
**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): **February 26, 2019**

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.)

**3 Lotus Park, The Causeway, Staines-Upon-Thames,
Surrey TW18 3AG, United Kingdom**
(Address of principal executive offices) (Zip Code)

Telephone: +44 017 8463 6700
(Registrant's telephone number, including area code)

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))

Item 2.02 Results of Operations and Financial Condition.

On December 6, 2018, Mallinckrodt plc ("the Company") announced in its current report on Form 8-K filed with the United States Securities and Exchange Commission ("SEC") that it plans to spin off a new company consisting of the Specialty Generics / API business and the Amitiza[®] (lubiprostone) ("Amitiza") product to its shareholders ("the Separation"). As a result, the Specialty Generics Disposal Group no longer met the requirements to be classified as held-for-sale in accordance with generally accepted accounting principles in the United States ("GAAP"). Also as a result of the planned Separation, the Company has reassessed its segments based on the financial information viewed by the Chief Executive Officer, the Company's chief operating decision maker ("CODM"), for the purposes of making resource allocation decisions and assessing the performance of the business. The Company identified two operating segments that align with the operations of the two independent publicly traded companies anticipated post-separation: (1) Specialty Brands and (2) Specialty Generics and Amitiza. Beginning with the Annual Report on Form 10-K for the fiscal year ended December 28, 2018, the Company's consolidated financial statements will reflect this reporting structure.

The attached Exhibit 99.1 provides recast historical financial information reflecting the estimated impacts of (1) the Specialty Generics Disposal Group in continuing operations had it been classified as held and used during the nine months ended September 28, 2018 and (2) the change in operating segments which primarily serves to move the results related to Amitiza from the Specialty Brands segment to what has been reported as the Specialty Generics Disposal Group during the nine months ended September 28, 2018, in alignment with the pending Separation.

The Company's earnings releases for each of the four quarters in fiscal 2017 as filed with the SEC as current reports on Form 8-K have been included as separate exhibits to this current report on Form 8-K and incorporated by reference. As the Specialty Generics Disposal Group was classified as held and used throughout fiscal 2017, these periods do not materially differ from the previously furnished earnings releases for the respective periods.

This recast historical unaudited financial information is being provided as a convenience to investors who may want to consider the effects of the new reporting structure and has no impact on the Company's previously reported consolidated financial statements. 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 and Quarterly Reports on Form 10-Q for the corresponding periods.

Non-GAAP Financial Measures

The Company has not yet issued its annual financial statements for fiscal 2018 reflecting the aforementioned impacts. The recast historical financial information included in Exhibit 99.1 includes: (1) the expected results of the impact of the reclassification of the Specialty Generics Disposal Group in continuing operations had it been classified as held and used during the nine months ended September 28, 2018; (2) segment data for the change in operating segments, inclusive of select product line net sales and (3) non-GAAP measures, which is considered non-GAAP financial information.

Exhibit 99.1 contains financial measures, including adjusted income from continuing operations, adjusted diluted income from continuing operations per share, adjusted gross profit, and adjusted selling, general and administrative expenses ("SG&A"), which are considered "non-GAAP" financial measures under applicable SEC rules and regulations. Reconciliations of the non-GAAP financial measures to the most directly comparable GAAP financial measures are included in the tables furnished as part of Exhibit 99.1.

Adjusted income from continuing operations, adjusted gross profit and adjusted SG&A represent amounts, prepared in accordance with GAAP, adjusted for certain items (on a pre-tax basis for adjusted gross profit and adjusted SG&A and on an after-tax basis for adjusted income from continuing operations) that management believes are not reflective of the operational performance of the business. Adjustments to GAAP amounts include, as applicable to each measure, intangible amortization expense and non-restructuring impairments, restructuring and related charges, net; inventory step-up expense; income or loss from discontinued operations; change in contingent consideration fair value; acquisition related expenses; income taxes; significant legal and environmental charges; gain or loss on divestiture; gain on repurchase of debt; and other items identified by the Company. Adjusted diluted income from continuing operations per share represents adjusted income from continuing operations divided by the number of diluted shares.

The Company has provided these non-GAAP 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 these non-GAAP measures will be used by certain investors to measure Mallinckrodt's operating results. Management believes that presenting these non-GAAP measures provides useful information about the Company's

performance across reporting periods on a consistent basis by excluding items (which may be favorable or unfavorable) that the Company does not believe are indicative of its core operating performance.

These non-GAAP measures should be considered supplemental to and not a substitute for financial information prepared in accordance with GAAP. The Company's definition of these non-GAAP measures may differ from similarly titled measures used by others.

