



VIATRIS™

Q3 2022 Earnings

November 7, 2022



Forward Looking Statements

This presentation contains “forward-looking statements”. These statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements may include, without limitation, 2022 financial guidance; on track to realize over \$1 billion of cost synergies by 2023; 2022 full-year expectations for Company and segments; now expecting new product revenues of ~\$525 million in 2022; Q4 2022 and FY 2022 outlook; we expect operational momentum to continue; SG&A expected to step up from Q3 2022; free cash flow expected to be significantly lower compared to Q3 2022 due to lower adjusted EBITDA, phasing of interest payments and capex; reaffirming guidance for total revenues, adjusted EBITDA and free cash flow; strong operational performance; expect FX headwinds on revenues of ~7%; adjusted EBITDA could end up towards lower end of guidance range due to FX impact; free cash flow likely to end up around midpoint; statements about the pending transaction between Viatris and Biocan Biologics Limited (“Biocan Biologics”) pursuant to which Viatris will contribute its biosimilars portfolio to Biocan Biologics (the “Biocan Biologics Transaction”), including with respect to status and timing of regulatory approvals, debt financing, anticipated timing of Biocan Biologics IPO in India and expected exit of transaction services agreement; statements about the transaction pursuant to which Mylan N.V. (“Mylan”) combined with Pfizer Inc.’s Upjohn business (the “Upjohn Business”) in a Reverse Morris Trust transaction (the “Combination”) and Upjohn Inc. became the parent entity of the combined Upjohn Business and Mylan business and was renamed “Viatris Inc.” (“Viatris” or the “Company”), the benefits and synergies of the Combination or our global restructuring program, the Company’s strategic initiatives, including but not limited to potential divestitures and recently announced acquisitions, future opportunities for the Company and its products and any other statements regarding the Company’s future operations, financial or operating results, capital allocation, dividend policy and payments, debt ratio and covenants, anticipated business levels, future earnings, planned activities, anticipated growth, market opportunities, strategies, competitions, commitments, confidence in future results, efforts to create, enhance or otherwise unlock the value of our unique global platform, and other expectations and targets for future periods. Forward-looking statements may often be identified by the use of words such as “will”, “may”, “could”, “should”, “would”, “project”, “believe”, “anticipate”, “expect”, “plan”, “estimate”, “forecast”, “potential”, “pipeline”, “intend”, “continue”, “target”, “seek” and variations of these words or comparable words. Because forward-looking statements inherently involve risks and uncertainties, actual future results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to: the possibility that the Company may be unable to achieve expected benefits, synergies and operating efficiencies in connection with the Combination or its global restructuring program within the expected timeframe or at all; the pending Biocan Biologics Transaction and other strategic initiatives may not achieve their intended benefits; operational or financial difficulties or losses associated with the Company’s reliance on agreements with Pfizer in connection with the Combination, including with respect to transition services; the potential impact of public health outbreaks, epidemics and pandemics, including the ongoing challenges and uncertainties posed by the COVID-19 pandemic; the Company’s failure to achieve expected or targeted future financial and operating performance and results; actions and decisions of healthcare and pharmaceutical regulators; changes in relevant laws and regulations, including but not limited to changes in tax, healthcare and pharmaceutical laws and regulations globally (including the impact of potential tax reform in the U.S.); the ability to attract and retain key personnel; the Company’s liquidity, capital resources and ability to obtain financing; any regulatory, legal or other impediments to the Company’s ability to bring new products to market, including but not limited to “at-risk launches”; success of clinical trials and the Company’s or its partners’ ability to execute on new product opportunities and develop, manufacture and commercialize products; any changes in or difficulties with the Company’s manufacturing facilities, including with respect to inspections, remediation and restructuring activities, supply chain or inventory or the ability to meet anticipated demand; the scope, timing and outcome of any ongoing legal proceedings, including government inquiries or investigations, and the impact of any such proceedings on the Company; any significant breach of data security or data privacy or disruptions to our information technology systems; risks associated with having significant operations globally; the ability to protect intellectual property and preserve intellectual property rights; changes in third-party relationships; the effect of any changes in the Company’s or its partners’ customer and supplier relationships and customer purchasing patterns, including customer loss and business disruption being greater than expected following the Combination; the impacts of competition, including decreases in sales or revenues as a result of the loss of market exclusivity for certain products; changes in the economic and financial conditions of the Company or its partners; uncertainties regarding future demand, pricing and reimbursement for the Company’s products; uncertainties and matters beyond the control of management, including but not limited to general political and economic conditions, inflation rates and global exchange rates; and inherent uncertainties involved in the estimates and judgments used in the preparation of financial statements, and the providing of estimates of financial measures, in accordance with U.S. GAAP and related standards or on an adjusted basis.

For more detailed information on the risks and uncertainties associated with Viatris, see the risks described in Part I, Item 1A of the Company’s Annual Report on Form 10-K for the year ended December 31, 2021, as amended, and our other filings with the SEC. You can access Viatris’ filings with the SEC through the SEC website at www.sec.gov or through our website and Viatris strongly encourages you to do so. Viatris routinely posts information that may be important to investors on our website at investor.viatris.com, and we use this website address as a means of disclosing material information to the public in a broad, non-exclusionary manner for purposes of the SEC’s Regulation Fair Disclosure (Reg FD). The contents of our website are not incorporated into this presentation or into our filings with the SEC. Viatris undertakes no obligation to update any statements herein for revisions or changes after the date of this presentation other than as required by law.



Non-GAAP Financial Measures

Key References

New product sales, new product launches or new product revenues refer to revenue from new products launched in 2022 and the carryover impact of new products, including business development, launched within the last 12 months.

Operational change refers to constant currency percentage change and is derived by translating amounts for the current period at prior year comparative period exchange rates, and in doing so shows the percentage change from 2022 constant currency net sales, revenues and adjusted EBITDA to the corresponding amount in the prior year.

Note: Certain amounts reflect rounding.

