
**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 10, 2021

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 10, 2021, Mallinckrodt plc (the "Company" or "Mallinckrodt") provided its financial results for the quarter and year ended December 25, 2020 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 25, 2020.

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; inventory step-up expense; discontinued operations; changes in fair value of contingent consideration obligations; significant legal and environmental charges; divestitures; separation costs; gain on debt extinguishment, net; 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 10, 2021

By: /s/ Bryan M. Reasons

Bryan M. Reasons
Executive Vice President and Chief Financial Officer
(principal financial officer)

MALLINCKRODT PLC
(DEBTOR-IN-POSSESSION)
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited, in millions, except per share data)

	Three Months Ended			
	December 25, 2020	Percent of Net sales	December 27, 2019	Percent of Net sales
Net sales	\$ 682.8	100.0 %	\$ 804.9	100.0 %
Cost of sales	372.3	54.5	431.8	53.6
Gross profit	310.5	45.5	373.1	46.4
Selling, general and administrative expenses	200.9	29.4	169.2	21.0
Research and development expenses	65.0	9.5	81.4	10.1
Restructuring charges, net	21.7	3.2	(12.9)	(1.6)
Non-restructuring impairment charges	—	—	274.5	34.1
(Gains) losses on divestiture	(6.5)	(1.0)	33.5	4.2
Opioid-related litigation settlement (gain) loss	(9.3)	(1.4)	1,643.4	204.2
Operating income (loss)	38.7	5.7	(1,816.0)	(225.6)
Interest expense	(60.2)	(8.8)	(77.2)	(9.6)
Interest income	0.5	0.1	2.9	0.4
Gain on debt extinguishment, net	—	—	377.4	46.9
Other income, net	6.3	0.9	24.2	3.0
Reorganization items, net	(61.4)	(9.0)	—	—
Loss from continuing operations before income taxes	(76.1)	(11.1)	(1,488.7)	(185.0)
Income tax expense (benefit)	78.1	11.4	(327.7)	(40.7)
Loss from continuing operations	(154.2)	(22.6)	(1,161.0)	(144.2)
Income from discontinued operations, net of income taxes	1.3	0.2	3.9	0.5
Net loss	<u>\$ (152.9)</u>	<u>(22.4)%</u>	<u>\$ (1,157.1)</u>	<u>(143.8)%</u>
Basic loss per share:				
Loss from continuing operations	\$ (1.82)		\$ (13.80)	
Income from discontinued operations	0.02		0.05	
Net loss	\$ (1.81)		\$ (13.76)	
Diluted loss per share:				
Loss from continuing operations	\$ (1.82)		\$ (13.80)	
Income from discontinued operations	0.02		0.05	
Net loss	\$ (1.81)		\$ (13.76)	
Weighted-average number of shares outstanding				
Basic weighted-average shares outstanding	84.6		84.1	
Diluted weighted-average shares outstanding	84.6		84.1	

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

	Three Months Ended							
	December 25, 2020				December 27, 2019			
	Gross Profit	SG&A	R&D	Adjusted EBITDA	Gross Profit	SG&A	R&D	Adjusted EBITDA
Net loss	\$ 310.5	\$ 200.9	\$ 65.0	\$ (152.9)	\$ 373.1	\$ 169.2	\$ 81.4	\$ (1,157.1)
Adjustments:								
Interest expense, net	—	—	—	59.7	—	—	—	74.3
Income taxes	—	—	—	78.1	—	—	—	(327.7)
Depreciation ⁽¹⁾	17.7	(18.8)	(1.8)	38.3	16.1	(5.8)	(2.1)	24.0
Amortization	170.6	(0.8)	—	171.4	202.8	(0.8)	—	203.6
Restructuring charges, net	—	—	—	21.7	—	—	—	(12.9)
Non-restructuring impairment charge	—	—	—	—	—	—	—	274.5
Income from discontinued operations	—	—	—	(1.3)	—	—	—	(3.9)
Change in contingent consideration fair value	—	(7.5)	—	7.5	—	36.7	—	(36.7)
Significant legal and environmental charges ⁽²⁾	0.9	(2.6)	—	(5.8)	—	—	—	1,643.4
(Gains) losses on divestiture	—	—	—	(6.5)	—	—	—	33.5
Separation costs	—	(18.4)	—	18.4	—	(13.5)	—	13.5
Gains on debt extinguishment, net	—	—	—	—	—	—	—	(377.4)
Unrealized gain on equity investment	—	—	—	(1.6)	—	—	—	(13.7)
Reorganization items, net	—	—	—	61.4	—	—	—	—
Share-based compensation	0.4	(6.0)	(1.3)	7.7	0.2	(2.6)	(0.4)	3.2
As adjusted:	<u>\$ 500.1</u>	<u>\$ 146.8</u>	<u>\$ 61.9</u>	<u>\$ 296.1</u>	<u>\$ 592.2</u>	<u>\$ 183.2</u>	<u>\$ 78.9</u>	<u>\$ 340.6</u>

