

Mallinckrodt's Fourth Quarter and Fiscal Year 2024 Financial Results Prepared Remarks

These remarks are intended to be viewed in conjunction with our fourth quarter and fiscal year 2024 earnings press release, issued on March 13, 2025, which can be found in the Investor Relations section of our website at <https://ir.mallinckrodt.com/>.

Cautionary Statement

As noted in our press release, we make forward-looking statements, and it's possible that actual results could be materially different from our stated expectations. Please note these forward-looking statements are made as of March 13, 2025, and we assume no obligation to update them, even in the event of new information or if actual results or future expectations change materially. We encourage you to refer to the cautionary statements contained in our SEC filings for a more in-depth explanation of the inherent limitations of such forward-looking statements. We also reference select non-GAAP adjusted measures related to our financial performance. A reconciliation of these non-GAAP measures is included in our earnings press release.

Our fourth quarter and fiscal year ended on December 27, 2024. Unless otherwise specified, the net sales percentage changes we provide are on constant currency basis.

Siggi Olafsson, President & Chief Executive Officer

Our earnings report today closes an outstanding year for Mallinckrodt:

- First, we achieved the high end of our net sales guidance range. This was despite having only 11 months of Therakos[®] sales contributions after the transaction was completed at the end of November, underscoring our strong performance and the successful execution of our strategy. We also achieved the midpoint of our raised Adjusted EBITDA guidance range for the year.
- Second, we not only stabilized a key brand but returned it to growth, with Acthar[®] Gel (repository corticotropin injection) net sales growing for the full year – including strong double-digit growth in the fourth quarter and four consecutive quarters of rising net sales.
- Third, we brought two new innovations to market this year that we believe deliver meaningful patient benefits – the INOmax[®] (nitric oxide) EVOLVE[™] DS delivery system and our Acthar Gel Single-Dose Pre-filled SelfJect[™] Injector, referred to as “SelfJect” from here on, which is the only medication in its class available in a self-injection device.
- And fourth, we delivered an exceptional year in Specialty Generics, with double-digit net sales growth in fiscal 2024 driven by rising demand and our ability to consistently and reliably deliver high-quality products.

Our teams have been focused on stabilizing our base business and positioning Mallinckrodt for long-term growth, and our results reflect their efforts. Through disciplined execution and a deep commitment to delivering high-quality products for our patients, we have made significant progress on our goals. Mallinckrodt has positive momentum as we move into the new year, and we are all energized to keep pushing forward, advancing our strategic priorities and delivering results.

Specialty Brands Segment

Acthar Gel. We delivered strong growth in the fourth quarter with a 33.0% increase in net sales to round out 14.2% growth for the full year. Fourth quarter growth was largely driven by the successful launch of SelfJect in August 2024, as well as prescriber enthusiasm and patient demand.

The attributes of SelfJect have made it a popular choice among patients and physicians. The all-in-one injection device is designed to be easy to hold, and requires fewer steps compared to vial and syringe to administer Acthar Gel. The device is designed to incorporate additional safety elements, including a hidden needle. SelfJect was responsible for over 70% of new Acthar brand prescriptions and has been adopted across multiple physician specialties.

Looking to 2025, we expect positive momentum in our rollout of SelfJect to continue and anticipate full-year net sales growth for Acthar Gel to be in the low-single-digit range driven by continued strong patient demand and the launch of SelfJect.

INOmax (nitric oxide). We remain focused on continuing the rollout of the EVOLVE DS delivery system into U.S. hospitals, which began in March. This multi-year rollout has now expanded to hospitals nationwide, and we are encouraged by the positive feedback we've received from healthcare providers to date. We are confident in the potential of this offering and its benefits for appropriate patients.

While INOmax performance continued to be impacted by competitive pressures in the U.S. throughout the year, we believe the EVOLVE delivery system is an important innovative offering that will drive stability for the brand as we continue hospital and provider engagement to expand adoption over time.

Terlivaz® (terlipressin). This brand generated \$24.7 million in net sales for the year, and we are seeing signs of positive traction, with 15% higher hospital demand in the second half of 2024 versus the first half of the year. We continue to have conviction in Terlivaz as the first and only FDA-approved product indicated to improve kidney function in adults with hepatorenal syndrome with rapid reduction in kidney function.

Specialty Generics Segment

Specialty Generics continues to be a consistent growth driver for Mallinckrodt, delivering 14.0% net sales growth in the fourth quarter and 15.4% net sales growth for the full year. Growth was driven by strong performance in finished-dosage products, increased demand for Controlled Substance APIs and Mallinckrodt's differentiated position as a consistent supplier of high-quality products. We also continued to see softening demand in the APAP business from excess supply in the broader market as customers adjust their inventories.