Because non-GAAP financial measures exclude the effect of items that will increase or decrease the Company's reported results of operations, management strongly encourages investors to review the Company's consolidated financial statements and publicly filed reports in their entirety. A reconciliation of certain of these historical non-GAAP financial measures to the most directly comparable GAAP financial measures is included in the tables accompanying this release.

The information in this Current Report on Form 8-K, including Exhibit 99.1, is being "furnished" and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Exhibit
99.1	<u>Recast Historical Financial Information</u>
99.2	<u>Fourth Quarter and Fiscal 2017 Earnings Release (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K filed February 27, 2018).</u>
99.3	<u>Third Quarter Fiscal 2017 Earnings Release (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K filed November 7, 2017).</u>
99.4	<u>Second Quarter Fiscal 2017 Earnings Release (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K filed August 8, 2017).</u>
99.5	<u>First Quarter Fiscal 2017 Earnings Release (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K filed May 8, 2017).</u>

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 PUBLIC LIMITED COMPANY

(registrant)

Date: February 26, 2019

By: /s/ George A. Kegler

George A. Kegler

Executive Vice President and Chief Financial Officer,
Interim

MALLINCKRODT PLC
INCOME STATEMENT FINANCIAL INFORMATION
Nine Months Ended September 28, 2018
(unaudited, in millions, except per share data)

	GAAP Historical As Reported	Reclass from Discontinued Operations	Expected Results
Net sales	\$ 1,844.3	\$ 536.4	\$ 2,380.7
Cost of sales	936.7	336.1	1,272.8
Gross profit	907.6	200.3	1,107.9
Selling, general and administrative expenses	520.7	73.8	594.5
Research and development expenses	223.9	36.8	260.7
Restructuring charges, net	96.5	5.3	101.8
Non-restructuring impairment charges	—	2.0	2.0
Loss on divestiture and license	0.6	—	0.6
Operating income	65.9	82.4	148.3
Interest expense	(280.1)	—	(280.1)
Interest income	6.6	—	6.6
Other income, net	17.5	0.3	17.8
Loss from continuing operations before income taxes	(190.1)	82.7	(107.4)
Income tax benefit	(222.0)	18.1	(203.9)
Income from continuing operations	31.9	64.6	96.5
Income from discontinued operations, net of income taxes	79.5	(64.6)	14.9
Net income	\$ 111.4	\$ —	\$ 111.4
Basic earnings per share:			
Income from continuing operations	\$ 0.38		\$ 1.15
Income from discontinued operations	0.94		0.18
Net income	1.32		1.32
Diluted earnings per share:			
Income from continuing operations	\$ 0.37		\$ 1.13
Income from discontinued operations	0.93		0.17
Net income	1.31		1.31
Weighted-average number of shares outstanding:			
Basic	84.2		84.2
Diluted	85.2		85.2

MALLINCKRODT PLC
NON-GAAP MEASURES

Nine Months Ended September 28, 2018

(unaudited, in millions except per share data)

	Gross profit	Selling, general and administrative expenses	Income from continuing operations	Diluted income from continuing operations per share
GAAP Historical As Reported	\$ 907.6	\$ 520.7	\$ 31.9	\$ 0.37
Reclass from discontinued operations	200.3	73.8	64.6	0.76
Adjusted ⁽¹⁾	1,107.9	594.5	96.5	1.13
Adjustments:				
Intangible asset amortization	541.6	(5.0)	546.5	6.41
Restructuring and related charges, net ⁽²⁾	2.9	(1.9)	106.6	1.25
Inventory step-up expense	79.5	—	79.5	0.93
Change in contingent consideration fair value	—	33.3	(33.3)	(0.39)
Non-restructuring impairment charges	—	—	2.0	0.02
Acquisition related expenses	—	(3.8)	3.8	0.04
Divestiture	—	—	0.6	0.01
Significant legal and environment charges	—	11.8	(11.8)	(0.14)
Gain on repurchase of debt	—	—	(6.5)	(0.08)
Legal entity and intercompany financing reorganization ⁽³⁾	—	—	(82.3)	(0.97)
U.S. Tax Reform ⁽⁴⁾	—	—	(9.1)	(0.11)
Income taxes ⁽⁵⁾	—	—	(181.5)	(2.13)
As adjusted ⁽¹⁾	\$ 1,731.9	\$ 628.9	\$ 511.0	\$ 6.00
Percent of net sales	72.7%	26.4%	21.5%	

⁽¹⁾ The adjusted amounts for this period exclude depreciation and intangible asset amortization for the Specialty Generics Disposal Group given its classification as held-for-sale through the third quarter of fiscal 2018. In accordance with accounting principles generally accepted in the U.S. ("GAAP"), depreciation and amortization are not recorded during the period in which a disposal group is classified as held-for-sale, thus the Company's financial results presented above exclude depreciation and amortization related to the Specialty Generics Disposal Group as follows:

	Gross profit	Selling, general and administrative expenses	Income from continuing operations ⁽ⁱ⁾	Diluted income from continuing operations per share
Depreciation	\$ 11.4	\$ 2.8	\$ 17.7	\$ 0.21
Amortization	6.6	0.2	6.8	0.08

⁽ⁱ⁾ Includes depreciation related to R&D.