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

⁽²⁾ 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. Opioid defense costs are considered to be non-recurring as a result of the opioid-related litigation settlement announced during the three months ended March 27, 2020; therefore, such costs are included as an adjustment to net income on a go-forward basis.

MALLINCKRODT PLC
(DEBTOR-IN-POSSESSION)
SEGMENT OPERATING INCOME ⁽¹⁾
(unaudited, in millions)

	Three Months Ended	
	December 25, 2020	December 27, 2019
Specialty Brands	\$ 250.7	\$ 315.9
Specialty Generics	50.9	43.1
Segment operating income	301.6	359.0
Unallocated amounts:		
Corporate and unallocated expenses ⁽²⁾	(13.8)	(25.7)
Depreciation and amortization	(209.7)	(227.6)
Share-based compensation	(7.7)	(3.2)
Restructuring charges, net	(21.7)	12.9
Non-restructuring impairment charges	—	(274.5)
Separation costs	(18.4)	(13.5)
Opioid-related litigation settlement gain (loss)	9.3	(1,643.4)
Medicaid lawsuit	(0.9)	—
Operating income (loss)	<u>\$ 38.7</u>	<u>\$ (1,816.0)</u>

⁽¹⁾ During the three months ended September 25, 2020, the Company began excluding depreciation and share-based compensation from its evaluation of the operating results of its segments. As a result, prior period segment operating income has been recast to reflect this change on a comparable basis.

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

MALLINCKRODT PLC
(DEBTOR-IN-POSSESSION)
SEGMENT NET SALES AND CONSTANT-CURRENCY GROWTH
(unaudited, in millions)

	Three Months Ended		Percent change	Currency impact	Constant-currency growth
	December 25, 2020	December 27, 2019			
Specialty Brands	\$ 506.6	\$ 611.4	(17.1)%	0.1 %	(17.2)%
Specialty Generics	177.1	193.5	(8.5)	—	(8.5)
Segment net sales	683.7	804.9	(15.1)	0.1	(15.2)
Medicaid lawsuit	(0.9)	—	*	*	*
Net sales	<u>\$ 682.8</u>	<u>\$ 804.9</u>	(15.2)%	0.1 %	(15.3)%

*Not meaningful

MALLINCKRODT PLC
(DEBTOR-IN-POSSESSION)
SELECT PRODUCT LINE NET SALES AND CONSTANT-CURRENCY GROWTH
(unaudited, in millions)

	Three Months Ended		Percent change	Currency impact	Constant-currency growth
	December 25, 2020	December 27, 2019			
Specialty Brands					
Acthar Gel	\$ 191.3	\$ 232.6	(17.8)%	— %	(17.8)%
INOMax	135.6	143.8	(5.7)	0.1	(5.8)
Ofirmev	60.5	111.8	(45.9)	—	(45.9)
Therakos	64.5	63.3	1.9	1.2	0.7
Amitiza	50.6	50.9	(0.6)	—	(0.6)
Other	4.1	9.0	(54.4)	—	(54.4)
Specialty Brands Total	506.6	611.4	(17.1)	0.1	(17.2)
Specialty Generics					
Hydrocodone (API) and hydrocodone-containing tablets	26.1	25.1	4.0	—	4.0
Oxycodone (API) and oxycodone-containing tablets	20.4	21.6	(5.6)	—	(5.6)
Acetaminophen (API)	58.5	46.8	25.0	—	25.0
Other controlled substances	66.1	86.8	(23.8)	—	(23.8)
Other	6.0	13.2	(54.5)	—	(54.5)
Specialty Generics Total	177.1	193.5	(8.5)	—	(8.5)
Segment net sales	683.7	804.9	(15.1)	0.1	(15.2)
Medicaid lawsuit	(0.9)	—	*	*	*
Net sales	<u>\$ 682.8</u>	<u>\$ 804.9</u>	(15.2)%	0.1 %	(15.3)%