Non-GAAP Financial Measures

This presentation includes the presentation and discussion of certain financial information that differs from what is reported under accounting principles generally accepted in the United States ("U.S. GAAP"). These non-GAAP financial measures, including, but not limited to, adjusted EBITDA, free cash flow, adjusted gross margin, adjusted gross profit, adjusted SG&A and as a percentage of total revenues, adjusted R&D and as a percentage of total revenues, adjusted EBITDA margin, adjusted net earnings, and adjusted effective tax rate, adjusted earnings from operations, adjusted interest expense, adjusted other (income) expense, net, constant currency total revenues, constant currency net sales, constant currency adjusted EBITDA, gross leverage ratio, long-term gross leverage ratio, and combined adjusted EBITDA, are presented in order to supplement investors' and other readers' understanding and assessment of the financial performance of Viatris Inc. ("Viatris" or the "Company"). Free cash flow refers to U.S. GAAP net cash provided by operating activities, less capital expenditures. Adjusted EBITDA margins refers to adjusted EBITDA divided by total revenues. Viatris has provided reconciliations of such non-GAAP financial measures to the most directly comparable U.S. GAAP financial measures. Investors and other readers are encouraged to review the related U.S. GAAP financial measures and the reconciliations of the non-GAAP measures to their most directly comparable U.S. GAAP measures set forth in this presentation on our website at <https://investor.viatris.com/financial-information/non-gaap-reconciliations>, and investors and other readers should consider non-GAAP measures only as supplements to, not as substitutes for or as superior measures to, the measures of financial performance prepared in accordance with U.S. GAAP.

2022 Guidance

The Company is not providing forward-looking guidance for U.S. GAAP net earnings (loss) or a quantitative reconciliation of its 2022 adjusted EBITDA guidance to the most directly comparable U.S. GAAP measure, U.S. GAAP net earnings (loss), because it is unable to predict with reasonable certainty the ultimate outcome of certain significant items, including integration and acquisition-related expenses, restructuring expenses, asset impairments, litigation settlements and other contingencies, such as changes to contingent consideration and certain other gains or losses, as well as related income tax accounting, because certain of these items have not occurred, are out of the Company's control and/or cannot be reasonably predicted without unreasonable effort. These items are uncertain, depend on various factors, and could have a material impact on U.S. GAAP reported results for the guidance period.

Q3 2022 – Focused Execution & Results

Business Performance & Execution

- Seventh quarter of strong operational performance
 - Total Revenues \$4.08B
 - Adjusted EBITDA \$1.50B
 - Free Cash Flow \$765M

Delivering the Pipeline

- New product revenues of ~\$144M in Q3 2022
- Launched lenalidomide in the U.S. in Q3 2022

Capital Deployment

- Paid down ~\$2.1B in debt YTD in 2022
- Paid quarterly dividend of \$0.12 per share

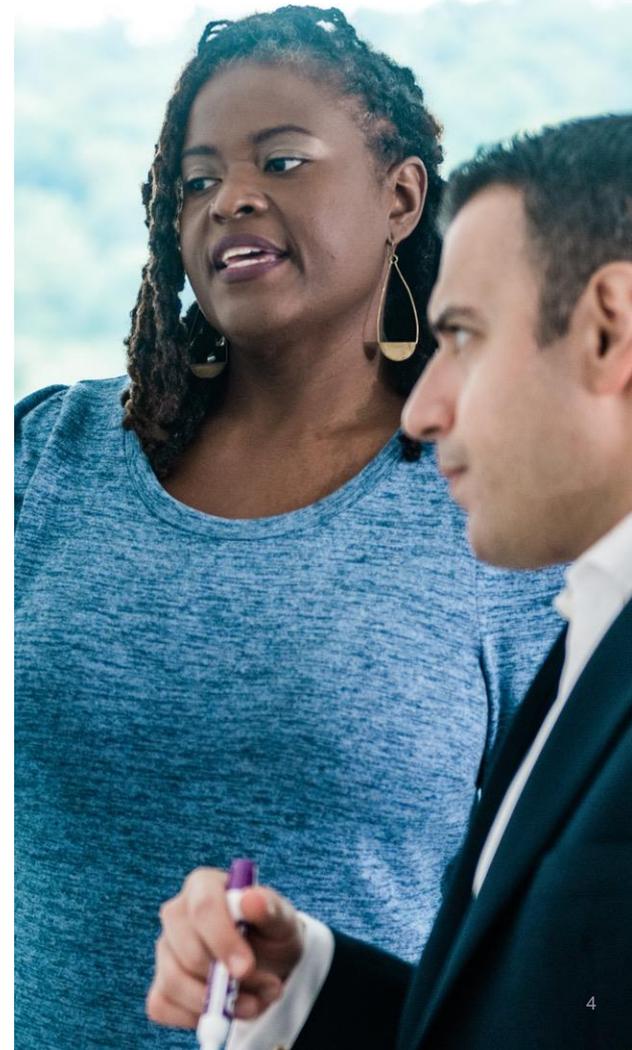
Strategic Initiatives & Restructuring

- Exited substantially all Transitional Services with Pfizer
- On track to realize \$1B+ of cost synergies by end of 2023

Note: For non-GAAP measures, see slide 3



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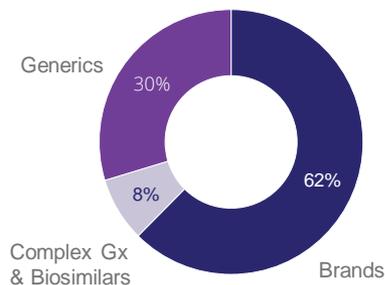
Segment Results

Total Net Sales

(\$M)	Q3 2022	Q3 2021	Change	Op Change
Net Sales	\$4,067	\$4,520	(10%)	(1%)
Brands	2,540	2,803	(9%)	1%
Complex Gx & Biosimilars	320	332	(4%)	2%
Generics	1,207	1,385	(13%)	(6%)

See slide 3 for more information on operational change and new products

Q3 2022 Net Sales



OPERATIONAL HIGHLIGHTS

Q3 Performance vs. Expectations

- Strong performance across all our segments
- **Brands:** better than expectations driven by products such as Lipitor®, Brufen®, and Creon®
- **Complex Gx & Biosimilars:** slightly below expectations due to increased competition and customer buying patterns
- **Generics:** in line with expectations, including solid performance across broader North America portfolio, including the launch of lenalidomide in the U.S.