Consistent with historical periods, intangible asset amortization is a non-gaap adjustment. As such, the "as adjusted" figures presented in the non-gaap measures table above exclude depreciation.

During the fourth quarter of 2018, the Specialty Generics Disposal Group was reclassified to held and used and measured at its carrying amount before it was classified as held-for-sale, adjusted for depreciation and amortization expense that would have been recognized had the disposal group been continuously classified as held and used. The effect of the required adjustment will be reflected in income from continuing operations during the fourth quarter of 2018, the period in which the held-for-sale criteria were no longer met. The Company intends to reflect the Q1, Q2 and Q3 depreciation catch-up recorded in Q4 as a non-gaap adjustment for the fourth quarter of fiscal 2018, but not for year-to-date fiscal 2018 in the non-gaap measures table.

⁽²⁾ Includes pre-tax accelerated depreciation.

⁽³⁾ Represents the incremental tax effect associated with the intercompany financing and associated legal entity ownership reorganization commenced during the nine months ended September 28, 2018.

⁽⁴⁾ Represents the incremental tax effect associated with the impact of the U.S. tax reform bill being signed into law.

⁽⁵⁾ Includes tax effects of above adjustments, as well as certain installment sale transactions and other intercompany transactions.

MALLINCKRODT PLC
INCOME STATEMENT FINANCIAL INFORMATION
Three Months Ended September 28, 2018
(unaudited, in millions, except per share data)

	GAAP Historical As Reported	Reclass from Discontinued Operations	Expected Results
Net sales	\$ 640.0	\$ 159.9	\$ 799.9
Cost of sales	326.2	107.3	433.5
Gross profit	313.8	52.6	366.4
Selling, general and administrative expenses	164.0	29.4	193.4
Research and development expenses	78.5	7.6	86.1
Restructuring charges, net	14.7	0.1	14.8
Non-restructuring impairment charges	—	2.0	2.0
Loss on divestiture and license	0.6	—	0.6
Operating income	56.0	13.5	69.5
Interest expense	(93.6)	—	(93.6)
Interest income	2.0	—	2.0
Other income, net	13.4	—	13.4
Loss from continuing operations before income taxes	(22.2)	13.5	(8.7)
Income tax benefit	(125.2)	2.3	(122.9)
Income from continuing operations	103.0	11.2	114.2
Income (loss) from discontinued operations, net of income taxes	10.8	(11.2)	(0.4)
Net income	\$ 113.8	\$ —	\$ 113.8
Basic earnings per share:			
Income from continuing operations	\$ 1.24		\$ 1.37
Income from discontinued operations	0.13		—
Net income	1.37		1.37
Diluted earnings per share:			
Income from continuing operations	\$ 1.21		\$ 1.34
Income from discontinued operations	0.13		—
Net income	1.34		1.34
Weighted-average number of shares outstanding:			
Basic	83.2		83.2
Diluted	85.0		85.0

MALLINCKRODT PLC
NON-GAAP MEASURES

Three Months Ended September 28, 2018

(unaudited, in millions except per share data)

	Gross profit	Selling, general and administrative expenses	Income from continuing operations	Diluted income from continuing operations per share
GAAP Historical As Reported	\$ 313.8	\$ 164.0	\$ 103.0	\$ 1.21
Reclass from discontinued operations	52.6	29.4	11.2	0.13
Adjusted ⁽¹⁾	366.4	193.4	114.2	1.34
Adjustments:				
Intangible asset amortization	182.7	(1.6)	184.2	2.17
Restructuring and related charges, net ⁽²⁾	2.9	(1.9)	19.6	0.23
Inventory step-up expense	31.0	—	31.0	0.36
Change in contingent consideration fair value	—	4.2	(4.2)	(0.05)
Non-restructuring impairment charges	—	—	2.0	0.02
Acquisition related expenses	—	(0.7)	0.7	0.01
Divestiture	—	—	0.6	0.01
Significant legal and environment charges	—	11.8	(11.8)	(0.14)
Legal entity and intercompany financing reorganization ⁽³⁾	—	—	(82.3)	(0.97)
U.S. Tax Reform ⁽⁴⁾	—	—	(9.1)	(0.11)
Income taxes ⁽⁵⁾	—	—	(54.0)	(0.64)
As adjusted ⁽¹⁾	\$ 583.0	\$ 205.2	\$ 190.9	\$ 2.25
Percent of net sales	72.9%	25.7%	23.9%	

