

## Perrigo Company plc (PRGO)

**\$14.17** (Stock Price as of 01/05/2026)

Price Target (6-12 Months): **\$11.00**

Long Term: 6-12 Months

**Zacks Recommendation: Underperform**

(Since: 11/07/25)

Prior Recommendation: Neutral

Short Term: 1-3 Months

**Zacks Rank: (1-5)**

**4-Sell**

Zacks Style Scores:

VGM: D

Value: A

Growth: F

Momentum: F

### Summary

While Perrigo is repositioning itself as a pure consumer self-care player, the transformation has yet to deliver meaningful top-line momentum. Although past acquisitions have expanded its market portfolio, the integration benefit remains limited amid overall soft OTC consumption trends and infant formula industry dynamics. Cost-saving initiatives are helping Perrigo streamline costs, but these are being partially offset by rising capital costs and ongoing supply-chain challenges, which continue to negatively impact operating margins. Although divestments have improved liquidity, they highlight the need to exit underperforming units rather than grow organically. The stock has underperformed the industry year to date.

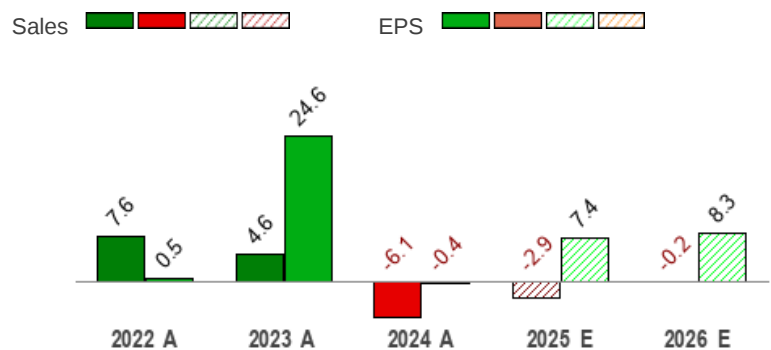
### Price, Consensus & Surprise<sup>(1)</sup>



### Data Overview

|                            |                                    |
|----------------------------|------------------------------------|
| 52 Week High-Low           | \$30.93 - \$12.17                  |
| 20 Day Average Volume (sh) | 3,930,737                          |
| Market Cap                 | \$2.0 B                            |
| YTD Price Change           | 1.8%                               |
| Beta                       | 0.40                               |
| Dividend / Div Yld         | \$1.16 / 8.2%                      |
| Industry                   | <a href="#">Medical - Products</a> |
| Zacks Industry Rank        | Bottom 34% (162 out of 244)        |

### Sales and EPS Growth Rates (Y/Y %)<sup>(2)</sup>



|                           |            |
|---------------------------|------------|
| Last EPS Surprise         | 6.7%       |
| Last Sales Surprise       | -4.8%      |
| EPS F1 Est- 4 week change | -5.5%      |
| Expected Report Date      | 02/26/2026 |
| Earnings ESP              | -1.3%      |

### Sales Estimates (millions of \$)<sup>(2)</sup>

|      | Q1      | Q2      | Q3      | Q4      | Annual* |
|------|---------|---------|---------|---------|---------|
| 2026 | 1,041 E | 1,053 E | 1,041 E | 1,102 E | 4,237 E |
| 2025 | 1,044 A | 1,056 A | 1,043 A | 1,102 E | 4,245 E |
| 2024 | 1,082 A | 1,066 A | 1,088 A | 1,138 A | 4,373 A |

### EPS Estimates<sup>(2)</sup>

|      | Q1     | Q2     | Q3     | Q4     | Annual* |
|------|--------|--------|--------|--------|---------|
| 2026 | 0.78 E | 0.63 E | 0.76 E | 0.82 E | 2.99 E  |
| 2025 | 0.60 A | 0.57 A | 0.80 A | 0.79 E | 2.76 E  |
| 2024 | 0.29 A | 0.53 A | 0.81 A | 0.93 A | 2.57 A  |

\*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 01/05/2026.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/15/2025.

## Overview

Dublin, Ireland-based Perrigo Company plc was formed following the December 2013 merger of Allegan, MI-based Perrigo Company with Elan Corporation. With a diversified revenue stream, the merged entity has a presence in the over-the-counter (OTC) market and wellness solutions designed to enhance individual well-being. Currently, the company's reporting segments are:

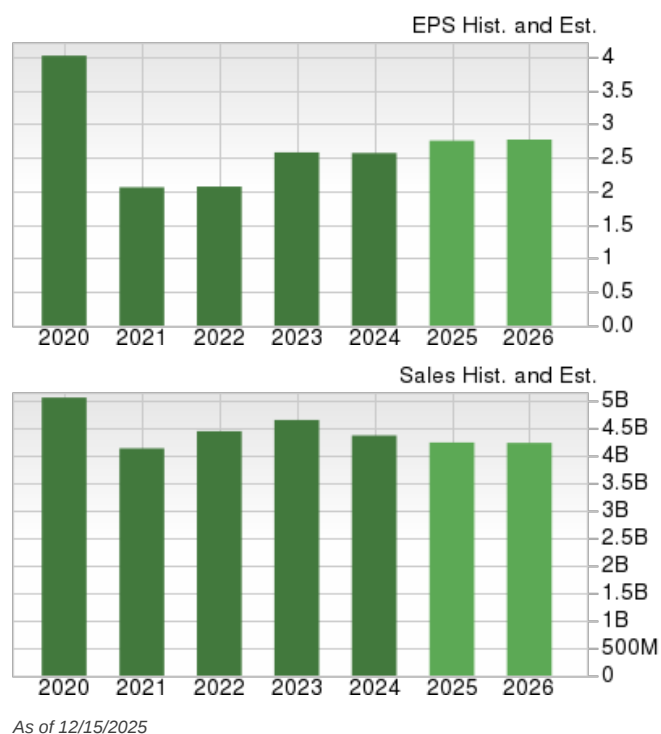
**Consumer Self-Care Americas (CSCA)** – The segment comprises the U.S. and Canada consumer self-care business, including OTC, contract manufacturing, infant formula and oral care categories. The segment accounted for nearly 62% of the company's total revenues in 2024.

**Consumer Self-Care International (CSCI)** – The segment comprises the branded consumer healthcare (BCH) segment mainly in Europe and the company's consumer-focused businesses in the UK and Australia. This segment includes the U.K. liquids licensed products business. The segment accounted for 38% of total revenues in 2024.

Perrigo is focusing on self-care products as part of its transformation from a healthcare company into a self-care company. The company completed its transformation to a consumer self-care company in July 2021 by reconfiguring the portfolio through the divestiture of its generic prescription pharmaceuticals and diagnostic businesses (RX business) to Altaris Capital Partners for \$1.55 billion.

In April 2022, Perrigo completed the acquisition of Héra SAS ("HRA Pharma"), a France-based leading global consumer self-care company, for €1.8 billion (or approximately \$1.9 billion) in cash. The acquisition has added many market-leading, high-growth OTC popular self-care brands like Compeed and Mederma in skin care as well as ellaOne in women's health. The acquisition has also added a new rare disease portfolio to the company's existing line of products.

Perrigo generated revenues of \$4.37 billion in 2024, up 6% year over year.



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## Reasons To Sell:

▼ **Challenges in Infant Formula Industry:** The infant formula category continues to face structural challenges that have made it increasingly difficult for Perrigo to sustain momentum in this business. While overall market consumption remains soft, the pace of recovery in private-label share has been slower than expected. Also, this category requires a level of ongoing investment, regulatory focus and operational oversight that is inconsistent with its long-term strategic contribution.

These challenges directly contributed to Perrigo's decision to revise its full-year 2025 outlook downward, with infant formula industry dynamics cited as a primary driver of the weaker top-line view. The company has also initiated a strategic review of the business, highlighting both the headwinds facing the category and the uncertainty around its strategic fit within Perrigo's streamlined, higher-growth OTC-focused portfolio. As part of this decision, the company has decided to pause a previously announced plan to invest \$240 million in its infant production network over the next three years.

▼ **Pricing & Other Macro-Economic Pressures:** The pricing pressure and changing dynamics in the U.S. businesses are also hurting the company's sales. In the past few years, the company's margins were hurt by cost headwinds due to the rising cost of capital and supply chain disruptions in certain parts of the world amid the Russia-Ukraine war and Middle-East conflicts.

▼ **Competition in the OTC Market:** Although the markets for OTC products hold potential, these are subject to higher competition from brand-name pharmaceutical and consumer product companies. Perrigo's primary competitors include LNK International, Reckitt Benckiser, Procter & Gamble, Dr. Reddy's Labs, Kenvue, Haleon and Abbott Nutrition. The overall OTC industry is experiencing soft consumption trends across the United States and Europe in recent quarters.

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Perrigo's businesses continue to be impacted by pricing and other macro-economic pressures. Stiff competition remains a threat as well.

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## Risks<sup>(2)</sup> (to the Underperform recommendation)

- **Encouraging Restructuring Initiatives:** To curb rising costs and reinforce its long-term growth profile, Perrigo launched Project Energize in 2024 — a three-year investment and efficiency program aimed at streamlining operations, reducing expenses and reallocating resources to higher-return areas of the business. Since its launch, Project Energize has generated approximately \$163 million in gross annual savings, with \$32 million reinvested to support the expansion of Perrigo's blended-brand operating model and other strategic capabilities. The company expects the program to deliver annualized pre-tax savings of \$140 million to \$170 million by the end of 2026, with \$40 million to \$60 million of those savings earmarked for reinvestment in growth initiatives.

To reduce its structural cost base and improve profitability in its operations, Perrigo initiated a supply chain reinvention program in 2022. By employing this initiative, the company not only aims to optimize distribution and logistics models but also to reduce its portfolio complexity and diversify sourcing abilities and upgrade automated manufacturing plants. The company expects to start seeing significant potential benefits (annual run-rate potential savings between \$150 to \$200 million) from this initiative by the end of 2025.