2022 Full-Year Expectations

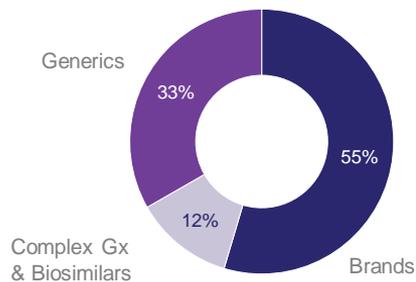
- Operational commitments on track for full-year
 - Base business slightly ahead of expectations
 - Now expect to deliver ~\$525M revenues from new product launches, below prior expectations due to timing of launches, but with better-than-expected margins

Developed Markets

(\$M)	Q3 2022	Q3 2021	Change	Op Change
Net Sales	\$2,431	\$2,656	(8%)	– %
Brands	1,328	1,523	(13%)	(2%)
Complex Gx & Biosimilars	295	305	(3%)	1%
Generics	809	828	(2%)	4%

See slide 3 for more information on operational change and new products

Q3 2022 Net Sales



OPERATIONAL HIGHLIGHTS

Q3 Performance vs. Expectations

- Europe net sales of \$1.4B
- North America net sales of \$1.1B
- **Brands:** better than expectations driven by products such as Brufen® and Lyrica®
- **Complex Gx & Biosimilars:** below expectations due to increased competition and customer buying patterns
- **Generics:** in line with expectations, including solid performance across broader North America portfolio

2022 Full-Year Expectations

- Tracking toward solid growth in Europe
- Continuation of solid Brands performance

Select Top Products: EpiPen®, Lyrica®, Lipitor®, Creon®, Yupelri®, Dymista®, Viagra®

Emerging Markets

(\$M)	Q3 2022	Q3 2021	Change	Op Change
Net Sales	\$679	\$793	(14%)	(4%)⁽¹⁾
Brands	429	415	4%	15%
Complex Gx & Biosimilars	14	14	2%	18%
Generics	236	364	(35%)	(27%) ⁽²⁾

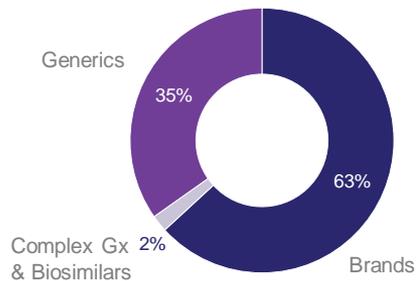
See slide 3 for more information on operational change and new products

(1) 7% excluding (\$82M) net sales impact of COVID related products.

(2) (6%) excluding (\$82M) net sales impact of COVID related products.



Q3 2022 Net Sales



OPERATIONAL HIGHLIGHTS

Q3 Performance vs. Expectations

- **Brands:** ahead of expectations driven by strong performance in key markets like South Korea, Turkey, and Thailand, including products such as Lyrica® and Lipitor®
- **Complex Gx & Biosimilars:** in line with expectations
- **Generics:** in line with expectations with ARV continuing to be on track

2022 Full-Year Expectations

- Key markets, including Turkey, South Korea, Malaysia, and Thailand, on track to meet expectations
- Growth in Brands including Celebrex®, Lyrica®, Lipitor®, Dona®, and Dymista®

Select Top Products: Lipitor®, Lyrica®, Norvasc®, Celebrex®, Zolof®®, Viagra®, Xalabrand®

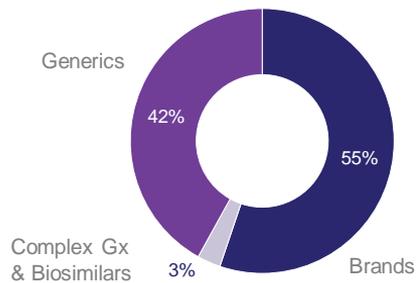
JANZ

(\$M)	Q3 2022	Q3 2021	Change	Op Change
Net Sales	\$383	\$505	(24%)	(12%)
Brands	212	299	(29%)	(14%)
Complex Gx & Biosimilars	11	13	(18%)	(5%)
Generics	161	193	(17%)	(10%)

See slide 3 for more information on operational change and new products



Q3 2022 Net Sales



OPERATIONAL HIGHLIGHTS

Q3 Performance vs. Expectations

- **Brands:** in line with expectations, with consistent performance in both Japan & Australia
- **Complex Gx & Biosimilars:** in line with expectations
- **Generics:** in line with expectations

2022 Full-Year Expectations

- Stable and consistent market share outlook for Brands portfolio
- Optimizing Generics segment strategy remains on track

Select Top Products: Amitiza®, Lyrica®, Effexor®, Creon®, Lipitor®, Norvasc®, Celebrex®

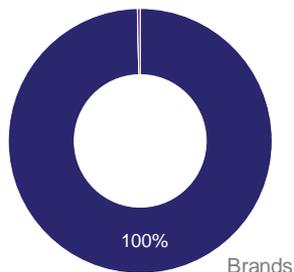
Greater China

(\$M)	Q3 2022	Q3 2021	Change	Op Change
Net Sales	\$574	\$567	1%	6%
Brands	572	567	1%	6%
Complex Gx & Biosimilars	0	0	NM	NM
Generics	2	0	NM	NM

See slide 3 for more information on operational change and new products



Q3 2022 Net Sales



OPERATIONAL HIGHLIGHTS

Q3 Performance vs. Expectations

- Overall results better than expectations, while navigating the evolving policy environment and ongoing COVID impacts