⁽¹⁾ The adjusted amounts for this period exclude depreciation and intangible asset amortization for the Specialty Generics Disposal Group given its classification as held-for-sale through the third quarter of fiscal 2018. In accordance with GAAP, depreciation and amortization are not recorded during the period in which a disposal group is classified as held for sale, thus the Company's financial results presented above exclude depreciation and amortization related to the Specialty Generics Disposal Group as follows:

	Gross profit	Selling, general and administrative expenses	Income from continuing operations ⁽ⁱ⁾	Diluted income from continuing operations per share
Depreciation	\$ 7.0	\$ 1.2	\$ 9.7	\$ 0.11
Amortization	2.7	0.1	2.8	0.03

⁽ⁱ⁾ Includes depreciation related to R&D.

Consistent with historical periods, intangible asset amortization is a non-gaap adjustment. As such, the "as adjusted" figures presented in the non-gaap measures table above exclude depreciation.

During the fourth quarter of 2018, the Specialty Generics Disposal Group was reclassified to held and used and measured at its carrying amount before it was classified as held-for-sale, adjusted for depreciation and amortization expense that would have been recognized had the disposal group been continuously classified as held and used. The effect of the required adjustment will be reflected in income from continuing operations during the fourth quarter of 2018, the period in which the held-for-sale criteria were no longer met. The Company intends to reflect the Q1, Q2 and Q3 depreciation catch-up recorded in Q4 as a non-gaap adjustment for the fourth quarter of fiscal 2018, but not for year-to-date fiscal 2018 in the non-gaap measures table.

⁽²⁾ Includes pre-tax accelerated depreciation.

⁽³⁾ Represents the incremental tax effect associated with the intercompany financing and associated legal entity ownership reorganization commenced during the nine months ended September 28, 2018.

⁽⁴⁾ Represents the incremental tax effect associated with the impact of the U.S. tax reform bill being signed into law.

⁽⁵⁾ Includes tax effects of above adjustments (unless otherwise separately stated), as well as certain installment sale transactions and other intercompany transactions.

MALLINCKRODT PLC
INCOME STATEMENT FINANCIAL INFORMATION

Three Months Ended June 29, 2018

(unaudited, in millions, except per share data)

	GAAP Historical As Reported	Reclass from Discontinued Operations	Expected Results
Net sales	\$ 631.7	\$ 193.8	\$ 825.5
Cost of sales	314.7	116.8	431.5
Gross profit	317.0	77.0	394.0
Selling, general and administrative expenses	164.3	25.6	189.9
Research and development expenses	81.3	11.3	92.6
Restructuring charges, net	58.7	0.1	58.8
Operating income	12.7	40.0	52.7
Interest expense	(95.1)	—	(95.1)
Interest income	1.4	—	1.4
Other expense, net	(0.5)	0.3	(0.2)
Loss from continuing operations before income taxes	(81.5)	40.3	(41.2)
Income tax benefit	(53.4)	9.0	(44.4)
(Loss) income from continuing operations	(28.1)	31.3	3.2
Income from discontinued operations, net of income taxes	43.7	(31.3)	12.4
Net income	\$ 15.6	\$ —	\$ 15.6
Basic earnings per share:			
(Loss) income from continuing operations	\$ (0.34)		\$ 0.04
Income from discontinued operations	0.53		0.15
Net income	0.19		0.19
Diluted earnings per share:			
(Loss) income from discontinued operations	\$ (0.34)		\$ 0.04
Income from discontinued operations	0.53		0.15
Net income	0.19		0.19
Weighted-average number of shares outstanding:			
Basic	83.2		83.2
Diluted	83.2		83.5

MALLINCKRODT PLC
NON-GAAP MEASURES

Three Months Ended June 29, 2018

(unaudited, in millions except per share data)