- **Divestments of Non-Self Care Biz Aid Cash Balance:** In order to support its strategic focus on the consumer self-care business and improve long-term profitability, Perrigo continues to make several divestitures of its margin-dilutive and non-self-care businesses. These separations have not only helped Perrigo focus on expanding its global consumer self-care business but also reduced its leverage.

In July 2025, the company announced that it had signed a deal with KKR-backed Kairos Bidco AB to sell its Dermacosmetics-branded business for up to €327 million. Perrigo expects to close this transaction in the first quarter of 2026. Over the last few years, the company has successfully divested several businesses, which include rare diseases, prescription Pharmaceuticals (Rx) and some margin-dilutive OTC businesses based in Brazil, Mexico and Latin America.

## Last Earnings Report

### Q3 Earnings Beat, Sales Miss Estimates

Perrigo reported adjusted earnings of 80 cents per share in the third quarter of 2025, beating the Zacks Consensus Estimate of 75 cents. The reported figure fell 1.2% year over year, attributable to lower sales volume during the quarter.

Net sales declined 4.1% year over year to \$1.04 billion, missing the Zacks Consensus Estimate of \$1.10 billion. The downside was due to the soft sales performance of its infant formula and oral care businesses, as well as the loss of sales stemming from exited businesses and product lines, partially offset by favorable currency movements.

During the quarter, sales dropped 1.3% year over year on account of exited businesses and product lines, but benefited by 1.6% from favorable currency movements. At constant currency (excluding foreign currency translation), sales fell 5.7%. Organic net sales (excluding the effects of acquisitions and divestitures and the impact of currency) declined 4.4%.

### Segment Discussion

**CSCA:** The segment's net sales in the quarter came in at \$646 million, down 3.8% year over year. Though sales grew across the Upper Respiratory, Skin Care and Women's Health categories, they were more than offset by lower sales in the Infant Formula and Oral Care businesses. Organic net sales also declined 3.8%. The reported segment sales missed the Zacks Consensus Estimate of \$664 million and our model estimate of \$676 million.

**CSCI:** The segment reported net sales of \$398 million, down 4.5% from the year-ago period's levels due to soft sales performance of its Upper Respiratory, VMS (Vitamins, Minerals and Supplements) and Women's Health categories. This decline was partially offset by favorable currency movements during the quarter. At constant currency rates, sales were down 8.7% year over year. Organically, sales declined 5.3%. CSCI sales missed both the Zacks Consensus Estimate and our model estimate of \$432 million and \$429 million, respectively.

### 2025 Guidance

Perrigo lowered its financial guidance for total sales this year, primarily due to infant formula industry dynamics and challenging market consumption trends. As a result, the company now expects sales to decline by 2.5-3.0% against the previously issued guidance of growth in sales toward the lower end of 0-3%.

Perrigo also lowered some of its other 2025 financial targets, including an adjusted EPS range of \$2.70 to \$2.80 (previously: \$2.90-\$3.10) and an adjusted gross margin of around 39% (previously: 40%). The company reiterated its guidance for adjusted operating margin near 15%.

**FY Quarter Ending** **12/31/2025**

| Earnings Reporting Date | Nov 05, 2025 |
|-------------------------|--------------|
| Sales Surprise          | -4.84%       |
| EPS Surprise            | 6.67%        |
| Quarterly EPS           | 0.80         |
| Annual EPS (TTM)        | 2.90         |

## Recent News

### Perrigo to Conduct Strategic Review of Infant Formula Biz – Nov. 5

Perrigo announced it is initiating a strategic review of its infant formula business. This review, which is part of Perrigo's "Three-S" (Stabilize, Streamline, Strengthen) plan, aims to evaluate a full range of alternatives to maximize shareholder value. The company has not set any specific timeline for completing this process.

### Quarterly Dividend – Oct. 29

Perrigo announced that its board of directors declared a quarterly dividend of 29 cents per share payable to shareholders of record on Nov. 28, 2025. The dividend will be payable on Dec. 16, 2025.

## Valuation

Perrigo's shares are down 48.9% year to date and 50.8% over the trailing six-month period. Stocks in the Zacks sub-industry are up 2.3% while those in the sector are up 6.4% in the year-to-date period. Over the past six months, Zacks sub-industry is down 2.9% while the sector is up 9.3%.

The S&P 500 Index is up 18.2% year to date and 15.7% in the past year.

The stock is currently trading at 4.49X forward 12-month earnings per share, which compares to 19.95X for the Zacks sub-industry, 20.95X for the Zacks sector, and 23.35X for the S&P 500 Index.

Over the past five years, the stock has traded as high as 19.84X and as low as 4.11X, with a 5-year median of 11.61X. Our Underperform recommendation indicates that the stock will perform worse than the market. Our \$11.00 price target reflects 3.76X forward 12-month earnings value per share.