2022 Full-Year Expectations

- Continue to focus on growing self-pay patient base
- On track to full-year expectations

Select Top Products: Lipitor[®], Norvasc[®], Viagra[®]

Q3 Financial Highlights



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Q3 2022 Financial Highlights

(\$M)	Q3 2022	Q3 2021	CHANGE	OP CHANGE
Total Net Sales	\$4,067	\$4,520	(10%)	(1%)
Developed Markets	2,431	2,656	(8%)	– %
Emerging Markets	679	793	(14%)	(4%)
JANZ	383	505	(24%)	(12%)
Greater China	574	567	1%	6%
Other Revenues	11	16	NM	NM
Total Revenues	\$4,078	\$4,537	(10%)	(1%)
Adjusted Gross Margin	60.5%	60.0%	50 bps	
Adjusted SG&A as % of total revenues	21.7%	21.2%	50 bps	
Adjusted R&D as % of total revenues	4.2%	3.3%	90 bps	
Adjusted EBITDA	\$1,498	\$1,698	(12%)	(5%)
Adjusted EBITDA Margin	36.7%	37.4%	(70 bps)	
Adjusted Net Earnings	\$1,063	\$1,199	(11%)	
Net Cash Provided by Operating Activities	\$869	\$1,086	(20%)	
Capital Expenditures	<u>\$104</u>	<u>\$121</u>	(14%)	
Free Cash Flow	\$765	\$965	(21%)	

Note: For non-GAAP measures, see slide 3

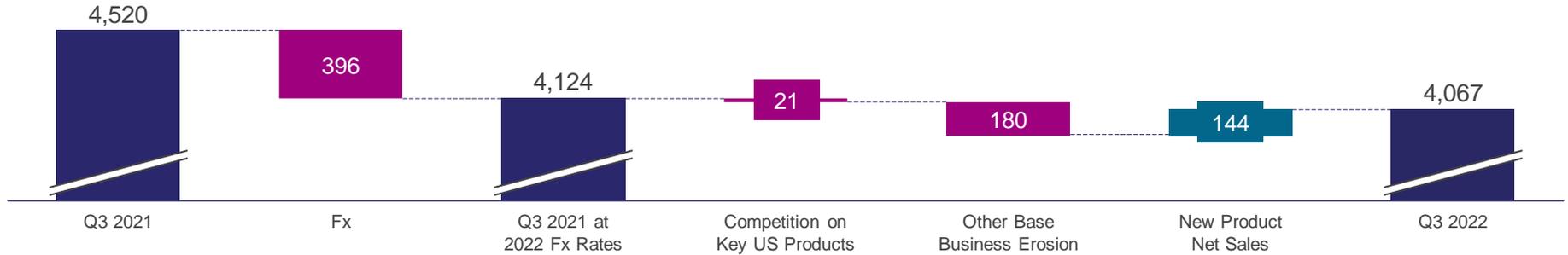
Q3 2022 YTD Financial Highlights

(\$M)	Q3 2022	Q3 2021	CHANGE	OP CHANGE
Total Net Sales	\$12,351	\$13,482	(8%)	(2%)
Developed Markets	7,387	7,868	(6%)	– %
Emerging Markets	2,035	2,417	(16%)	(8%)
JANZ	1,234	1,488	(17%)	(6%)
Greater China	1,695	1,709	(1%)	1%
Other Revenues	36	62	NM	NM
Total Revenues	\$12,387	\$13,545	(9%)	(2%)
Adjusted Gross Margin	59.5%	59.4%	10 bps	
Adjusted SG&A as % of total revenues	20.3%	21.1%	(80 bps)	
Adjusted R&D as % of total revenues	3.8%	3.4%	40 bps	
Adjusted EBITDA	\$4,566	\$5,010	(9%)	(4%)
Adjusted EBITDA Margin	36.9%	37.0%	(10 bps)	
Adjusted Net Earnings	\$3,254	\$3,496	(7%)	
Net Cash Provided by Operating Activities	\$2,810	\$2,494	13%	
Capital Expenditures	<u>\$252</u>	<u>\$260</u>	(3%)	
Free Cash Flow	\$2,558	\$2,234	14%	

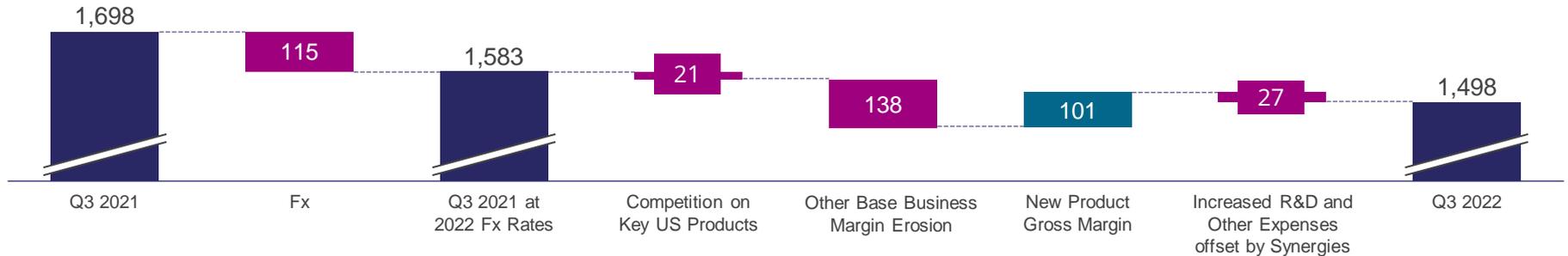
Note: For non-GAAP measures, see slide 3

Q3 2022 Total Net Sales and Adjusted EBITDA Walk

Net Sales (\$M)



Adjusted EBITDA (\$M)



Note: For non-GAAP measures, see slide 3

Q3 2022 Free Cash Flow

(\$M)	Q3 2022	Q3 2021	CHANGE
U.S. GAAP Net Cash Provided by Operating Activities	\$869	\$1,086	(20%)
Capital Expenditures	<u>(104)</u>	<u>(121)</u>	(14%)
Free Cash Flow	\$765	\$965	(21%)

