
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 OR 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): March 15, 2022

Mallinckrodt plc

(Exact name of registrant as specified in its charter)

Ireland
(State or other jurisdiction
of incorporation)

001-35803
(Commission
File Number)

98-1088325
(IRS Employer
Identification No.)

**College Business & Technology Park, Cruiserath,
Blanchardstown, Dublin 15, Ireland**
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **+353 1 696 0000**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:

(Title of each class)

Ordinary shares, par value \$0.20 per share

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On March 15, 2022, Mallinckrodt plc (the "Company" or "Mallinckrodt") provided its financial results for the quarter and year ended December 31, 2021 in the attached Exhibit 99.1.

The information in this Current Report on Form 8-K, including Exhibit 99.1, should be read in conjunction with the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021.

The information contained in this Item 2.02, including Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, except as otherwise expressly set forth by specific reference in such a filing.

NON-GAAP FINANCIAL MEASURES

Exhibit 99.1 contains financial measures, including adjusted EBITDA and net sales growth on a constant-currency basis, which are considered "non-GAAP" financial measures under applicable U.S. Securities and Exchange Commission rules and regulations.

Adjusted EBITDA represents amounts prepared in accordance with accounting principles generally accepted in the U.S. (GAAP) and adjusts for certain items that management believes are not reflective of the operational performance of the business. Consolidated adjusted EBITDA represents net income (loss), adjusted for interest expense, net, taxes, depreciation and amortization and certain items that management believes are not reflective of the operational performance of the business and additional adjustments. These adjustments include, but are not limited to, restructuring charges, net; non-restructuring impairment charges; discontinued operations; changes in fair value of contingent consideration obligations; significant legal and environmental charges; divestitures; separation costs; unrealized gain on equity investment; research & development upfront payments; reorganization items, net; share-based compensation and other items identified by the Company.

Segment net sales growth on a constant-currency basis measures the change in segment net sales between current- and prior-year periods using a constant currency, the exchange rate in effect during the applicable prior-year period.

The Company has provided these adjusted financial measures because they are used by management, along with financial measures in accordance with GAAP, to evaluate the company's operating performance. In addition, the Company believes that they will be used by certain investors to measure Mallinckrodt's operating results. Management believes that presenting these adjusted measures provides useful information about the Company's performance across reporting periods on a consistent basis by excluding items that the Company does not believe are indicative of its core operating performance. Reconciliations of these financial measures to the most directly comparable GAAP financial measures are included in Exhibit 99.1.

These adjusted measures should be considered supplemental to and not a substitute for financial information prepared in accordance with GAAP.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Exhibit</u>
99.1	Fourth Quarter Financial Results.
104	Cover Page Interactive Data File (embedded within the inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MALLINCKRODT PLC
(registrant)

Date: March 15, 2022

By: /s/ Bryan M. Reasons

Bryan M. Reasons

Executive Vice President and Chief Financial Officer
(principal financial and accounting officer)

MALLINCKRODT PLC
(DEBTOR-IN-POSSESSION)
(IN EXAMINATION UNDER PART 10 OF THE IRISH COMPANIES ACT 2014)
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited, in millions, except per share data)

	Three Months Ended ¹			
	December 31, 2021	Percent of Net sales	December 25, 2020	Percent of Net sales
Net sales	\$ 597.2	100.0 %	\$ 682.8	100.0 %
Cost of sales	358.7	60.1	372.3	54.5
Gross profit	238.5	39.9	310.5	45.5
Selling, general and administrative expenses	173.5	29.1	200.9	29.4
Research and development expenses	38.9	6.5	65.0	9.5
Restructuring charges, net	9.4	1.6	21.7	3.2
Non-restructuring impairment charges	90.4	15.1	—	—
Gains on divestiture	—	—	(6.5)	(1.0)
Opioid-related litigation settlement gain	—	—	(9.3)	(1.4)
Operating (loss) income	(73.7)	(12.3)	38.7	5.7
Interest expense	(61.9)	(10.4)	(60.2)	(8.8)
Interest income	—	—	0.5	0.1
Other income, net	6.1	1.0	6.3	0.9
Reorganization items, net	(99.0)	(16.6)	(61.4)	(9.0)
Loss from continuing operations before income taxes	(228.5)	(38.3)	(76.1)	(11.1)
Income tax (benefit) expense	(24.4)	(4.1)	78.1	11.4
Loss from continuing operations	(204.1)	(34.2)	(154.2)	(22.6)
Income from discontinued operations, net of income taxes	0.1	—	1.3	0.2
Net loss	\$ (204.0)	(34.2)%	\$ (152.9)	(22.4)%
Basic loss per share:				
Loss from continuing operations	\$ (2.41)		\$ (1.82)	
Income from discontinued operations	—		0.02	
Net loss	\$ (2.41)		\$ (1.81)	
Diluted loss per share:				
Loss from continuing operations	\$ (2.41)		\$ (1.82)	
Income from discontinued operations	—		0.02	
Net loss	\$ (2.41)		\$ (1.81)	
Weighted-average number of shares outstanding				
Basic weighted-average shares outstanding	84.7		84.6	
Diluted weighted-average shares outstanding	84.7		84.6	