*Not meaningful

MALLINCKRODT PLC
(DEBTOR-IN-POSSESSION)
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited, in millions, except per share data)

	Fiscal Year			
	December 25, 2020	Percent of Net sales	December 27, 2019	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)	\$ 2,213.4	100.0 %	\$ 3,162.5	100.0 %
Cost of sales	1,544.0	69.8	1,741.1	55.1
Gross profit	669.4	30.2	1,421.4	44.9
Selling, general and administrative expenses	884.1	39.9	831.0	26.3
Research and development expenses	290.8	13.1	349.4	11.0
Restructuring charges, net	37.5	1.7	(1.7)	(0.1)
Non-restructuring impairment charges	63.5	2.9	388.0	12.3
(Gains) losses on divestiture	(16.6)	(0.7)	33.5	1.1
Opioid-related litigation settlement (gain) loss	(43.4)	(2.0)	1,643.4	52.0
Medicaid lawsuit	105.1	4.7	—	—
Operating loss	(651.6)	(29.4)	(1,822.2)	(57.6)
Interest expense	(261.1)	(11.8)	(309.0)	(9.8)
Interest income	5.9	0.3	9.5	0.3
Gains on debt extinguishment, net	—	—	466.6	14.8
Other income, net	7.4	0.3	63.6	2.0
Reorganization items, net	(61.4)	(2.8)	—	—
Loss from continuing operations before income taxes	(960.8)	(43.4)	(1,591.5)	(50.3)
Income tax expense (benefit)	8.9	0.4	(584.3)	(18.5)
Loss from continuing operations	(969.7)	(43.8)	(1,007.2)	(31.8)
Income from discontinued operations, net of income taxes	25.1	1.1	10.7	0.3
Net loss	\$ (944.6)	(42.7)%	\$ (996.5)	(31.5)%
Basic loss per share:				
Loss from continuing operations	\$ (11.48)		\$ (12.00)	
Income from discontinued operations	0.30		0.13	
Net loss	\$ (11.18)		\$ (11.88)	
Diluted loss per share:				
Loss from continuing operations	\$ (11.48)		\$ (12.00)	
Income from discontinued operations	0.30		0.13	
Net loss	\$ (11.18)		\$ (11.88)	
Weighted-average number of shares outstanding:				
Basic	84.5		83.9	
Diluted	84.5		83.9	

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

	Fiscal Year							
	December 25, 2020				December 27, 2019			
	Gross Profit	SG&A	R&D	Adjusted EBITDA	Gross Profit	SG&A	R&D	Adjusted EBITDA
Net loss	\$ 669.4	\$ 884.1	\$ 290.8	\$ (944.6)	\$ 1,421.4	\$ 831.0	\$ 349.4	\$ (996.5)
Adjustments:								
Interest expense, net	—	—	—	255.2	—	—	—	299.5
Income taxes	—	—	—	8.9	—	—	—	(584.3)
Depreciation ⁽¹⁾	71.9	(35.1)	(7.0)	114.0	67.7	(22.2)	(7.8)	97.7
Amortization	767.8	(3.4)	—	771.2	847.9	(5.5)	—	853.4
Restructuring charges, net	—	—	—	37.5	—	—	—	(1.7)
Non-restructuring impairment charge	—	—	—	63.5	—	—	—	388.0
Inventory step-up expense	—	—	—	—	10.0	—	—	10.0
Income from discontinued operations	—	—	—	(25.1)	—	—	—	(10.7)
Change in contingent consideration fair value	—	(9.9)	—	9.9	—	60.2	—	(60.2)
Significant legal and environmental charges ⁽²⁾	536.0	(55.7)	—	653.4	—	(28.2)	—	1,671.6
(Gains) losses on divestiture	—	—	—	(16.6)	—	—	—	33.5
Separation costs	—	(93.4)	—	93.4	—	(63.9)	—	63.9
Gain on debt extinguishment, net	—	—	—	—	—	—	—	(466.6)
Unrealized gain on equity investment	—	—	—	(3.8)	—	—	—	(20.2)
R&D upfront payment	—	—	(5.0)	5.0	—	—	(20.0)	20.0
Reorganization items, net	—	—	—	61.4	—	—	—	—
Share-based compensation	1.3	(19.9)	(4.1)	25.3	1.9	(26.7)	(5.2)	33.8
As adjusted:	\$ 2,046.4	\$ 666.7	\$ 274.7	\$ 1,108.6	\$ 2,348.9	\$ 744.7	\$ 316.4	\$ 1,331.2
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⁽¹⁾ Includes \$12.3 million of accelerated depreciation in SG&A related to restructuring charges incurred during fiscal 2020.

