



Perrigo Co. plc (PRGO)

Updated December 1st, 2025 by Nathan Parsh

Key Metrics

Current Price:	\$13.85	5 Year Annual Expected Total Return:	22.5%	Market Cap:	\$1.9 B
Fair Value Price:	\$28	5 Year Growth Estimate:	3.0%	Ex-Dividend Date:	11/28/25
% Fair Value:	50%	5 Year Valuation Multiple Estimate:	14.7%	Dividend Payment Date:	12/16/25
Dividend Yield:	8.4%	5 Year Price Target	\$32	Years Of Dividend Growth:	23
Dividend Risk Score:	C	Sector:	Health Care	Rating:	Hold

Perrigo's history goes all the way back to 1887 when Luther Perrigo, the proprietor of a general store and apple-drying business, had the idea to package and distribute patented medicines and household items for country stores. Today, Perrigo is headquartered in Ireland. It operates in the healthcare sector as a manufacturer of over-the-counter consumer products. Its Consumer Self-Care Americas segment is comprised of the U.S., Mexico and Canada consumer healthcare businesses. The Consumer Self-Care International segment includes branded consumer healthcare business primarily in Europe, but also Australia and Israel. The company generates ~\$4.4 billion in annual revenue.

On February 19th, 2025, Perrigo announced that it was raising its quarterly dividend 5.1% to \$0.29, extending the company's dividend growth streak to 23 consecutive years.

On November 5th, 2025, Perrigo reported third quarter results for the period ending September 30th, 2025. For the quarter, revenue decreased 5.5% to \$1.04 billion, which was \$60 million less than expected. Adjusted earnings-per-share of \$0.80 compared to \$0.81 in the prior year, but this was \$0.03 above estimates.

Revenue was impacted by a 1.3% headwind related to divestitures and exited products. Organic sales fell 4.4% and were partially offset by a 1.6% benefit from favorable currency translation. Consumer Self-Care Americas' revenue decreased 3.8% as gains in Upper Respiratory, Skin Care, and Pain and Sleep-Aids was more than offset by weaker results in Nutrition, Digestive Health, Healthy Lifestyle, and Oral Care. Consumer Self-Care International's sales were down 4.5%, with most product categories seeing year-over-year declines. Just Oral Care and Skin Care were positive for the period. It was mentioned that Infant Formula and Oral Care segments were under strategic review. The company announced a cost savings program in Q4 2023 called "Project Energize" that is projected to create pre-tax savings of \$140 million to \$170 million by 2026. In 2024, the company realized \$163 million of savings with \$32 million reinvested in the business. The adjusted gross margin contracted 110 basis points to 39.9% in Q3.

Perrigo provided an updated outlook for 2025 as well. The company now expects organic revenue growth to be down by -2% to -2.5% for the year, compared to a prior range of 1.5% to 4.5%. Adjusted earnings-per-share is now projected to be in a range of \$2.70 to \$2.80, down from \$2.90 to \$3.10 previously.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	\$7.24	\$5.07	\$4.93	\$4.55	\$4.03	\$4.02	\$2.06	\$2.07	\$2.58	\$2.57	\$2.75	\$3.19
DPS	\$0.46	\$0.58	\$0.64	\$0.76	\$0.84	\$0.90	\$0.96	\$1.04	\$1.09	\$1.10	\$1.16	\$1.34
Shares¹	146	143	141	138	137	136	134	135	136	138	139	135

Perrigo grew earnings at a rapid pace in the years after the Great Recession ended. However, earnings have declined precipitously since 2015. Perrigo's problems started in 2013, when the company acquired biotechnology company Elan for nearly \$7 billion. This huge acquisition saddled Perrigo with lots of debt, and greatly expanded the company's pharmaceutical business—at just the wrong time. Falling drug prices and the recent backlash against opioids in the U.S. has caused a significant deterioration in Perrigo's earnings growth. In response, the company has scaled back its pharmaceutical operations. Consumer health products now represent the vast majority of total revenue. And, the

¹ In millions of shares

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company divested its pharmaceutical segment to further focus on consumer products. Focusing on consumer products will add stability to Perrigo, but these products typically grow at a lower rate than pharmaceuticals. Overall, we expect 3% annual earnings growth through 2030, down from 5% previously.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2023	Now	2030
Avg. P/E	22.6	20.7	15.8	16.5	12.3	12.9	18.9	16.5	12.5	10.0	5.0	10.0
Avg. Yld.	0.3%	0.6%	0.8%	1.0%	1.7%	1.7%	2.5%	3.1%	3.4%	4.3%	8.4%	4.2%

Shares have declined 42%, since our August 19th, 2025 report. Over the past 10 years, Perrigo stock traded for an average price-to-earnings ratio of 15.9. Investors should note that the 10-year average valuation includes several years of high earnings growth, which justified a valuation above 20. That said, the earnings decline in recent years and expectations for future growth do not justify a price-to-earnings ratio above 20 in our opinion. Based on earnings-per-share guidance for 2025, the stock has a P/E of just 5.0. We have lowered our target price-to-earnings ratio to 10 from 13 due to recent results. Reverting to our valuation target by 2030 would result in a 14.7% tailwind to annual returns over this period.