⁽¹⁾ The Company reports its results based on a "52-53 week" year ending on the last Friday of December. The three months ended December 31, 2021 refers to the fourteen week period ended December 31, 2021 and the three months ended December 25, 2020 refers to the thirteen week period ended December 25, 2020.

MALLINCKRODT PLC
(DEBTOR-IN-POSSESSION)
CONSOLIDATED ADJUSTED EBITDA
(unaudited, in millions)

	Three Months Ended							
	December 31, 2021				December 25, 2020			
	Gross Profit	SG&A	R&D	Adjusted EBITDA	Gross Profit	SG&A	R&D	Adjusted EBITDA
Net loss	\$ 238.5	\$ 173.5	\$ 38.9	\$ (204.0)	\$ 310.5	\$ 200.9	\$ 65.0	\$ (152.9)
Adjustments:								
Interest expense, net	—	—	—	61.9	—	—	—	59.7
Income taxes	—	—	—	(24.4)	—	—	—	78.1
Depreciation ⁽¹⁾	18.1	(4.2)	(2.1)	24.4	17.7	(18.8)	(1.8)	38.3
Amortization	144.4	(0.9)	—	145.3	170.6	(0.8)	—	171.4
Restructuring charges, net	—	—	—	9.4	—	—	—	21.7
Non-restructuring impairment charge	—	—	—	90.4	—	—	—	—
Income from discontinued operations	—	—	—	(0.1)	—	—	—	(1.3)
Change in contingent consideration fair value	—	(0.2)	—	0.2	—	(7.5)	—	7.5
Significant legal and environmental charges ⁽²⁾	—	(34.3)	—	34.3	0.9	(2.6)	—	(5.8)
Gains on divestiture	—	—	—	—	—	—	—	(6.5)
Separation costs	—	(0.2)	—	0.2	—	(18.4)	—	18.4
Unrealized gain on equity investment	—	—	—	0.1	—	—	—	(1.6)
Reorganization items, net	—	—	—	99.0	—	—	—	61.4
Share-based compensation	0.1	(1.5)	(0.2)	1.8	0.4	(6.0)	(1.3)	7.7
Japanese consumption tax credit	—	—	—	(6.8)	—	—	—	—
As adjusted:	<u>\$ 401.1</u>	<u>\$ 132.2</u>	<u>\$ 36.6</u>	<u>\$ 231.7</u>	<u>\$ 500.1</u>	<u>\$ 146.8</u>	<u>\$ 61.9</u>	<u>\$ 296.1</u>

⁽¹⁾ Includes \$0.1 million and \$12.3 million of accelerated depreciation in selling general and administrative expenses ("SG&A") related to restructuring charges incurred during the three months ended December 31, 2021 and December 25, 2020, respectively.

⁽²⁾ Represents an increase in environmental liabilities during the three months ended December 31, 2021. The three months ended December 25, 2020 includes a \$9.3 million decrease in the fair value of the opioid settlement warrants, partially offset by \$2.6 million in opioid defense costs and a \$0.9 million change to the retrospective Medicaid lawsuit liability.

MALLINCKRODT PLC
(DEBTOR-IN-POSSESSION)
(IN EXAMINATION UNDER PART 10 OF THE IRISH COMPANIES ACT 2014)
SEGMENT OPERATING INCOME
(unaudited, in millions)

	Three Months Ended	
	December 31, 2021	December 25, 2020
Specialty Brands	\$ 224.2	\$ 250.7
Specialty Generics	34.1	50.9
Segment operating income	258.3	301.6
Unallocated amounts:		
Corporate and unallocated expenses ⁽¹⁾	(60.5)	(13.8)
Depreciation and amortization	(169.7)	(209.7)
Share-based compensation	(1.8)	(7.7)
Restructuring charges, net	(9.4)	(21.7)
Non-restructuring impairment charges	(90.4)	—
Separation costs	(0.2)	(18.4)
Opioid-related litigation settlement gain	—	9.3
Medicaid lawsuit	—	(0.9)
Operating (loss) income	<u>\$ (73.7)</u>	<u>\$ 38.7</u>

⁽¹⁾ Includes administration expenses and certain compensation, legal, environmental and other costs not charged to the Company's reportable segments.