The table below shows the summary valuation data for PRGO.

| Valuation Multiples - PRGO |               |       |              |        |         |
|----------------------------|---------------|-------|--------------|--------|---------|
|                            |               | Stock | Sub-Industry | Sector | S&P 500 |
| P/E F12M                   | Current       | 4.49  | 19.95        | 20.95  | 23.35   |
|                            | 5-Year High   | 19.84 | 27.44        | 23.60  | 23.78   |
|                            | 5-Year Low    | 4.11  | 17.84        | 17.86  | 15.73   |
|                            | 5-Year Median | 11.61 | 21.98        | 20.66  | 21.22   |
| P/S F12M                   | Current       | 0.43  | 2.87         | 2.16   | 5.27    |
|                            | 5-Year High   | 1.53  | 4.50         | 3.41   | 5.50    |
|                            | 5-Year Low    | 0.39  | 2.57         | 2.02   | 3.83    |
|                            | 5-Year Median | 0.94  | 3.23         | 2.65   | 5.05    |
| P/B TTM                    | Current       | 0.41  | 2.85         | 3.96   | 8.49    |
|                            | 5-Year High   | 1.25  | 4.50         | 6.08   | 9.17    |
|                            | 5-Year Low    | 0.38  | 2.45         | 3.57   | 6.60    |
|                            | 5-Year Median | 0.94  | 3.14         | 4.53   | 8.05    |

As of 12/12/2025

Source: Zacks Investment Research

## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Bottom 34% (162 out of 244)



## Top Peers<sup>(1)</sup>

| Company (Ticker)              | Rec          | Rank |
|-------------------------------|--------------|------|
| AdaptHealth Corp. (AHCO)      | Neutral      | 3    |
| Bio-Rad Laboratories...(BIO)  | Neutral      | 3    |
| GN Store Nord (GNNDY)         | Neutral      | 3    |
| Kenvue Inc. (KVUE)            | Neutral      | 3    |
| Dr. Reddy's Laborato...(RDY)  | Neutral      | 3    |
| ResMed Inc. (RMD)             | Neutral      | 2    |
| Smith & Nephew SNATS...(SNN)  | Neutral      | 4    |
| QuidelOrtho Corporat...(QDEL) | Underperform | 4    |

## Industry Comparison<sup>(1)</sup> Industry: Medical - Products

|                                  | PRGO         | X Industry | S&P 500   | AHCO      | HLN       | RMD     |
|----------------------------------|--------------|------------|-----------|-----------|-----------|---------|
| Zacks Recommendation (Long Term) | Underperform | -          | -         | Neutral   | Neutral   | Neutral |
| Zacks Rank (Short Term)          | 4            | -          | -         | 3         | 3         | 2       |
| VGM Score                        | D            | -          | -         | A         | B         | B       |
| Market Cap                       | 1.95 B       | 234.84 M   | 39.40 B   | 1.32 B    | 45.02 B   | 35.81 B |
| # of Analysts                    | 2            | 3          | 22        | 3         | 2         | 7       |
| Dividend Yield                   | 8.19%        | 0.00%      | 1.39%     | 0.00%     | 1.12%     | 0.98%   |
| Value Score                      | A            | -          | -         | A         | C         | C       |
| Cash/Price                       | 0.23         | 0.17       | 0.04      | 0.06      | 0.02      | 0.04    |
| EV/EBITDA                        | 11.60        | 4.16       | 14.79     | 4.65      | NA        | 18.24   |
| PEG Ratio                        | 0.65         | 1.71       | 2.04      | 0.95      | NA        | 1.65    |
| Price/Book (P/B)                 | 0.44         | 1.71       | 3.38      | 0.82      | 2.13      | 5.85    |
| Price/Cash Flow (P/CF)           | 2.81         | 9.72       | 15.41     | 2.58      | 20.28     | 21.90   |
| P/E (F1)                         | 5.13         | 19.35      | 18.79     | 10.44     | 18.90     | 22.64   |
| Price/Sales (P/S)                | 0.46         | 1.41       | 3.12      | 0.41      | 3.14      | 6.81    |
| Earnings Yield                   | 19.55%       | 2.50%      | 5.32%     | 9.61%     | 5.34%     | 4.42%   |
| Debt/Equity                      | 0.81         | 0.17       | 0.57      | 1.09      | 0.48      | 0.07    |
| Cash Flow (\$/share)             | 5.05         | 0.05       | 8.98      | 3.79      | 0.50      | 11.20   |
| Growth Score                     | F            | -          | -         | B         | A         | B       |
| Hist. EPS Growth (3-5 yrs)       | 0.09%        | -0.52%     | 8.24%     | 17.85%    | NA        | 14.70%  |
| Proj. EPS Growth (F1/F0)         | 7.39%        | 22.77%     | 9.18%     | -22.92%   | 20.00%    | 13.51%  |
| Curr. Cash Flow Growth           | -3.50%       | 4.06%      | 7.00%     | -63.28%   | 33.63%    | 21.18%  |
| Hist. Cash Flow Growth (3-5 yrs) | -6.06%       | 8.49%      | 7.49%     | 48.58%    | NA        | 13.45%  |
| Current Ratio                    | 2.51         | 2.40       | 1.19      | 1.08      | 0.87      | 2.89    |
| Debt/Capital                     | 44.80%       | 21.24%     | 38.14%    | 52.09%    | 32.40%    | 6.26%   |
| Net Margin                       | -1.21%       | -7.30%     | 12.77%    | 2.53%     | NA        | 27.35%  |
| Return on Equity                 | 9.16%        | -2.54%     | 17.03%    | 4.85%     | NA        | 25.45%  |
| Sales/Assets                     | 0.43         | 0.57       | 0.53      | 0.74      | NA        | 0.67    |
| Proj. Sales Growth (F1/F0)       | -2.90%       | 7.09%      | 5.29%     | -1.00%    | 2.10%     | 8.40%   |
| Momentum Score                   | F            | -          | -         | B         | C         | B       |
| Daily Price Chg                  | 2.02%        | 0.06%      | 0.64%     | 1.14%     | 1.10%     | 0.22%   |
| 1 Week Price Chg                 | 0.51%        | -0.48%     | -0.05%    | -5.66%    | -1.28%    | 0.02%   |
| 4 Week Price Chg                 | 8.33%        | 0.34%      | 0.81%     | 4.15%     | 7.55%     | -1.87%  |
| 12 Week Price Chg                | -33.13%      | -9.10%     | 3.72%     | 12.41%    | 11.34%    | -10.13% |
| 52 Week Price Chg                | -44.04%      | -9.67%     | 15.51%    | 2.52%     | 6.98%     | 4.37%   |
| 20 Day Average Volume            | 3,930,737    | 236,224    | 2,399,304 | 1,084,430 | 8,128,889 | 851,668 |
| (F1) EPS Est 1 week change       | 0.00%        | 0.00%      | 0.00%     | 0.00%     | 0.00%     | 0.00%   |
| (F1) EPS Est 4 week change       | -5.46%       | 0.00%      | 0.00%     | 0.00%     | 0.94%     | 0.12%   |
| (F1) EPS Est 12 week change      | -12.16%      | 0.00%      | 0.44%     | -16.96%   | -0.31%    | 0.36%   |
| (Q1) EPS Est Mthly Chg           | 0.00%        | 0.00%      | 0.00%     | 0.00%     | NA        | 0.12%   |