Safety, Quality, Competitive Advantage, & Recession Resiliency

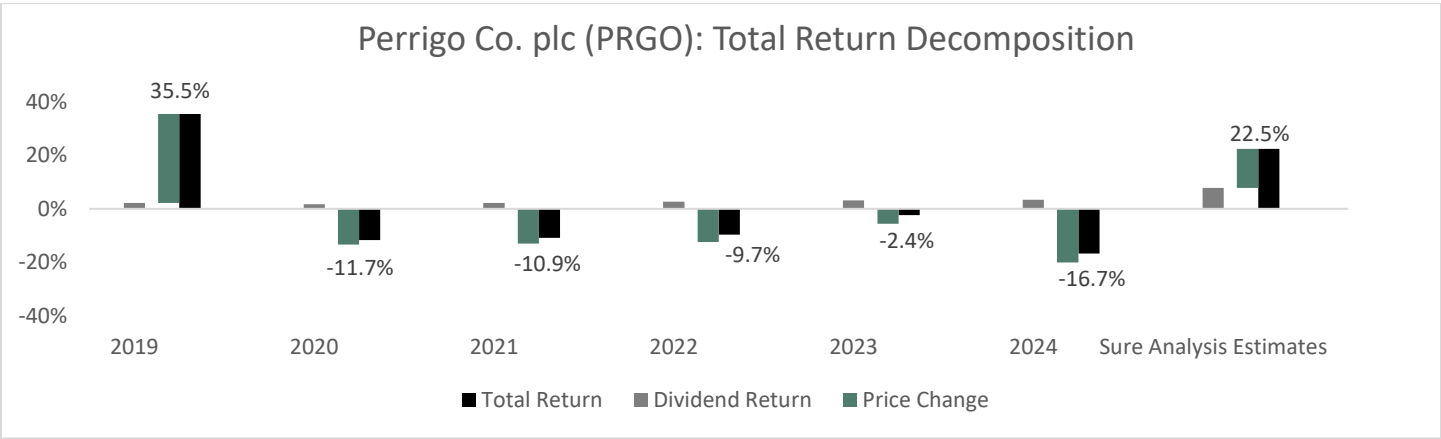
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	6%	11%	13%	17%	21%	22%	47%	50%	42%	43%	42%	42%

Perrigo does not rank highly in terms of safety. The debt incurred from the Elan acquisition caused its interest coverage ratio to erode significantly in recent years. That said, the company does have a significant competitive advantage. Perrigo is one of the largest manufacturers of OTC products, which gives it a leading position in its key markets. It also should perform well in a recession as these product categories tend to hold up, even if the economy enters a downturn. Perrigo’s dividend also appears to be safe. The expected payout ratio for 2025 is below 45%, which indicates a sustainable dividend payout, with room for future increases as the company is highly profitable.

Final Thoughts & Recommendation

Perrigo is projected to return 22.5% annually over the next five years, up from 16.5% previously. This projected return stems from a 3% earnings growth rate, a starting dividend yield of 8.4%, and a mid-teens contribution from multiple expansion. Perrigo’s segments remain challenged, with both struggling to gain traction. We have lowered our five-year price target \$13 to \$32 due to guidance for the year and a lower multiple. Despite attractive return potential, we continue to rate shares of Perrigo as a hold due to a weak dividend risk score.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	2,632	5,281	4,946	4,732	3,870	4,088	4,139	4,452	4,656	4,373
Gross Profit	1,079	2,052	1,980	1,832	1,434	1,495	1,416	1,455	1,680	1,543
Gross Margin	41.0%	38.9%	40.0%	38.7%	37.0%	36.6%	34.2%	32.7%	36.1%	35.3%
SG&A Exp.	681	1,206	1,147	1,126	1,097	1,109	1,111	1,210	1,275	1,113
D&A Exp.	182	457	445	424	397	385	312	339	360	326
Operating Profit	310	662	707	482	214	268	600	121	284	312
Operating Margin	11.8%	12.5%	14.3%	10.2%	5.5%	6.6%	14.5%	2.7%	6.1%	7.1%
Net Profit	43	(4,013)	120	131	146	(163)	(69)	(141)	(13)	(172)
Net Margin	1.6%	-76.0%	2.4%	2.8%	3.8%	-4.0%	-1.7%	-3.2%	-0.3%	-3.9%
Free Cash Flow	123	549	610	490	250	466	4	211	304	245
Income Tax	(34)	(836)	161	160	(11)	(38)	390	(8)	(4)	80

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	19,350	13,870	11,629	10,983	11,301	11,488	10,426	11,017	10,809	9,648
Cash & Equivalents	418	622	679	551	354	632	1,865	601	751	559
Accounts Receivable	1,189	1,176	1,131	1,073	1,243	594	653	697	740	642
Inventories	899	795	807	878	967	1,059	1,020	1,150	1,141	1,082
Goodwill & Int. Ass.	10,042	7,561	7,556	6,888	7,107	5,584	5,151	6,779	6,515	5,749
Total Liabilities	9,243	7,913	5,458	5,315	5,497	5,833	5,274	6,175	6,041	5,328
Accounts Payable	556	472	450	475	520	452	411	537	478	495
Long-Term Debt	6,032	5,797	3,341	3,242	3,369	3,565	3,521	4,107	4,073	3,618
Shareholder's Equity	10,107	5,958	6,171	5,668	5,804	5,655	5,152	4,842	4,768	4,319
LTD/E Ratio	0.60	0.97	0.54	0.57	0.58	0.63	0.68	0.85	0.85	0.84

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	0.2%	-24.2%	0.9%	1.2%	1.3%	-1.4%	-0.6%	-1.3%	-0.1%	-1.7%
Return on Equity	0.4%	-50.0%	2.0%	2.2%	2.5%	-2.8%	-1.3%	-2.8%	-0.3%	-3.8%
ROIC	0.3%	-28.8%	1.1%	1.4%	1.6%	-1.8%	-0.8%	-1.6%	-0.1%	-2.0%
Shares Out.	146	143	141	138	137	136	134	135	136	138
Revenue/Share	18.02	36.85	34.69	34.21	28.35	29.80	30.98	33.10	34.41	31.83
FCF/Share	0.84	3.83	4.28	3.55	1.83	3.40	0.03	1.57	2.25	1.78

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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