	Gross profit	Selling, general and administrative expenses	(Loss) income from continuing operations	Diluted (loss) income from continuing operations per share
GAAP Historical As Reported	\$ 317.0	\$ 164.3	\$ (28.1)	\$ (0.34)
Reclass from Discontinued operations	77.0	25.6	31.3	0.37
Adjusted ⁽¹⁾	394.0	189.9	3.2	0.04
Adjustments:				
Intangible asset amortization	182.6	(1.7)	184.3	2.21
Restructuring and related charges, net ⁽²⁾	—	—	58.8	0.70
Inventory step-up expense	31.5	—	31.5	0.38
Change in contingent consideration fair value	—	27.5	(27.5)	(0.33)
Acquisition related expenses	—	0.1	(0.1)	—
Income taxes ⁽³⁾	—	—	(70.0)	(0.84)
As adjusted ⁽¹⁾	\$ 608.1	\$ 215.8	\$ 180.2	\$ 2.16
Percent of net sales	73.7%	26.1%	21.8%	

⁽¹⁾ The adjusted amounts for this period exclude depreciation and intangible asset amortization for the Specialty Generics Disposal Group given its classification as held-for-sale through the third quarter of fiscal 2018. In accordance with GAAP, depreciation and amortization are not recorded during the period in which a disposal group is classified as held-for-sale, thus the Company's financial results presented above exclude depreciation and amortization related to the Specialty Generics Disposal Group as follows:

	Gross profit	Selling, general and administrative expenses	Income from continuing operations ⁽¹⁾	Diluted income from continuing operations per share
Depreciation	\$ 3.8	\$ 1.2	\$ 6.4	\$ 0.08
Amortization	2.7	0.1	2.8	0.03

⁽¹⁾ Includes depreciation related to R&D.

Consistent with historical periods, intangible asset amortization is a non-gaap adjustment. As such, the "as adjusted" figures presented in the non-gaap measures table above exclude depreciation.

During the fourth quarter of 2018, the Specialty Generics Disposal Group was reclassified to held and used and measured at its carrying amount before it was classified as held-for-sale, adjusted for depreciation and amortization expense that would have been recognized had the disposal group been continuously classified as held and used. The effect of the required adjustment will be reflected in income from continuing operations during the fourth quarter of 2018, the period in which the held-for-sale criteria were no longer met. The Company intends to reflect the Q1, Q2 and Q3 depreciation catch-up recorded in Q4 as a non-gaap adjustment for the fourth quarter of fiscal 2018, but not for year-to-date fiscal 2018 in the non-gaap measures table.

⁽²⁾ Includes pre-tax accelerated depreciation.

⁽³⁾ Includes tax effects of above adjustments (unless otherwise separately stated), as well as certain installment sale transactions and other intercompany transactions.

MALLINCKRODT PLC
INCOME STATEMENT FINANCIAL INFORMATION
Three Months Ended March 30, 2018
(unaudited, in millions, except per share data)

	GAAP Historical As Reported	Reclass from Discontinued Operations	Expected Results
Net sales	\$ 572.6	\$ 182.7	\$ 755.3
Cost of sales	295.8	112.0	407.8
Gross profit	276.8	70.7	347.5
Selling, general and administrative expenses	192.4	18.8	211.2
Research and development expenses	64.1	17.9	82.0
Restructuring charges, net	23.1	5.1	28.2
Operating (loss) income	(2.8)	28.9	26.1
Interest expense	(91.4)	—	(91.4)
Interest income	3.2	—	3.2
Other income, net	4.6	—	4.6
Loss from continuing operations before income taxes	(86.4)	28.9	(57.5)
Income tax benefit	(43.4)	6.8	(36.6)
Loss from continuing operations	(43.0)	22.1	(20.9)
Income from discontinued operations, net of income taxes	25.0	(22.1)	2.9
Net loss	\$ (18.0)	\$ —	\$ (18.0)
Basic earnings per share:			
Loss from continuing operations	\$ (0.50)		\$ (0.24)
Income from discontinued operations	0.29		0.03
Net loss	(0.21)		(0.21)
Diluted earnings per share:			
Loss from continuing operations	\$ (0.50)		\$ (0.24)
Income from discontinued operations	0.29		0.03
Net loss	(0.21)		(0.21)
Weighted-average number of shares outstanding:			
Basic	86.1		86.1
Diluted	86.1		86.1

MALLINCKRODT PLC
NON-GAAP MEASURES

Three Months Ended March 30, 2018

(unaudited, in millions except per share data)

	Gross profit	Selling, general and administrative expenses	(Loss) income from continuing operations	Diluted (loss) income from continuing operations per share ⁽⁴⁾
GAAP Historical As Reported	\$ 276.8	\$ 192.4	\$ (43.0)	\$ (0.50)
Reclass from discontinued operations	70.7	18.8	22.1	0.26
Adjusted ⁽¹⁾	347.5	211.2	(20.9)	(0.24)
Adjustments:				
Intangible asset amortization	176.3	(1.7)	178.0	2.06
Restructuring and related charges, net ⁽²⁾	—	—	28.2	0.33
Inventory step-up expense	17.0	—	17.0	0.20
Change in contingent consideration fair value	—	1.6	(1.6)	(0.02)
Acquisition related expenses	—	(3.2)	3.2	0.04
Gain on repurchase of debt	—	—	(6.5)	(0.08)
Income taxes ⁽³⁾	—	—	(57.5)	(0.67)
As adjusted ⁽¹⁾	\$ 540.8	\$ 207.9	\$ 139.9	\$ 1.62
Percent of net sales	71.6%	27.5%	18.5%	