Moving forward, we will continue building on our strong market position and expect to deliver flat to low-single-digit net sales growth in 2025.

Bryan Reasons, Chief Financial Officer

Mallinckrodt's **total net sales** in the fourth quarter of 2024 were \$492.1 million, as compared to \$469.3 million in the fourth quarter of 2023, reflecting 4.9% growth on a reported basis and 4.8% growth on a constant currency basis. Excluding Therakos, net sales grew by 11.5%.

Net income for the fourth quarter was \$612.8 million, a 41.8% decrease as compared to net income of \$1.05 billion in the prior year period.

Adjusted EBITDA in the fourth quarter of 2024 was \$124.2 million, essentially flat compared to \$123.8 million in the prior year period. This stability was driven by strength in both the Specialty Generics segment and Acthar Gel, largely offset by approximately \$9.0 million of transaction-related compensation expenses related to the sale of Therakos, the impact of the Therakos transaction, incremental commercial investments for Acthar Gel and Terlivaz and the impact of nitric oxide competition in the U.S.

The **Specialty Brands** segment reported net sales of \$265.6 million in the fourth quarter 2024, as compared to \$270.7 million in the fourth quarter of 2023. This 1.9% decrease includes the impact of the Therakos sale. Excluding Therakos, Specialty Brands net sales grew by 8.9%, driven by growth in Acthar Gel and uptake in SelfJect and Terlivaz.

Acthar Gel net sales were \$138.8 million in the fourth quarter, up 33.0% compared to the prior year period. We expect low-single-digit Acthar net sales growth for the full year 2025, driven by positive momentum in SelfJect, continued momentum following a record year of new patient referrals, and continued strong patient demand.

INOmax generated net sales of \$60.8 million in the fourth quarter, a decline of 14.0% compared to prior year period, and **Terlivaz** generated net sales of \$6.1 million in the fourth quarter, an increase of 8.9% compared to prior year period. Before the Therakos transaction closed, the business generated net sales of \$48.6 million in the first two months of the fourth quarter, in line with our expectations.

The **Specialty Generics** segment reported net sales of \$226.5 million, as compared to \$198.6 million in the fourth quarter of 2023. This 14.0% growth was driven by the Company's established track record as a reliable and consistent producer of high-quality products amidst market shortages due to quality and other disruptions in both the finished-dosage products and Controlled Substance API businesses. This was partially offset by a decline in the APAP business as a result of overall softening of the market.

With respect to **operating metrics** in the quarter:

- Adjusted gross profit as a percentage of net sales was 63.0%, as compared to 62.3% for the fourth quarter of 2023;
- Adjusted SG&A as a percentage of net sales was 31.6%, as compared to 30.0% in the prior year; and
- Adjusted R&D as a percentage of net sales was 6.2% as compared to 6.3% in the prior year.

With respect to the **balance sheet**, we ended the fourth quarter with \$382.6 million of cash. Total outstanding principal debt was \$865.6 million, a reduction of 47% compared to the end of 2023, and outstanding net debt was \$492.1 million, a reduction of approximately 64% compared to the end of 2023. The Company's net debt leverage ratio was 0.8x at year end.

Mallinckrodt's fiscal year 2024 performance. Mallinckrodt reported full-year net sales of \$1.98 billion, an increase of 6.1% compared to the prior year, and Adjusted EBITDA of \$603.7 million, an increase of 5.6%. Excluding the impact of the Therakos business, Adjusted EBITDA grew by 12.9%. We are very pleased with how we are tracking in terms of stabilizing our base business and positioning Mallinckrodt for long-term growth.

2025 guidance. For full-year fiscal 2025, we expect:

- Total net sales of between \$1.7 billion and \$1.8 billion; and
- Adjusted EBITDA of between \$480 million and \$520 million.

Excluding the impact of the Therakos business, the midpoint of our guidance implies 7.7% bottom-line growth, reflecting the strong performance of both our business segments.

Siggi Olafsson, President & Chief Executive Officer

To summarize, the fourth quarter was yet another step in the right direction for Mallinckrodt. All of the work we have put in to deliver for our patients has positioned us well for 2025, and we know we have more ground to gain as we continue on our growth trajectory.

As always, our accomplishments would not be possible without our employees, and I am grateful for their dedication and belief in our vision to improve outcomes for underserved patients.