Note: For non-GAAP measures, see slide 3

Capital Return

- ~\$614M in Debt Repayment in Q3
- Quarterly Dividend of ~\$145M Paid in Q3

Q3 2022 Drivers vs. Q3 2021

- EpiPen settlement of \$259M in Q3 2022
- Reduced one-time cash costs associated with restructuring and integration activities
- Cash optimization initiatives

Capital Allocation – Delivering on our Financial Commitments

>\$5.1B Free Cash Flow over last 7 quarters



	Q4 2020	Q3 2022
Notional Debt ⁽¹⁾	\$25.1B	\$19.4B
Gross Leverage ⁽²⁾	3.7x	3.2x

Note: For non-GAAP measures, see slide 3

(1) Reduction of notional debt includes repayment and impact of Fx.

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

Debt Repayment

- ~\$2.1B in Debt Repayment YTD in 2022
- ~\$4.2B in Debt Repayment since the beginning of 2021
- Committed to Investment Grade Rating

Return of Capital

- \$0.12 Quarterly Dividend per share; ~\$436M Dividends paid YTD in 2022
- ~\$835M Dividends paid since the beginning of 2021
- \$1B Share Repurchase Authorization

Business Development

- Disciplined bolt-ons and tuck-ins

2022 Financial Guidance



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Reaffirmed 2022 Financial Guidance

2022 Guidance (\$B)	Estimated Ranges
Total Revenues ⁽¹⁾	\$16.2 - \$16.7
Adjusted EBITDA ⁽¹⁾	\$5.8 - \$6.2
Free Cash Flow ⁽¹⁾⁽²⁾	\$2.5 - \$2.9

Key Metrics Utilized for 2022 Financial Guidance	
Adjusted Gross Margin	58.0 - 59.0%
Adjusted SG&A % of Total Revenues	20.5 - 21.5%
Adjusted R&D % of Total Revenues	3.9 - 4.3%
Net Cash Provided by Operating Activities	\$3.1B - \$3.3B
Capital Expenditures	\$0.425B - \$0.575B
Adjusted Effective Tax Rate	15.5 - 16.5%
Shares Outstanding	1.212B – 1.216B

Note: For non-GAAP measures, see slide 3

(1) Includes estimated full-year 2022 Total Revenues and Adjusted EBITDA for the biosimilar business.

(2) Includes EpiPen settlement of \$264M.

Q4 2022 Outlook

- Expect operational momentum to continue
- Gross Margin moderating due to impact of incremental inflation and segment / product mix
- SG&A expected to step up from Q3 2022
- Free Cash Flow expected to be significantly lower compared to Q3 2022 due to lower Adjusted EBITDA, phasing of interest payments, and CAPEX

FY 2022 Outlook

- Reaffirming guidance for Total Revenues, Adjusted EBITDA and Free Cash Flow
- Strong operational performance
- Expect FX headwinds on revenues of ~7%
- Adjusted EBITDA could end up towards lower end of guidance range due to FX impact
- Free Cash Flow likely to end up around mid point

GAAP/Non-GAAP Reconciliations



Full-Year 2022 Guidance Items

(Unaudited; in millions)

	GAAP	Non-GAAP
Total Revenues	\$16,200 - \$16,700	N/A
Adjusted EBITDA	N/A	\$5,800 - \$6,200
Net Cash provided by Operating Activities	\$3,100 - \$3,300	N/A
Free Cash Flow	N/A	\$2,500 - \$2,900

Viartis Inc. and Subsidiaries

Reconciliation of Estimated 2022 U.S. GAAP Net Cash Provided by Operating Activities to Free Cash Flow (Unaudited; in millions)

Estimated U.S. GAAP Net Cash provided by Operating Activities	\$3,100 - \$3,300
Less: Capital Expenditures	<u>(\$425) - (\$575)</u>
Free Cash Flow	\$2,500 - \$2,900

Adjusted Net Earnings

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
U.S. GAAP net earnings (loss).....	\$ 354.3	\$ 311.5	\$ 1,067.4	\$ (1,005.3)
Purchase accounting related amortization (primarily included in cost of sales).....	626.7	919.9	1,930.5	3,344.7
Litigation settlements and other contingencies, net.....	(3.9)	9.4	13.2	55.3
Interest expense (primarily amortization of premiums and discounts on long term debt).....	(10.0)	(13.6)	(36.8)	(40.3)
Clean energy investments pre-tax loss.....	-	17.6	-	52.2
Acquisition related costs (primarily included in SG&A) (a).....	99.2	41.5	306.3	149.7
Restructuring related costs (b).....	15.0	169.8	42.0	741.6
Share-based compensation expense.....	29.1	25.0	86.8	88.7
Other special items included in:				
Cost of sales (c).....	68.9	72.7	150.4	257.1
Research and development expense.....	-	3.7	0.9	12.1
Selling, general and administrative expense.....	19.9	9.9	44.3	39.4
Other (income) expense, net.....	(6.3)	(2.3)	(8.2)	(2.3)
Tax effect of the above items and other income tax related items (d).....	(129.4)	(366.0)	(342.7)	(196.8)
Adjusted net earnings.....	<u>\$ 1,063.5</u>	<u>\$ 1,199.1</u>	<u>\$ 3,254.1</u>	<u>\$ 3,496.1</u>

Significant Items include the following:

- (a) Acquisition related costs consist primarily of transaction costs including legal and consulting fees and integration activities.
- (b) For the three and nine months ended September 30, 2022, charges include approximately \$8.6 million and \$28.4 million, respectively, in cost of sales and approximately \$6.4 million and \$13.6 million, respectively, in SG&A.
- (c) For the three and nine months ended September 30, 2022, charges include incremental manufacturing variances at plants in the 2020 restructuring program of approximately \$42.3 million and \$90.1 million, respectively.
- (d) Adjusted for changes for uncertain tax positions and for certain impacts of the Combination.