MALLINCKRODT PLC
(DEBTOR-IN-POSSESSION)
(IN EXAMINATION UNDER PART 10 OF THE IRISH COMPANIES ACT 2014)
SEGMENT NET SALES AND CONSTANT-CURRENCY GROWTH
(unaudited, in millions)

	Three Months Ended		Percent change	Currency impact	Constant-currency growth
	December 31, 2021	December 25, 2020			
Specialty Brands	\$ 397.4	\$ 506.6	(21.6)%	(0.1)%	(21.5)%
Specialty Generics	199.8	177.1	12.8	0.1	12.7
Segment net sales	597.2	683.7	(12.7)	(0.1)	(12.6)
Medicaid lawsuit	—	(0.9)	*	*	*
Net sales	<u>\$ 597.2</u>	<u>\$ 682.8</u>	(12.5)%	(0.1)%	(12.4)%

*Not meaningful

MALLINCKRODT PLC
(DEBTOR-IN-POSSESSION)
(IN EXAMINATION UNDER PART 10 OF THE IRISH COMPANIES ACT 2014)
SELECT PRODUCT LINE NET SALES AND CONSTANT-CURRENCY GROWTH
(unaudited, in millions)

	Three Months Ended		Percent change	Currency impact	Constant-currency growth
	December 31, 2021	December 25, 2020			
Specialty Brands					
Acthar Gel	\$ 169.7	\$ 191.3	(11.3)%	— %	(11.3)%
INOMax	110.2	135.6	(18.7)	—	(18.7)
Ofirmev	4.9	60.5	(91.9)	—	(91.9)
Therakos	68.7	64.5	6.5	(0.9)	7.4
Amitiza	41.1	50.6	(18.8)	—	(18.8)
Other	2.8	4.1	(31.7)	—	(31.7)
Specialty Brands Total	397.4	506.6	(21.6)	(0.1)	(21.5)
Specialty Generics					
Hydrocodone (API) and hydrocodone-containing tablets	22.0	26.1	(15.7)	—	(15.7)
Oxycodone (API) and oxycodone-containing tablets	19.0	20.4	(6.9)	—	(6.9)
Acetaminophen (API)	69.1	58.5	18.1	—	18.1
Other controlled substances	84.8	66.1	28.3	0.2	28.1
Other	4.9	6.0	(18.3)	—	(18.3)
Specialty Generics Total	199.8	177.1	12.8	0.1	12.7
Segment net sales	597.2	683.7	(12.7)	(0.1)	(12.6)
Medicaid lawsuit	—	(0.9)	*	*	*
Net sales	<u>\$ 597.2</u>	<u>\$ 682.8</u>	(12.5)%	(0.1)%	(12.4)%

*Not meaningful

MALLINCKRODT PLC
(DEBTOR-IN-POSSESSION)
(IN EXAMINATION UNDER PART 10 OF THE IRISH COMPANIES ACT 2014)
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited, in millions, except per share data)

