$ 559.5</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 3.

# Total Operating Expenses

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
U.S. GAAP total operating expenses.....	\$ 1,233.3	\$ 1,239.6	\$ 4,218.7	\$ 3,621.4
Add / (Deduct):.....				
Litigation settlements and other contingencies, net.....	(31.5)	26.1	(239.3)	36.5
R&D adjustments.....	(4.2)	(12.6)	(21.1)	(42.9)
SG&A adjustments.....	(144.8)	(176.4)	(760.9)	(436.4)
Adjusted total operating expenses.....	<u>\$ 1,052.8</u>	<u>\$ 1,076.7</u>	<u>\$ 3,197.4</u>	<u>\$ 3,178.6</u>
Adjusted earnings from operations (a).....	<u>\$ 1,140.1</u>	<u>\$ 1,257.2</u>	<u>\$ 3,354.2</u>	<u>\$ 3,737.9</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		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
U.S. GAAP interest expense.....	\$ 145.6	\$ 141.5	\$ 429.8	\$ 432.2
Add / (Deduct):				
Accretion of contingent consideration liability.....	(11.4)	(2.0)	(22.6)	(6.3)
Amortization of premiums and discounts on long-term debt.....	12.0	13.7	39.3	40.8
Other special items.....	(0.9)	(1.0)	(2.7)	(3.0)
Adjusted interest expense.....	<u>\$ 145.3</u>	<u>\$ 152.2</u>	<u>\$ 443.8</u>	<u>\$ 463.7</u>

## Other Income, Net

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
U.S. GAAP other income, net.....	\$ (10.2)	\$ (92.0)	\$ (143.2)	\$ (269.4)
Add / (Deduct):				
Fair value adjustments on non-marketable equity investments.....	39.4	19.1	335.1	115.1
SG&A and R&D TSA reimbursement (a).....	–	36.2	7.4	106.8
Loss on divestitures of businesses.....	(107.4)	–	(295.8)	–
Other items.....	4.5	7.3	(12.9)	(1.1)
Adjusted other income, net.....	<u>\$ (73.7)</u>	<u>\$ (29.4)</u>	<u>\$ (109.4)</u>	<u>\$ (48.6)</u>

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

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
U.S. GAAP earnings (loss) before income taxes.....	\$ 90.5	\$ 402.2	\$ (96.7)	\$ 1,057.9
Total pre-tax non-GAAP adjustments.....	978.0	732.1	3,116.7	2,264.8
Adjusted earnings before income taxes.....	<u>\$ 1,068.5</u>	<u>\$ 1,134.3</u>	<u>\$ 3,020.0</u>	<u>\$ 3,322.7</u>
U.S. GAAP income tax (benefit) provision.....	\$ (4.3)	\$ 70.6	\$ 21.0	\$ 237.6
Adjusted tax expense.....	175.3	110.9	462.2	294.0
Adjusted income tax provision.....	<u>\$ 171.0</u>	<u>\$ 181.5</u>	<u>\$ 483.2</u>	<u>\$ 531.6</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		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
U.S. GAAP net cash provided by operating activities (a).....	\$ 826.5	\$ 835.2	\$ 1,820.2	\$ 2,331.5
Capital expenditures.....	(77.0)	(95.9)	(185.6)	(211.5)
Free cash flow (a).....	<u>\$ 749.5</u>	<u>\$ 739.3</u>	<u>\$ 1,634.6</u>	<u>\$ 2,120.0</u>
Acquisition and divestiture-related transaction costs.....	116.5	47.8	306.1	79.3
Free cash flow excluding transaction costs.....	<u>\$ 866.0</u>	<u>\$ 787.1</u>	<u>\$ 1,940.7</u>	<u>\$ 2,199.3</u>

(a) Beginning in 2024, upfront and milestone payments related to externally developed IPR&D projects acquired directly in a transaction other than a business combination, which were previously included in cash flows from operating activities in the condensed consolidated statements of cash flows, are now classified as cash flows from investing activities. Certain reclassifications were made to conform the prior period condensed consolidated financial statements to the current period presentation. The adjustments resulted in an increase to net cash provided by operating activities, free cash flow, and net cash used in investing activities for the three and nine months ended September 30, 2023, of \$1 million and \$11 million, respectively.

# Free Cash Flow Since Beginning of 2021

	Year Ended			Nine Months Ended September 30, 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	\$ 1,820.2	\$ 10,589.3
Capital expenditures.....	(457.2)	(406.0)	(377.0)	(185.6)	(1,425.8)
Free cash flow.....	<u>\$ 2,559.7</u>	<u>\$ 2,546.6</u>	<u>\$ 2,422.6</u>	<u>\$ 1,634.6</u>	<u>\$ 9,163.5</u>
Acquisition and divestiture-related transaction costs.....	—	254.3	219.3	306.1	779.7
Free cash flow excluding transaction costs.....	<u>\$ 2,559.7</u>	<u>\$ 2,800.9</u>	<u>\$ 2,641.9</u>	<u>\$ 1,940.7</u>	<u>\$ 9,943.2</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 September 30, 2024 to the sum of Viatrix' adjusted EBITDA for the quarters ended December 31, 2023, March 31, 2024, June 30, 2024, and September 30, 2024.

	Three Months Ended				Twelve Months Ended
	December 31, 2023	March 31, 2024	June 30, 2024	September 30, 2024	September 30, 2024
Adjusted EBITDA.....	\$ 1,117.4	\$ 1,193.4	\$ 1,207.9	\$ 1,284.6	\$ 4,803.3
Reported debt balances:					
Long-term debt, including current portion.....					15,742.1
Short-term borrowings and other current obligations.....					1.6
					<u>15,743.7</u>
Less: October 2024 make-whole call (a).....					<u>(325.0)</u>
Total.....					\$ 15,418.7
Add / (deduct):					
Net premiums on various debt issuances.....					(498.6)
Deferred financing fees.....					25.5
Total debt at notional amounts.....					<u>\$ 14,945.6</u>
Gross debt to adjusted EBITDA.....					3.1 x

(a) Make-whole call of €292M (~\$325M) of remaining 2025 Euro Senior Notes on October 16, 2024.

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

	Three Months Ended			
	December 31, 2023	March 31, 2024	June 30, 2024	September 30, 2024
U.S. GAAP net (loss) earnings.....	\$ (765.6)	\$ 113.9	\$ (326.4)	\$ 94.8
Add / (deduct) adjustments:				
Income tax (benefit) provision.....	(89.4)	90.7	(65.4)	(4.3)
Interest expense (a).....	140.9	138.4	145.8	145.6
Depreciation and amortization (b).....	644.4	691.0	786.3	669.7
EBITDA.....	\$ (69.7)	\$ 1,034.0	\$ 540.3	\$ 905.8
Add / (deduct) adjustments:				
Share-based compensation expense.....	55.8	46.7	34.7	32.4
Litigation settlements and other contingencies, net.....	148.1	76.8	131.0	31.5
Loss (gain) on divestitures of businesses.....	239.9	(70.4)	258.8	107.4
Impairment of goodwill.....	580.1	–	321.0	–
Restructuring, acquisition and divestiture-related and other special items.....	163.2	106.3	(77.9)	207.5
Adjusted EBITDA.....	\$ 1,117.4	\$ 1,193.4	\$ 1,207.9	\$ 1,284.6

(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 (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.....	<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 EBITDA and 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.....	\$ 18,717.0
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

	<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.....	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

	<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 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.