Net Earnings (Loss) to Adjusted EBITDA

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2022	2021	2022	2021
U.S. GAAP net earnings (loss).....	\$ 354.3	\$ 311.5	\$ 1,067.4	\$ (1,005.3)
Add / (deduct) adjustments:				
Net contribution attributable to equity method investments.....	-	17.6	-	52.2
Income tax provision (benefit).....	73.2	(111.6)	276.9	544.8
Interest expense (a).....	153.2	151.9	445.3	488.0
Depreciation and amortization (b).....	699.5	1,017.1	2,157.8	3,756.7
EBITDA.....	\$ 1,280.2	\$ 1,386.5	\$ 3,947.4	\$ 3,836.4
Add / (deduct) adjustments:				
Share-based compensation expense	29.1	25.0	86.8	88.7
Litigation settlements and other contingencies, net.....	(3.9)	9.4	13.2	55.3
Restructuring, acquisition related and other special items (c).....	192.4	277.4	518.8	1,029.9
Adjusted EBITDA.....	\$ 1,497.8	\$ 1,698.3	\$ 4,566.2	\$ 5,010.3

(a) Includes amortization of premiums and discounts on long-term debt.

(b) Includes purchase accounting related amortization.

(c) See items detailed in the Reconciliation of U.S. GAAP Net Earnings (Loss) to Adjusted Net Earnings.

Summary of Total Revenues by Segment

	Three Months Ended September 30,						Nine Months Ended September 30,					
	2022	2021	% Change	2022 Currency Impact ⁽¹⁾	2022 Constant Currency Revenues	Constant Currency % Change ⁽²⁾	2022	2021	% Change	2022 Currency Impact ⁽¹⁾	2022 Constant Currency Revenues	Constant Currency % Change ⁽²⁾
Net sales												
Developed Markets	\$ 2,431.5	\$ 2,655.9	(8)%	\$ 226.1	\$ 2,657.6	- %	\$ 7,386.7	\$ 7,867.9	(6)%	\$ 496.7	\$ 7,883.4	- %
Greater China.....	574.0	566.8	1 %	27.3	601.3	6 %	1,695.4	1,709.0	(1)%	24.6	1,720.0	1 %
JANZ.....	383.0	505.3	(24)%	61.8	444.9	(12)%	1,233.9	1,488.2	(17)%	164.6	1,398.4	(6)%
Emerging Markets	678.9	792.5	(14)%	80.9	759.8	(4)%	2,035.0	2,417.2	(16)%	186.4	2,221.4	(8)%
Total net sales.....	\$ 4,067.4	\$ 4,520.5	(10)%	\$ 396.2	\$ 4,463.6	(1)%	\$ 12,351.0	\$ 13,482.3	(8)%	\$ 872.3	\$ 13,223.2	(2)%
Other revenues (3).....	10.8	16.1	(33)%	0.9	11.7	(27)%	35.7	62.4	(43)%	2.2	37.9	(39)%
Consolidated total revenues (4).....	\$ 4,078.2	\$ 4,536.6	(10)%	\$ 397.2	\$ 4,475.3	(1)%	\$ 12,386.7	\$ 13,544.7	(9)%	\$ 874.5	\$ 13,261.1	(2)%

(1) Currency impact is shown as unfavorable (favorable).

(2) The constant currency percentage change is derived by translating net sales or revenues for the current period at prior year comparative period exchange rates, and in doing so shows the percentage change from 2022 constant currency net sales or revenues to the corresponding amount in the prior year.

(3) For the three months ended September 30, 2022, other revenues in Developed Markets, JANZ, and Emerging Markets were approximately \$4.8 million, \$0.3 million, and \$5.7 million, respectively. For the nine months ended September 30, 2022, other revenues in Developed Markets, JANZ, and Emerging Markets were approximately \$15.9 million, \$1.2 million, and \$18.6 million, respectively.

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

Cost of Sales

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2022	2021	2022	2021
U.S. GAAP cost of sales.....	\$ 2,329.8	\$ 2,962.5	\$ 7,163.8	\$ 9,515.6
Deduct:				
Purchase accounting related amortization.....	(626.7)	(919.9)	(1,930.4)	(3,344.7)
Acquisition related items.....	(16.3)	(4.5)	(41.1)	(8.0)
Restructuring related costs.....	(8.6)	(151.3)	(28.4)	(399.5)
Share-based compensation expense.....	(0.4)	(0.8)	(1.2)	(2.0)
Other special items.....	(68.9)	(72.7)	(150.4)	(257.1)
Adjusted cost of sales.....	<u>\$ 1,608.9</u>	<u>\$ 1,813.3</u>	<u>\$ 5,012.3</u>	<u>\$ 5,504.3</u>
Adjusted gross profit (a).....	<u>\$ 2,469.3</u>	<u>\$ 2,723.3</u>	<u>\$ 7,374.4</u>	<u>\$ 8,040.4</u>
Adjusted gross margin (a).....	<u>61 %</u>	<u>60 %</u>	<u>60 %</u>	<u>59 %</u>

(a) U.S. GAAP gross profit is calculated as total revenues less U.S. GAAP cost of sales. U.S. GAAP gross margin is calculated as U.S. GAAP gross profit divided by total revenues. Adjusted gross profit is calculated as total revenues less adjusted cost of sales. Adjusted gross margin is calculated as adjusted gross profit divided by total revenues.