	Fiscal Year ¹			
	December 31, 2021	Percent of Net sales	December 25, 2020	Percent of Net sales
Net sales (includes refined estimate of the retrospective one-time charge of \$536.0 related to the Medicaid lawsuit for the fiscal year ended December 25, 2020)	\$ 2,208.8	100.0 %	\$ 2,213.4	100.0 %
Cost of sales	1,317.1	59.6	1,544.0	69.8
Gross profit	891.7	40.4	669.4	30.2
Selling, general and administrative expenses	581.8	26.3	884.1	39.9
Research and development expenses	205.2	9.3	290.8	13.1
Restructuring charges, net	26.9	1.2	37.5	1.7
Non-restructuring impairment charges	154.9	7.0	63.5	2.9
Losses (gains) on divestiture	0.8	—	(16.6)	(0.7)
Opioid-related litigation settlement loss (gain)	125.0	5.7	(43.4)	(2.0)
Medicaid lawsuit	—	—	105.1	4.7
Operating loss	(202.9)	(9.2)	(651.6)	(29.4)
Interest expense	(222.6)	(10.1)	(261.1)	(11.8)
Interest income	1.9	0.1	5.9	0.3
Other income, net	22.0	1.0	7.4	0.3
Reorganization items, net	(428.2)	(19.4)	(61.4)	(2.8)
Loss from continuing operations before income taxes	(829.8)	(37.6)	(960.8)	(43.4)
Income tax (benefit) expense	(106.3)	(4.8)	8.9	0.4
Loss from continuing operations	(723.5)	(32.8)	(969.7)	(43.8)
Income from discontinued operations, net of income taxes	6.1	0.3	25.1	1.1
Net loss	\$ (717.4)	(32.5)%	\$ (944.6)	(42.7)%
Basic loss per share:				
Loss from continuing operations	\$ (8.54)		\$ (11.48)	
Income from discontinued operations	0.07		0.30	
Net loss	\$ (8.47)		\$ (11.18)	
Diluted loss per share:				
Loss from continuing operations	\$ (8.54)		\$ (11.48)	
Income from discontinued operations	0.07		0.30	
Net loss	\$ (8.47)		\$ (11.18)	
Weighted-average number of shares outstanding:				
Basic	84.7		84.5	
Diluted	84.7		84.5	

⁽¹⁾ The Company reports its results based on a "52-53 week" year ending on the last Friday of December. Fiscal 2021 consisted of 53 weeks and fiscal 2020 consisted of 52 weeks.

MALLINCKRODT PLC
(DEBTOR-IN-POSSESSION)
(IN EXAMINATION UNDER PART 10 OF THE IRISH COMPANIES ACT 2014)
CONSOLIDATED ADJUSTED EBITDA
(unaudited, in millions)

	Fiscal Year							
	December 31, 2021				December 25, 2020			
	Gross Profit	SG&A	R&D	Adjusted EBITDA	Gross Profit	SG&A	R&D	Adjusted EBITDA
Net loss	\$ 891.7	\$ 581.8	\$ 205.2	\$ (717.4)	\$ 669.4	\$ 884.1	\$ 290.8	\$ (944.6)
Adjustments:								
Interest expense, net	—	—	—	220.7	—	—	—	255.2
Income taxes	—	—	—	(106.3)	—	—	—	8.9
Depreciation ⁽¹⁾	70.3	(17.6)	(6.8)	94.7	71.9	(35.1)	(7.0)	114.0
Amortization	577.7	(3.4)	—	581.1	767.8	(3.4)	—	771.2
Restructuring charges, net	—	—	—	26.9	—	—	—	37.5
Non-restructuring impairment charge	—	—	—	154.9	—	—	—	63.5
Income from discontinued operations	—	—	—	(6.1)	—	—	—	(25.1)
Change in contingent consideration fair value	—	7.4	—	(7.4)	—	(9.9)	—	9.9
Significant legal and environmental charges ⁽²⁾	—	(34.3)	—	159.3	536.0	(55.7)	—	653.4
Losses (gains) on divestiture	—	—	—	0.8	—	—	—	(16.6)
Separation costs	—	(1.2)	—	1.2	—	(93.4)	—	93.4
Unrealized gain on equity investment	—	—	—	(4.7)	—	—	—	(3.8)
R&D upfront payment	—	—	—	—	—	—	(5.0)	5.0
Reorganization items, net	—	—	—	428.2	—	—	—	61.4
Share-based compensation	0.5	(8.1)	(1.6)	10.2	1.3	(19.9)	(4.1)	25.3
Japanese consumption tax credit	—	—	—	(6.8)	—	—	—	—
As adjusted:	\$ 1,540.2	\$ 524.6	\$ 196.8	\$ 829.3	\$ 2,046.4	\$ 666.7	\$ 274.7	\$ 1,108.6

⁽¹⁾ Includes \$2.1 million and \$12.3 million of accelerated depreciation in SG&A related to restructuring charges incurred during fiscal 2021 and 2020, respectively.