## Analyst Earnings Model<sup>(2)</sup>

### Perrigo Company plc (PRGO)

In \$MM, except per share data

|                                                  | 2018A     | 2019A     | 2020A     | 2021A     | 2022A     | 2023A     | 2024A     | 2025E     |           |           |           | 2026E     |           |           |           | 2027E     |           |           |
|--------------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                                                  | FY        | FY        | FY        | FY        | FY        | FY        | FY        | 1QA       | 2QA       | 3QA       | 4QE       | FY        | 1QE       | 2QE       | 3QE       | 4QE       | FY        | FY        |
| FY Ends December 31st                            | Dec-18    | Dec-19    | Dec-20    | Dec-21    | Dec-22    | Dec-23    | Dec-24    | 31-Mar-25 | 30-Jun-25 | 30-Sep-25 | 31-Dec-25 | Dec-25    | 31-Mar-26 | 30-Jun-26 | 30-Sep-26 | 31-Dec-26 | Dec-26    | Dec-27    |
| Income Statement                                 |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |
| Net Sales                                        | \$4,731.7 | \$4,837.4 | \$4,088.2 | \$4,138.7 | \$4,451.6 | \$4,655.6 | \$4,373.4 | \$1,043.9 | \$1,056.3 | \$1,043.3 | \$1,101.9 | \$4,245.4 | \$1,041.1 | \$1,052.6 | \$1,041.2 | \$1,102.4 | \$4,237.4 | \$4,322.2 |
| Cost of Sales, Non-GAAP                          | \$2,693.5 | \$2,860.2 | \$2,498.1 | \$2,626.3 | \$2,838.2 | \$2,847.1 | \$2,675.5 | \$616.2   | \$653.5   | \$626.8   | \$699.0   | \$2,595.5 | \$604.9   | \$642.8   | \$616.1   | \$671.9   | \$2,535.7 | \$2,556.8 |
| Cost of Sales, GAAP                              | \$2,900.2 | \$3,064.1 | \$2,593.3 | \$2,722.5 | \$2,996.2 | \$2,975.2 | \$2,830.7 | \$651.6   | \$693.4   | \$666.2   | \$738.3   | \$2,749.5 | \$642.7   | \$681.7   | \$654.3   | \$712.0   | \$2,690.6 | \$2,714.9 |
| Gross Profit, Non-GAAP                           | \$2,038.2 | \$1,977.2 | \$1,590.1 | \$1,512.4 | \$1,613.4 | \$1,808.5 | \$1,697.9 | \$427.7   | \$402.8   | \$416.5   | \$402.9   | \$1,649.9 | \$436.2   | \$409.8   | \$425.1   | \$430.6   | \$1,701.7 | \$1,765.4 |
| Gross Profit, GAAP                               | \$1,831.5 | \$1,773.3 | \$1,494.9 | \$1,416.2 | \$1,455.4 | \$1,680.4 | \$1,542.7 | \$392.3   | \$362.9   | \$377.1   | \$363.6   | \$1,495.9 | \$398.4   | \$371.0   | \$387.0   | \$390.4   | \$1,546.8 | \$1,607.3 |
| Distribution                                     | \$94.2    | \$96.1    | \$85.1    | \$93.0    | \$113.0   | \$110.5   | \$98.0    | \$22.8    | \$23.6    | \$24.2    | \$24.2    | \$94.8    | \$23.3    | \$23.6    | \$24.5    | \$23.8    | \$95.1    | \$97.1    |
| Selling                                          | \$595.7   | \$567.0   | \$545.5   | \$536.4   | \$584.8   | \$641.8   | \$546.6   | \$146.2   | \$136.5   | \$127.3   | \$129.4   | \$539.4   | \$134.5   | \$141.6   | \$123.7   | \$134.5   | \$534.2   | \$545.0   |
| Administration                                   | \$435.9   | \$503.0   | \$478.5   | \$482.0   | \$512.3   | \$522.3   | \$468.0   | \$112.2   | \$113.0   | \$94.2    | \$100.2   | \$419.6   | \$108.2   | \$108.5   | \$96.9    | \$102.2   | \$415.8   | \$424.9   |
| Other Operating Expense (Income), Net            | \$5.2     | \$4.2     | (\$4.3)   | (\$417.6) | \$0.8     | (\$0.8)   | \$6.0     | \$5.0     | \$12.2    | \$13.1    | \$13.1    | \$43.4    | \$13.1    | \$13.1    | \$13.1    | \$13.1    | \$52.4    | \$52.4    |