R&D

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2022	2021	2022	2021
U.S. GAAP R&D.....	\$ 174.9	\$ 152.1	\$ 479.8	\$ 483.9
Add / (Deduct):				
Acquisition related costs.....	(2.6)	(0.8)	(6.3)	(1.1)
Restructuring and related costs.....	-	4.7	-	(11.9)
Share-based compensation expense.....	(1.1)	(1.5)	(4.1)	(3.4)
Other special items (a).....	-	(3.7)	(0.9)	(12.1)
Adjusted R&D.....	<u>\$ 171.2</u>	<u>\$ 150.8</u>	<u>\$ 468.5</u>	<u>\$ 455.4</u>
Adjusted R&D as % of total revenues.....	<u>4 %</u>	<u>3 %</u>	<u>4 %</u>	<u>3 %</u>

- (a) Beginning in 2022, upfront and milestone-related R&D expenses related to collaboration and licensing arrangements are no longer excluded from adjusted net earnings and adjusted EBITDA. This change had no impact on the three and nine months ended September 30, 2022. For all prior periods presented, these expenses and payments were excluded from adjusted net earnings and adjusted EBITDA. Prior period adjusted net earnings and adjusted EBITDA have not been recast to reflect this change in policy because the excluded amount was expense of approximately \$3.7 million and income of approximately \$2.1 million for the three and nine months ended September 30, 2021, respectively, and is considered immaterial.

SG&A

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2022	2021	2022	2021
U.S. GAAP SG&A.....	\$ 1,017.3	\$ 1,055.0	\$ 2,913.7	\$ 3,446.3
Deduct:				
Acquisition related costs.....	(80.4)	(36.2)	(258.9)	(140.6)
Restructuring and related costs.....	(6.4)	(23.1)	(13.6)	(330.1)
Purchase accounting amortization and other related items.....	-	-	(0.1)	-
Share-based compensation expense.....	(27.5)	(22.7)	(81.5)	(83.2)
Other special items and reclassifications.....	(19.9)	(9.9)	(44.3)	(39.4)
Adjusted SG&A.....	\$ 883.1	\$ 963.1	\$ 2,515.3	\$ 2,853.0
Adjusted SG&A as % of total revenues.....	22 %	21 %	20 %	21 %

Total Operating Expenses

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2022	2021	2022	2021
U.S. GAAP total operating expenses.....	\$ 1,188.3	\$ 1,216.5	\$ 3,406.7	\$ 3,985.5
Add / (Deduct):.....				
Litigation settlements and other contingencies, net.....	3.9	(9.4)	(13.2)	(55.3)
R&D adjustments.....	(3.7)	(1.3)	(11.3)	(28.5)
SG&A adjustments.....	(134.2)	(91.9)	(398.4)	(593.3)
Adjusted total operating expenses.....	<u>\$ 1,054.3</u>	<u>\$ 1,113.9</u>	<u>\$ 2,983.8</u>	<u>\$ 3,308.4</u>
Adjusted earnings from operations (a).....	<u>\$ 1,415.0</u>	<u>\$ 1,609.4</u>	<u>\$ 4,390.6</u>	<u>\$ 4,732.0</u>

(a) U.S. GAAP earnings from operations is calculated as U.S. GAAP gross profit less U.S. GAAP total operating expenses. Adjusted earnings from operations is calculated as adjusted gross profit less adjusted total operating expenses.

Interest Expense

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2022	2021	2022	2021
U.S. GAAP interest expense.....	\$ 153.2	\$ 151.9	\$ 445.3	\$ 488.0
Add / (Deduct):				
Interest expense related to clean energy investments.....	-	(0.1)	-	(0.4)
Accretion of contingent consideration liability.....	(1.8)	(2.3)	(5.6)	(7.3)
Amortization of premiums and discounts on long-term debt.....	12.8	17.1	45.7	51.6
Other special items.....	(1.1)	(1.2)	(3.3)	(3.6)
Adjusted interest expense.....	<u>\$ 163.1</u>	<u>\$ 165.4</u>	<u>\$ 482.1</u>	<u>\$ 528.3</u>

Other (Income) Expense, Net

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2022	2021	2022	2021
U.S. GAAP other (income) expense, net.....	\$ (20.6)	\$ 5.8	\$ 26.6	\$ 16.1
Add / (Deduct):				
Clean energy investments pre-tax loss (a).....	-	(17.6)	-	(52.2)
Other items.....	6.3	2.3	8.2	2.3
Adjusted other (income) expense, net.....	\$ (14.3)	\$ (9.5)	\$ 34.8	\$ (33.8)

(a) Adjustment represents exclusion of activity related to Viatriis' clean energy investments, the activities of which qualify for income tax credits under section 45 of the U.S. Internal Revenue Code of 1986, as amended.

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2022	2021	2022	2021
U.S. GAAP earnings (loss) before income taxes.....	\$ 427.5	\$ 199.9	\$ 1,344.3	\$ (460.5)
Total pre-tax non-GAAP adjustments.....	838.5	1,253.6	2,529.3	4,698.1
Adjusted earnings before income taxes.....	<u>\$ 1,266.0</u>	<u>\$ 1,453.5</u>	<u>\$ 3,873.6</u>	<u>\$ 4,237.6</u>
U.S. GAAP income tax provision (benefit).....	\$ 73.2	\$ (111.6)	\$ 276.9	\$ 544.8
Adjusted tax expense.....	129.4	366.0	342.7	196.8
Adjusted income tax provision.....	<u>\$ 202.6</u>	<u>\$ 254.4</u>	<u>\$ 619.6</u>	<u>\$ 741.6</u>
Adjusted effective tax rate.....	<u>16.0 %</u>	<u>17.5 %</u>	<u>16.0 %</u>	<u>17.5 %</u>

Gross Leverage - Debt to Adjusted EBITDA

Gross Leverage Ratio is the ratio of Viатris' total debt at notional amounts at September 30, 2022 to the sum of Viатris' adjusted EBITDA for the quarters ended December 31, 2021, March 31, 2022, June 30, 2022, and September 30, 2022.