⁽¹⁾ The adjusted amounts for this period exclude depreciation and intangible asset amortization for the Specialty Generics Disposal Group given its classification as held-for-sale through the third quarter of fiscal 2018. In accordance with GAAP, depreciation and amortization are not recorded during the period in which a disposal group is classified as held-for-sale, thus the Company's financial results presented above exclude depreciation and amortization related to the Specialty Generics Disposal Group as follows:

	Gross profit	Selling, general and administrative expenses	Income from continuing operations ⁽ⁱ⁾	Diluted income from continuing operations per share
Depreciation	\$ 0.6	\$ 0.4	\$ 1.6	\$ 0.02
Amortization	1.2	—	1.2	0.01

⁽ⁱ⁾ Includes depreciation related to R&D.

During the fourth quarter of 2018, the Specialty Generics Disposal Group was reclassified to held and used and measured at its carrying amount before it was classified as held-for-sale, adjusted for depreciation and amortization expense that would have been recognized had the disposal group been continuously classified as held and used. The effect of the required adjustment will be reflected in income from continuing operations during the fourth quarter of 2018, the period in which the held-for-sale criteria were no longer met. The Company intends to reflect the Q1, Q2 and Q3 depreciation catch-up recorded in Q4 as a non-gaap adjustment for the fourth quarter of fiscal 2018, but not for year-to-date fiscal 2018 in the non-gaap measures table.

⁽²⁾ Includes pre-tax accelerated depreciation.

⁽³⁾ Includes tax effects of above adjustments, as well as certain installment sale transactions and other intercompany transactions.

⁽⁴⁾ In periods where losses are incurred, potential ordinary shares outstanding are excluded from the calculation of diluted earnings per share, prepared in accordance with GAAP, as they would be anti-dilutive. These potentially dilutive shares are included in the calculation of adjusted diluted earnings per share when dilutive. As a result, the adjusted diluted earnings per share utilized a weighted average share count of 86.3 shares.

MALLINCKRODT PLC
SELECT PRODUCT LINE NET SALES

(unaudited, in millions)

	Three Months Ended			Nine Months Ended
	March 30, 2018	June 29, 2018	September 28, 2018	September 28, 2018
Specialty Brands				
H.P. Acthar Gel	\$ 243.8	\$ 293.2	\$ 290.1	\$ 827.1
Inomax	139.8	131.0	133.2	404.0
Ofirmev	82.0	85.6	87.1	254.7
Therakos	57.4	56.8	60.0	174.2
BioVectra	10.5	11.3	13.9	35.7
Other	14.9	4.2	4.9	24.0
Specialty Brands Total	548.4	582.1	589.2	1,719.7
Specialty Generics and Amitiza				
Hydrocodone (API) and hydrocodone-containing tablets	13.9	16.9	15.5	46.3
Oxycodone (API) and oxycodone-containing tablets	16.6	13.1	13.6	43.3
Acetaminophen (API)	49.4	51.7	47.9	149.0
Amitiza	23.0	48.0	48.2	119.2
Other controlled substances	89.0	99.5	69.5	258.0
Other	14.9	14.3	16.0	45.2
Specialty Generics and Amitiza Total	206.8	243.5	210.7	661.0
Net Sales	\$ 755.2	\$ 825.6	\$ 799.9	\$ 2,380.7

MALLINCKRODT PLC
SEGMENT DATA
Nine Months Ended September 28, 2018
(unaudited, in millions)

	GAAP Historical As Reported	Reclass from Discontinued Operations	Other Adjustments	Expected Segment Results
Net sales:				
Specialty Brands	\$ 1,844.3	\$ —	\$ (124.6)	\$ 1,719.7
Specialty Generics and Amitiza	—	536.4	124.6	661.0
Net sales	<u>\$ 1,844.3</u>	<u>\$ 536.4</u>	<u>\$ —</u>	<u>\$ 2,380.7</u>
Operating income:				
Specialty Brands	\$ 794.0	\$ —	\$ (6.8)	\$ 787.2
Specialty Generics and Amitiza ⁽¹⁾	—	91.3	10.6	101.9
Segment operating income	<u>794.0</u>	<u>91.3</u>	<u>3.8</u>	<u>889.1</u>
Unallocated amounts:				
Corporate and allocated expenses ⁽²⁾	(81.9)	—	(3.8)	(85.7)
Intangible asset amortization	(544.8)	(1.7)	—	(546.5)
Restructuring and related charges, net ⁽³⁾	(101.4)	(5.2)	—	(106.6)
Non-restructuring impairments	—	(2.0)	—	(2.0)
Operating income	<u>\$ 65.9</u>	<u>\$ 82.4</u>	<u>\$ —</u>	<u>\$ 148.3</u>