| DSG&A Expense, Non-GAAP                          | \$974.0   | \$981.5   | \$930.4   | \$914.5   | \$999.1   | \$1,109.8 | \$978.1   | \$254.6   | \$245.8   | \$218.4   | \$210.4   | \$929.2   | \$236.6   | \$235.8   | \$226.9   | \$226.0   | \$925.3   | \$942.7   |
| DSG&A Expense, GAAP                              | \$1,131.0 | \$1,170.3 | \$1,104.8 | \$693.8   | \$1,210.9 | \$1,274.6 | \$1,118.6 | \$281.2   | \$273.1   | \$245.7   | \$253.9   | \$1,053.9 | \$266.0   | \$273.7   | \$245.0   | \$260.5   | \$1,045.2 | \$1,067.0 |
| Research & Development, Non-GAAP                 | \$167.6   | \$186.5   | \$119.3   | \$118.9   | \$122.0   | \$122.0   | \$111.1   | \$26.5    | \$21.8    | \$24.6    | \$21.4    | \$94.3    | \$26.3    | \$22.3    | \$25.4    | \$21.6    | \$95.6    | \$103.9   |
| Research & Development, GAAP                     | \$218.6   | \$187.4   | \$121.7   | \$122.0   | \$123.1   | \$122.5   | \$112.2   | \$26.7    | \$22.0    | \$24.9    | \$22.8    | \$96.4    | \$26.8    | \$22.7    | \$25.8    | \$22.0    | \$97.4    | \$105.7   |
| Impairment Charges                               | \$224.4   | \$184.5   | \$0.0     | \$173.1   | \$0.0     | \$90.0    | \$88.9    | \$3.1     | \$1.5     | \$0.0     | \$0.0     | \$4.6     | \$0.0     | \$0.0     | \$0.0     | \$0.0     | \$0.0     | \$0.0     |
| Restructuring                                    | \$21.0    | \$26.3    | \$3.2     | \$16.9    | \$42.5    | \$42.2    | \$110.1   | \$29.4    | \$8.7     | \$20.8    | \$14.0    | \$72.9    | \$11.7    | \$9.5     | \$11.2    | \$11.0    | \$43.4    | \$35.5    |
| Total Operating Expenses, Non-GAAP               | \$1,141.6 | \$1,168.0 | \$1,049.7 | \$1,033.4 | \$1,121.1 | \$1,231.8 | \$1,089.2 | \$281.1   | \$267.6   | \$243.0   | \$231.8   | \$1,023.5 | \$262.9   | \$258.2   | \$252.3   | \$247.6   | \$1,020.9 | \$1,046.7 |
| Total Operating Expenses, GAAP                   | \$1,595.0 | \$1,568.5 | \$1,229.7 | \$1,005.8 | \$1,376.5 | \$1,528.5 | \$1,429.8 | \$345.4   | \$317.5   | \$304.5   | \$303.8   | \$1,271.2 | \$317.6   | \$319.0   | \$295.1   | \$306.6   | \$1,238.3 | \$1,260.5 |
| EBITDA, Non-GAAP                                 | \$1,320.2 | \$1,205.7 | \$925.2   | \$791.2   | \$830.9   | \$933.8   | \$934.4   | \$226.5   | \$221.5   | \$258.8   | \$245.6   | \$952.4   | \$248.2   | \$231.4   | \$250.2   | \$254.0   | \$983.8   | \$1,005.1 |
| EBITDA, GAAP                                     | \$680.1   | \$601.3   | \$650.0   | \$722.6   | \$417.5   | \$511.4   | \$438.8   | \$126.8   | \$131.7   | \$158.0   | \$134.3   | \$550.8   | \$155.7   | \$131.7   | \$169.2   | \$154.9   | \$611.6   | \$633.2   |
| Depreciation & Amortization                      | \$423.6   | \$396.5   | \$384.8   | \$312.2   | \$338.6   | \$359.5   | \$325.9   | \$79.9    | \$86.3    | \$85.4    | \$74.6    | \$326.2   | \$74.9    | \$79.8    | \$77.4    | \$71.0    | \$303.1   | \$286.4   |
| Operating Income/ (Loss), Non-GAAP               | \$896.6   | \$809.2   | \$540.4   | \$479.0   | \$492.3   | \$574.3   | \$608.5   | \$146.6   | \$135.2   | \$173.4   | \$171.1   | \$626.3   | \$173.3   | \$151.6   | \$172.9   | \$182.9   | \$680.8   | \$718.7   |
| Operating Income/ (Loss), GAAP                   | \$236.5   | \$204.8   | \$265.2   | \$410.4   | \$78.9    | \$151.9   | \$112.9   | \$46.9    | \$45.4    | \$72.6    | \$59.8    | \$224.7   | \$80.8    | \$52.0    | \$91.8    | \$83.8    | \$308.5   | \$346.8   |