⁽²⁾ Fiscal 2021 includes a \$125.0 million charge related to the opioid-related litigation settlement liability and a \$34.3 million increase in environmental liabilities. Fiscal 2020 includes a retrospective one-time charge of \$641.1 million (the "Acthar Gel Medicaid Retrospective Rebate"), of which \$536.0 million and \$105.1 million have been reflected as a component of net sales and operating expenses, respectively, in the condensed consolidated statement of operations. The \$105.1 million reflected as a component of operating expenses represents a pre-acquisition contingency related to the portion of the Acthar Gel Medicaid Retrospective Rebate that arose from sales of Acthar Gel prior to the Company's acquisition of Questcor Pharmaceuticals, Inc. in August 2014. Fiscal 2020 also includes \$55.7 million of opioid defense costs, partially offset by a \$43.4 million decrease in the fair value of the opioid settlement warrants.

MALLINCKRODT PLC
(DEBTOR-IN-POSSESSION)
(IN EXAMINATION UNDER PART 10 OF THE IRISH COMPANIES ACT 2014)
SEGMENT OPERATING INCOME
(unaudited, in millions)

	Fiscal Year	
	December 31, 2021	December 25, 2020
Specialty Brands	\$ 812.8	\$ 1,015.7
Specialty Generics	107.9	206.4
Segment operating income	920.7	1,222.1
Unallocated amounts:		
Corporate and unallocated expenses ⁽¹⁾	(129.6)	(166.1)
Depreciation and amortization	(675.8)	(885.2)
Share-based compensation	(10.2)	(25.3)
Restructuring charges, net	(26.9)	(37.5)
Non-restructuring impairment charges	(154.9)	(63.5)
Separation costs	(1.2)	(93.4)
R&D upfront payment	—	(5.0)
Opioid-related litigation settlement (loss) gain	(125.0)	43.4
Medicaid lawsuit	—	(641.1)
Operating loss	<u>\$ (202.9)</u>	<u>\$ (651.6)</u>

⁽¹⁾ Includes administration expenses and certain compensation, legal, environmental and other costs not charged to the Company's reportable segments.

MALLINCKRODT PLC
(DEBTOR-IN-POSSESSION)
(IN EXAMINATION UNDER PART 10 OF THE IRISH COMPANIES ACT 2014)
SEGMENT NET SALES AND CONSTANT-CURRENCY GROWTH
(unaudited, in millions)

	Fiscal Year		Percent change	Currency impact	Constant-currency growth
	December 31, 2021	December 25, 2020			
Specialty Brands	\$ 1,547.0	\$ 2,059.6	(24.9)%	0.2 %	(25.1)%
Specialty Generics	661.8	689.8	(4.1)	0.1	(4.2)
Segment net sales	2,208.8	2,749.4	(19.7)	0.2	(19.9)
Medicaid lawsuit	—	(536.0)	*	*	*
Net sales	<u>\$ 2,208.8</u>	<u>\$ 2,213.4</u>	(0.2)%	0.2 %	(0.4)%

*Not meaningful

MALLINCKRODT PLC
(DEBTOR-IN-POSSESSION)
(IN EXAMINATION UNDER PART 10 OF THE IRISH COMPANIES ACT 2014)
SELECT PRODUCT LINE NET SALES
(unaudited, in millions)

	Fiscal Year		Percent change	Currency impact	Constant-currency growth
	December 31, 2021	December 25, 2020			
Specialty Brands					
Acthar	\$ 593.6	\$ 767.9	(22.7)%	— %	(22.7)%
INOmax	448.5	574.1	(21.9)	0.1	(22.0)
Ofirmev	28.9	276.5	(89.5)	—	(89.5)
Therakos	266.5	238.6	11.7	1.3	10.4
Amitiza	196.9	188.8	4.3	—	4.3
Other	12.6	13.7	(8.0)	—	(8.0)
Specialty Brands Total	1,547.0	2,059.6	(24.9)	0.2	(25.1)
Specialty Generics					
Hydrocodone (API) and hydrocodone-containing tablets	82.7	98.0	(15.6)	—	(15.6)
Oxycodone (API) and oxycodone-containing tablets	68.5	68.4	0.1	—	0.1
Acetaminophen (API)	215.9	213.0	1.4	—	1.4
Other controlled substances	272.7	289.9	(5.9)	0.3	(6.2)
Other	22.0	20.5	7.3	—	7.3
Specialty Generics Total	661.8	689.8	(4.1)	0.1	(4.2)
Segment net sales	2,208.8	2,749.4	(19.7)	0.2	(19.9)
Medicaid lawsuit	—	(536.0)	*	*	*
Net sales	<u>\$ 2,208.8</u>	<u>\$ 2,213.4</u>	(0.2)%	0.2 %	(0.4)%