⁽¹⁾ Includes \$8.9 million of depreciation expense incurred during the first quarter of fiscal 2018 prior to the Specialty Generics Disposal Group being classified as held and used and \$77.5 million of inventory fair-value step up expense, primarily related to Amitiza.

⁽²⁾ Includes administration expenses and certain compensation, environmental and other costs not charged to the Company's operating segments.

⁽³⁾ Includes restructuring-related accelerated depreciation.

MALLINCKRODT PLC
SEGMENT DATA
Three Months Ended September 28, 2018
(unaudited, in millions)

	GAAP Historical As Reported	Reclass from Discontinued Operations	Other Adjustments	Expected Segment Results
Net sales:				
Specialty Brands	\$ 640.0	\$ —	\$ (50.8)	\$ 589.2
Specialty Generics and Amitiza	—	159.9	50.8	210.7
Net sales	<u>\$ 640.0</u>	<u>\$ 159.9</u>	<u>\$ —</u>	<u>\$ 799.9</u>
Operating income:				
Specialty Brands	\$ 287.8	\$ —	\$ (6.1)	\$ 281.7
Specialty Generics and Amitiza ⁽¹⁾	—	15.5	7.3	22.8
Segment operating income	<u>287.8</u>	<u>15.5</u>	<u>1.2</u>	<u>304.5</u>
Unallocated amounts:				
Corporate and allocated expenses ⁽²⁾	(28.0)	—	(1.2)	(29.2)
Intangible asset amortization	(184.2)	—	—	(184.2)
Restructuring and related charges, net ⁽³⁾	(19.6)	—	—	(19.6)
Non-restructuring impairments	—	(2.0)	—	(2.0)
Operating income	<u>\$ 56.0</u>	<u>\$ 13.5</u>	<u>\$ —</u>	<u>\$ 69.5</u>

⁽¹⁾ Includes \$31.0 million of inventory fair-value step up expense, primarily related to Amitiza

⁽²⁾ Includes administration expenses and certain compensation, environmental and other costs not charged to the Company's operating segments.

⁽³⁾ Includes restructuring-related accelerated depreciation.

MALLINCKRODT PLC
SEGMENT DATA
Three Months Ended June 29, 2018
(unaudited, in millions)

	GAAP Historical As Reported	Reclass from Discontinued Operations	Other Adjustments	Expected Segment Results
Net sales:				
Specialty Brands	\$ 631.7	\$ —	\$ (49.6)	\$ 582.1
Specialty Generics and Amitiza	—	193.8	49.6	243.4
Net sales	<u>\$ 631.7</u>	<u>\$ 193.8</u>	<u>\$ —</u>	<u>\$ 825.5</u>
Operating income:				
Specialty Brands	\$ 265.9	\$ —	\$ (2.5)	\$ 263.4
Specialty Generics and Amitiza ⁽¹⁾	—	40.1	4.8	44.9
Segment operating income	<u>265.9</u>	<u>40.1</u>	<u>2.3</u>	<u>308.3</u>
Unallocated amounts:				
Corporate and allocated expenses ⁽²⁾	(10.2)	—	(2.3)	(12.5)
Intangible asset amortization	(184.3)	—	—	(184.3)
Restructuring and related charges, net ⁽³⁾	(58.7)	(0.1)	—	(58.8)
Non-restructuring impairments	—	—	—	—
Operating income	<u>\$ 12.7</u>	<u>\$ 40.0</u>	<u>\$ —</u>	<u>\$ 52.7</u>

⁽¹⁾ Includes \$31.5 million of inventory fair-value step up expense, primarily related to Amitiza

⁽²⁾ Includes administration expenses and certain compensation, environmental and other costs not charged to the Company's operating segments.

⁽³⁾ Includes restructuring-related accelerated depreciation.