| Change in Financial Assets                       | (\$188.7) | (\$22.1)  | \$95.3    | \$0.0     | \$0.0     | \$0.0     | \$0.0     | \$0.0     | \$0.0     | \$0.0     | \$0.0     | \$0.0     | \$0.0     | \$0.0     | \$0.0     | \$0.0     | \$0.0     | \$0.0     |
| Interest Expense, Net                            | \$128.0   | \$121.7   | \$127.7   | \$125.0   | \$156.0   | \$173.8   | \$187.8   | \$39.0    | \$39.6    | \$40.6    | \$35.2    | \$154.4   | \$36.9    | \$37.8    | \$37.0    | \$36.0    | \$147.8   | \$139.4   |
| Other (Income) Expense, Net                      | \$6.1     | (\$66.0)  | \$16.3    | \$26.7    | \$53.1    | (\$10.4)  | (\$0.9)   | (\$0.4)   | \$2.6     | \$9.6     | \$3.0     | \$14.8    | \$3.6     | \$4.7     | \$5.2     | \$4.3     | \$17.8    | \$18.5    |
| Loss on Extinguishment of Debt                   | \$0.5     | \$0.2     | \$20.0    | \$0.0     | \$8.9     | (\$3.2)   | \$6.7     | \$0.0     | \$0.0     | \$0.0     | \$0.0     | \$0.0     | \$0.0     | \$0.0     | \$0.0     | \$0.0     | \$0.0     | \$0.0     |
| Interest & Other (Income) Expense, Net, Non-GAAP | \$125.6   | \$121.9   | \$119.0   | \$123.0   | \$147.6   | \$171.0   | \$175.2   | \$37.9    | \$39.9    | \$40.7    | \$36.0    | \$154.5   | \$39.0    | \$37.6    | \$37.7    | \$36.9    | \$151.2   | \$150.6   |
| Interest & Other (Income) Expense, Net, GAAP     | (\$54.1)  | \$33.8    | \$259.3   | \$151.7   | \$218.0   | \$160.2   | \$193.6   | \$38.6    | \$42.2    | \$50.2    | \$38.1    | \$169.1   | \$40.5    | \$42.5    | \$42.2    | \$40.3    | \$165.6   | \$158.0   |
| Pre-Tax Income/ (Loss), Non-GAAP                 | \$771.0   | \$687.3   | \$421.4   | \$356.0   | \$344.7   | \$403.3   | \$433.3   | \$108.7   | \$95.2    | \$132.8   | \$135.1   | \$471.8   | \$134.4   | \$114.0   | \$135.2   | \$146.0   | \$529.6   | \$568.2   |
| Pre-Tax Income/ (Loss), GAAP                     | \$290.6   | \$171.0   | \$5.9     | \$258.7   | (\$139.1) | (\$8.3)   | (\$80.7)  | \$8.3     | \$3.2     | \$22.4    | \$21.7    | \$55.6    | \$40.3    | \$9.4     | \$49.7    | \$43.5    | \$142.9   | \$188.8   |
| Income Tax, Non-GAAP                             | \$142.1   | \$137.8   | \$101.1   | \$78.4    | \$63.8    | \$51.3    | \$79.3    | \$25.5    | \$16.0    | \$21.2    | \$24.9    | \$87.6    | \$24.2    | \$25.1    | \$28.4    | \$30.7    | \$108.3   | \$119.3   |
| Income Tax, GAAP                                 | \$159.6   | \$24.9    | (\$38.3)  | \$389.6   | (\$8.2)   | (\$3.9)   | \$80.0    | \$8.2     | \$3.7     | \$9.7     | \$17.3    | \$38.9    | \$34.1    | \$7.6     | \$35.8    | \$34.5    | \$112.1   | \$147.7   |
| Tax Rate, Non-GAAP                               | 18.4%     | 20.0%     | 24.0%     | 22.0%     | 18.5%     | 12.7%     | 18.3%     | 23.4%     | 16.8%     | 15.9%     | 18.4%     | 18.6%     | 18.0%     | 22.0%     | 21.0%     | 21.0%     | 20.5%     | 21.0%     |
| Tax Rate, GAAP                                   | 54.9%     | (7.2%)    | (65.8%)   | 150.6%    | 5.9%      | 47.2%     | (99.3%)   | 99.0%     | 115.7%    | 43.3%     | 80.0%     | 70.1%     | 84.5%     | 80.9%     | 72.2%     | 79.4%     | 78.4%     | 78.2%     |