	Three Months Ended				Twelve Months Ended
	December 31, 2021	March 31, 2022	June 30, 2022	September 30, 2022	September 30, 2022
Adjusted EBITDA (a).....	\$ 1,415.8	\$ 1,586.3	\$ 1,482.1	\$ 1,497.8	\$ 5,982.0
Reported debt balances:					
Long-term debt, including current portion.....					19,479.5
Short-term borrowings and other current obligations.....					500.4
Total.....					19,979.9
Add / (deduct):					
Net premiums on various debt issuances.....					(584.6)
Deferred financing fees.....					37.4
Fair value adjustment for hedged debt.....					(4.5)
Total debt at notional amounts.....					\$ 19,428.2
Gross debt to adjusted EBITDA.....					3.2 x

Long-term Gross Leverage Target

The stated forward-looking non-GAAP financial measure of long-term gross leverage target of 3.0x, with a range of 2.8x – 3.2x, is based on the ratio of (i) targeted notional gross debt and (ii) targeted Adjusted EBITDA. However, the Company has not quantified future amounts to develop this target but has stated its goal to manage notional gross debt and adjusted earnings and adjusted EBITDA over time in order to generally maintain or reach the target. This target does not reflect Company guidance.

(a) See prior quarter reconciliations from U.S. GAAP Net Earnings (Loss) to Adjusted EBITDA in the subsequent table.

Net (Loss) Earnings to Adjusted EBITDA

	Three Months Ended			
	December 31, 2021	March 31, 2022	June 30, 2022	September 30, 2022
U.S. GAAP net (loss) earnings.....	\$ (263.8)	\$ 399.2	\$ 313.9	\$ 354.3
Add / (deduct) adjustments:				
Net contribution attributable to equity method investments.....	9.7	(0.1)	0.1	-
Income tax provision.....	59.9	128.3	75.4	73.2
Interest expense.....	148.2	146.2	145.9	153.2
Depreciation and amortization.....	749.8	736.0	722.3	699.5
EBITDA.....	\$ 703.8	\$ 1,409.6	\$ 1,257.6	\$ 1,280.2
Add / (deduct) adjustments:				
Share-based compensation expense	22.5	28.3	29.4	29.1
Litigation settlements and other contingencies, net.....	273.9	6.2	10.9	(3.9)
Restructuring, acquisition related and other special items.....	415.6	142.2	184.2	192.4
Adjusted EBITDA.....	\$ 1,415.8	\$ 1,586.3	\$ 1,482.1	\$ 1,497.8

Gross Leverage - Debt to Adjusted EBITDA - Q4 2020

	Twelve Months Ended
	December 31, 2020
Combined Adjusted EBITDA	\$ 6,807.2
Reported debt balances:	
Long-term debt, including current portion.....	24,685.5
Short-term borrowings and other current obligations.....	1,100.9
Total.....	20,984.7
Add / (deduct):	
Net premiums on various debt issuances.....	(731.4)
Deferred financing fees.....	49.2
Fair value adjustment for hedged debt.....	(31.6)
Total debt at notional amounts.....	<u>\$ 25,072.6</u>
Gross debt to adjusted EBITDA.....	3.7 x

(a) See prior quarter reconciliations from U.S. GAAP Net Earnings (Loss) to Adjusted EBITDA in the subsequent table.

Net Loss to Combined Adjusted EBITDA - Q4 2020

	Twelve months ended
	December 31, 2020
U.S. GAAP net loss.....	\$ (669.9)
Add / (deduct) adjustments:	
Net contribution attributable to equity method investments.....	484.0
Income tax benefit	(513.0)
Interest expense (a).....	497.8
Depreciation and amortization (b).....	2,216.1
EBITDA.....	2,041.1
Add adjustments:	
Share-based compensation expense.....	79.2
Litigation settlements and other contingencies, net.....	107.8
Restructuring, acquisition related and other special items (c).....	1,426.0
Viатris Adjusted EBITDA.....	3,654.1
Upjohn Adjusted EBITDA for nine months ended September 30, 2020.....	2,806.0
	6,460.1
Upjohn estimated Adjusted EBITDA (d)	347.1
Combined Adjusted EBITDA.....	<u>\$ 6,807.2</u>

(a) Includes clean energy investment financing and accretion of contingent consideration.

(b) Includes purchase accounting related amortization.

(c) See items detailed in the Reconciliation of U.S. GAAP Net Earnings to Adjusted Net Earnings.

(d) Amount represents an estimate of Upjohn's Adjusted EBITDA for the period from October 1, 2020, through the closing of the Combination, including estimated adjustments.

Free Cash Flow over the Last 7 Quarters

	Three Months Ended							Free Cash Flow over the last 7 quarters
	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022	September 30, 2022	September 30, 2022
U.S. GAAP net cash provided by operating activities	\$849	\$559	\$1,086	\$523	\$1,139	\$803	\$869	\$5,828
Less: Capital expenditures	(50)	(89)	(121)	(197)	(65)	(84)	(104)	(710)
Free cash flow	\$799	\$470	\$965	\$326	\$1,074	\$719	\$765	\$5,118

Appendix



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Q3 2022 Select Key Product Net Sales, on a Consolidated Basis

(Unaudited; in millions)

(\$M)	Q3 2022	Q3 2022 YTD	(\$M)	Q3 2022	Q3 2022 YTD
Select Key Global Products			Select Key Segment Products		
Lipitor [®]	\$420.4	\$1,266.1	Influvac [®]	\$159.3	\$178.3
Norvasc [®]	189.3	600.1	Yupelri [®]	53.4	146.1
Lyrica [®]	156.5	483.9	Amitiza [®]	39.4	125.3
Viagra [®]	117.0	361.9	Dymista [®]	38.6	138.0
EpiPen [®] Auto-Injectors	114.4	309.7	Xanax [®]	38.3	115.5
Celebrex [®]	82.2	253.4			
Creon [®]	76.4	226.5			
Effexor [®]	64.2	215.4			
Zoloft [®]	53.1	188.7			
Xalabrand	51.0	146.7			

- (a) The Company does not disclose net sales for any products considered competitively sensitive.
 (b) Products disclosed may change in future periods, including as a result of seasonality, competition or new product launches.
 (c) Amounts for the three and nine months ended September 30, 2022 include the unfavorable impact of foreign currency translations compared to the prior year period.

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