MALLINCKRODT PLC
SEGMENT DATA
Three Months Ended March 30, 2018
(unaudited, in millions)

	GAAP Historical As Reported	Reclass from Discontinued Operations	Other Adjustments	Expected Segment Results
Net sales:				
Specialty Brands	\$ 572.6	\$ —	\$ (24.2)	\$ 548.4
Specialty Generics and Amitiza	—	182.7	24.2	206.9
Net sales	<u>\$ 572.6</u>	<u>\$ 182.7</u>	<u>\$ —</u>	<u>\$ 755.3</u>
Operating income:				
Specialty Brands	\$ 240.3	\$ —	\$ 1.8	\$ 242.1
Specialty Generics and Amitiza ⁽¹⁾	—	35.7	(1.5)	34.2
Segment operating income	<u>240.3</u>	<u>35.7</u>	<u>0.3</u>	<u>276.3</u>
Unallocated amounts:				
Corporate and allocated expenses ⁽²⁾	(43.7)	—	(0.3)	(44.0)
Intangible asset amortization	(176.3)	(1.7)	—	(178.0)
Restructuring and related charges, net ⁽³⁾	(23.1)	(5.1)	—	(28.2)
Non-restructuring impairments	—	—	—	—
Operating income	<u>\$ (2.8)</u>	<u>\$ 28.9</u>	<u>\$ —</u>	<u>\$ 26.1</u>

⁽¹⁾ Includes \$8.9 million of depreciation expense incurred during the first quarter of fiscal 2018 prior to the Specialty Generics Disposal Group being classified as held and used and \$15.0 million of inventory fair-value step up expense, primarily related to Amitiza.

⁽²⁾ Includes administration expenses and certain compensation, environmental and other costs not charged to the Company's operating segments.

⁽³⁾ Includes restructuring-related accelerated depreciation.

MALLINCKRODT PLC
SELECT PRODUCT LINE NET SALES

(unaudited, in millions)

	Three Months Ended				Fiscal Year Ended
	March 31, 2017	June 30, 2017	September 29, 2017	December 29, 2017	December 29, 2017
Specialty Brands					
H.P. Acthar Gel	\$ 271.8	\$ 319.4	\$ 308.7	\$ 295.2	\$ 1,195.1
Inomax	128.4	125.5	125.7	125.6	505.2
Ofirmev	73.4	75.7	75.4	78.0	302.5
Therakos	51.2	51.2	55.3	57.2	214.9
BioVectra	9.9	10.5	16.0	18.3	54.7
Other	25.1	17.8	19.4	17.3	79.6
Specialty Brands Total	559.8	600.1	600.5	591.6	2,352.0
Specialty Generics and Amitiza					
Hydrocodone (API) and hydrocodone-containing tablets	30.3	23.0	10.0	22.0	85.3
Oxycodone (API) and oxycodone-containing tablets	24.8	27.3	15.5	20.4	88.0
Acetaminophen (API)	49.8	44.4	48.6	42.7	185.5
Amitiza	—	—	—	—	—
Other controlled substances	110.3	108.1	99.3	94.3	412.0
Other	35.9	21.6	20.0	21.3	98.8
Specialty Generics and Amitiza Total	251.1	224.4	193.4	200.7	869.6
Net Sales	\$ 810.9	\$ 824.5	\$ 793.9	\$ 792.3	\$ 3,221.6

MALLINCKRODT PLC
SEGMENT DATA
Fiscal Year Ended December 29, 2017
(unaudited, in millions)

	GAAP Historical As Reported	Reclass from Discontinued Operations ⁽³⁾	Other Adjustments	Expected Segment Results
Net sales:				
Specialty Brands	\$ 2,325.3	\$ —	\$ 26.7	\$ 2,352.0
Specialty Generics and Amitiza	839.5	—	30.1	869.6
Other	56.8		(56.8)	—
Net sales	<u>\$ 3,221.6</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 3,221.6</u>
Operating income:				
Specialty Brands	\$ 1,155.2	\$ —	\$ (8.9)	\$ 1,146.3
Specialty Generics and Amitiza	231.5	—	34.9	266.4
Segment operating income	<u>1,386.7</u>	<u>—</u>	<u>26.0</u>	<u>1,412.7</u>
Unallocated amounts:				
Corporate and allocated expenses ⁽¹⁾	(172.0)	—	46.8	(125.2)
Intangible asset amortization	(694.5)	—	—	(694.5)
Restructuring and related charges, net ⁽²⁾	(36.4)	—	—	(36.4)
Non-restructuring impairments	(63.7)	—	—	(63.7)
Operating income	<u>\$ 420.1</u>	<u>\$ —</u>	<u>\$ 72.8</u>	<u>\$ 492.9</u>

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

⁽²⁾ Includes restructuring-related accelerated depreciation.

⁽³⁾ The Specialty Generics Disposal Group was classified as held and used during fiscal 2017.