| Net Income from Continuing Operations, Non-GAAP  | \$628.9   | \$549.5   | \$320.3   | \$277.6   | \$280.9   | \$352.0   | \$354.0   | \$83.2    | \$79.2    | \$111.6   | \$110.3   | \$384.3   | \$110.2   | \$88.9    | \$106.8   | \$115.4   | \$421.3   | \$448.9   |
| Net Income from Continuing Operations, GAAP      |           |           | \$44.2    | (\$130.9) | (\$130.9) | (\$4.4)   | (\$160.7) | \$0.1     | (\$0.5)   | \$12.7    | \$4.3     | \$16.6    | \$6.3     | \$1.8     | \$13.8    | \$9.0     | \$30.8    | \$41.2    |
| Net Income from Discontinued Operations          |           |           | (\$206.8) | \$62.0    | (\$9.7)   | (\$8.3)   | (\$11.1)  | (\$6.5)   | (\$7.9)   | (\$5.2)   | \$0.0     | (\$19.6)  | \$0.0     | \$0.0     | \$0.0     | \$0.0     | \$0.0     | \$0.0     |
| Net Income, GAAP                                 | \$131.0   | \$146.1   | (\$162.6) | (\$68.9)  | (\$140.6) | (\$12.7)  | (\$171.8) | (\$6.4)   | (\$8.4)   | \$5.5     | \$4.3     | (\$3.0)   | \$6.3     | \$1.8     | \$13.8    | \$9.0     | \$30.8    | \$41.2    |
| Basic Shares Outstanding                         | 137.8     | 136.0     | 136.1     | 133.6     | 134.5     | 135.3     | 137.4     | 137.7     | 138.2     | 138.5     | 139.3     | 138.4     | 139.6     | 139.9     | 140.2     | 140.5     | 140.1     | 141.3     |
| Diluted Shares Outstanding                       | 138.3     | 136.5     | 137.2     | 133.6     | 134.5     | 135.3     | 137.4     | 137.7     | 138.2     | 138.9     | 139.3     | 138.5     | 140.6     | 140.9     | 141.2     | 141.5     | 141.1     | 142.3     |
| Basic EPS                                        | \$0.95    | \$1.07    | (\$1.20)  | (\$0.52)  | (\$1.04)  | (\$0.09)  | (\$1.25)  | (\$0.05)  | (\$0.06)  | \$0.05    | \$0.03    | (\$0.03)  | \$0.04    | \$0.01    | \$0.10    | \$0.06    | \$0.22    | \$0.29    |
| Diluted EPS from Continuing Operations, Non-GAAP | \$4.55    | \$4.03    | \$2.33    | \$2.06    | \$2.07    | \$2.58    | \$2.57    | \$0.60    | \$0.57    | \$0.80    | \$0.79    | \$2.76    | \$0.78    | \$0.63    | \$0.76    | \$0.82    | \$2.99    | \$3.16    |
| Diluted EPS from Continuing Operations, GAAP     |           |           | \$0.32    | (\$0.98)  | (\$0.97)  | (\$0.03)  | (\$1.17)  | \$0.00    | \$0.00    | \$0.09    | \$0.03    | \$0.12    | \$0.04    | \$0.01    | \$0.10    | \$0.06    | \$0.22    | \$0.29    |
| Diluted EPS, GAAP                                | \$0.95    | \$1.07    | (\$1.19)  | (\$0.52)  | (\$1.04)  | (\$0.09)  | (\$1.25)  | (\$0.05)  | (\$0.06)  | \$0.05    | \$0.03    | (\$0.03)  | \$0.04    | \$0.01    | \$0.10    | \$0.06    | \$0.22    | \$0.29    |
| Dividend Per Share                               | \$0.76    | \$0.82    | \$0.90    | \$0.96    | \$1.04    | \$1.09    | \$1.10    | \$0.29    | \$0.29    | \$0.29    | \$0.29    | \$1.16    | \$0.30    | \$0.30    | \$0.30    | \$0.30    | \$1.22    | \$1.28    |

## Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

### Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

### Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

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The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

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|                |   |
|----------------|---|
| Value Score    | A |
| Growth Score   | F |
| Momentum Score | F |
| VGM Score      | D |

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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