*Not meaningful

MALLINCKRODT PLC
(DEBTOR-IN-POSSESSION)
(IN EXAMINATION UNDER PART 10 OF THE IRISH COMPANIES ACT 2014)
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited, in millions)

	December 31, 2021	December 25, 2020
Assets		
Current Assets:		
Cash and cash equivalents	\$ 1,345.0	\$ 1,070.6
Accounts receivable, net	439.1	538.8
Inventories	347.2	344.9
Prepaid expenses and other current assets	178.3	350.0
Total current assets	2,309.6	2,304.3
Property, plant and equipment, net	776.0	833.1
Intangible assets, net	5,448.4	6,184.5
Other assets	382.3	393.5
Total Assets	\$ 8,916.3	\$ 9,715.4
Liabilities and Shareholders' Equity		
Current Liabilities:		
Current maturities of long-term debt	\$ 1,388.9	\$ 3,587.9
Accounts payable	123.0	93.3
Accrued payroll and payroll-related costs	84.6	79.4
Accrued interest	17.0	26.9
Accrued and other current liabilities	328.7	331.2
Total current liabilities	1,942.2	4,118.7
Pension and postretirement benefits	30.1	34.6
Environmental liabilities	43.0	59.8
Deferred income taxes	20.9	80.6
Other income tax liabilities	83.2	100.1
Other liabilities	85.8	109.8
Liabilities subject to compromise	6,397.7	4,192.6
Total Liabilities	8,602.9	8,696.2
Shareholders' Equity:		
Preferred shares	—	—
Ordinary shares	18.9	18.8
Ordinary shares held in treasury at cost	(1,616.1)	(1,616.1)
Additional paid-in capital	5,597.8	5,587.6
Retained deficit	(3,678.9)	(2,961.5)
Accumulated other comprehensive loss	(8.3)	(9.6)
Total Shareholders' Equity	313.4	1,019.2
Total Liabilities and Shareholders' Equity	\$ 8,916.3	\$ 9,715.4

MALLINCKRODT PLC
(DEBTOR-IN-POSSESSION)
(IN EXAMINATION UNDER PART 10 OF THE IRISH COMPANIES ACT 2014)
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited, in millions)

	Fiscal Year	
	December 31, 2021	December 25, 2020
Cash Flows From Operating Activities:		
Net loss	\$ (717.4)	\$ (944.6)
Adjustments to reconcile net cash from operating activities:		
Depreciation and amortization	675.8	885.2
Share-based compensation	10.2	25.3
Deferred income taxes	(59.9)	385.3
Non-cash impairment charges	154.9	63.5
Inventory provisions	11.5	18.5
Losses (gains) on divestiture	0.8	(16.6)
Other non-cash items	(13.1)	(40.2)
Reorganization items, net	22.5	10.2
Changes in assets and liabilities:		
Accounts receivable, net	98.2	37.9
Inventories	(14.0)	(51.1)
Accounts payable	(1.1)	15.7
Income taxes	108.5	(433.8)
Opioid-related litigation settlement liability	125.0	—
Medicaid lawsuit	(4.2)	638.9
Other	57.7	(95.3)
Net cash from operating activities	<u>455.4</u>	<u>498.9</u>
Cash Flows From Investing Activities:		
Capital expenditures	(55.3)	(47.7)
Proceeds (payments) related to divestiture, net of cash	15.7	(0.7)
Other	1.8	37.2
Net cash from investing activities	<u>(37.8)</u>	<u>(11.2)</u>
Cash Flows From Financing Activities:		
Repayment of external debt	(137.5)	(139.5)
Debt financing costs	—	(9.4)
Repurchase of shares	—	(0.4)
Other	—	(36.3)
Net cash from financing activities	<u>(137.5)</u>	<u>(185.6)</u>
Effect of currency rate changes on cash	(1.9)	2.3
Net change in cash, cash equivalents and restricted cash	<u>278.2</u>	<u>304.4</u>
Cash, cash equivalents and restricted cash at beginning of period	<u>1,127.0</u>	<u>822.6</u>
Cash, cash equivalents and restricted cash at end of period	<u>\$ 1,405.2</u>	<u>\$ 1,127.0</u>
Cash and cash equivalents at end of period	\$ 1,345.0	\$ 1,070.6
Restricted cash included in prepaid expenses and other assets at end of period	24.0	20.2
Restricted cash included in other long-term assets at end of period	36.2	36.2
Cash, cash equivalents and restricted cash at end of period	<u>\$ 1,405.2</u>	<u>\$ 1,127.0</u>