⁽²⁾ 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 for the fiscal year ended December 25, 2020. 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. Also includes \$55.7 million in opioid defense costs which are considered to be non-recurring as a result of the opioid-related litigation settlement announced during the three months ended March 27, 2020; therefore, such costs are included as an adjustment to net income on a go-forward basis. These costs were partially offset by a \$43.4 million decrease in the fair value of the opioid settlement warrants.

MALLINCKRODT PLC
(DEBTOR-IN-POSSESSION)
SEGMENT OPERATING INCOME ⁽¹⁾
(unaudited, in millions)

	Fiscal Year	
	December 25, 2020	December 27, 2019
Specialty Brands	\$ 1,015.7	\$ 1,210.1
Specialty Generics	206.4	168.5
Segment operating income	1,222.1	1,378.6
Unallocated amounts:		
Corporate and unallocated expenses ⁽²⁾	(166.1)	(102.3)
Depreciation and amortization	(885.2)	(951.1)
Share-based compensation	(25.3)	(33.8)
Restructuring charges, net	(37.5)	1.7
Non-restructuring impairment charges	(63.5)	(388.0)
Separation costs	(93.4)	(63.9)
R&D upfront payment	(5.0)	(20.0)
Opioid-related litigation settlement gain (loss)	43.4	(1,643.4)
Medicaid lawsuit	(641.1)	—
Operating loss	<u>\$ (651.6)</u>	<u>\$ (1,822.2)</u>

⁽¹⁾ During the three months ended September 25, 2020, the Company began excluding depreciation and share-based compensation from its evaluation of the operating results of its segments. As a result, prior period segment operating income has been recast to reflect this change on a comparable basis.

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

MALLINCKRODT PLC
(DEBTOR-IN-POSSESSION)
SEGMENT NET SALES AND CONSTANT-CURRENCY GROWTH
(unaudited, in millions)

	Fiscal Year		Percent change	Currency impact	Constant-currency growth
	December 25, 2020	December 27, 2019			
Specialty Brands	\$ 2,059.6	\$ 2,423.8	(15.0)%	— %	(15.0)%
Specialty Generics	689.8	738.7	(6.6)	—	(6.6)
Segment net sales	2,749.4	3,162.5	(13.1)	—	(13.1)
Medicaid lawsuit	(536.0)	—	*	*	*
Net sales	<u>\$ 2,213.4</u>	<u>\$ 3,162.5</u>	(30.0)%	— %	(30.0)%

*Not meaningful

MALLINCKRODT PLC
(DEBTOR-IN-POSSESSION)
SELECT PRODUCT LINE NET SALES
(unaudited, in millions)

	Fiscal Year		Percent change	Currency impact	Constant-currency growth
	December 25, 2020	December 27, 2019			
Specialty Brands					
Acthar	\$ 767.9	\$ 952.7	(19.4)%	— %	(19.4)%
Inomax	574.1	571.4	0.5	—	0.5
Ofirmev	276.5	384.0	(28.0)	—	(28.0)
Therakos	238.6	246.9	(3.4)	0.3	(3.7)
Amitiza	188.8	208.5	(9.4)	—	(9.4)
Other	13.7	60.3	(77.3)	—	(77.3)
Specialty Brands Total	2,059.6	2,423.8	(15.0)	—	(15.0)
Specialty Generics					
Hydrocodone (API) and hydrocodone-containing tablets	98.0	76.3	28.4	—	28.4
Oxycodone (API) and oxycodone-containing tablets	68.4	74.9	(8.7)	—	(8.7)
Acetaminophen (API)	213.0	189.9	12.2	—	12.2
Other controlled substances	289.9	352.5	(17.8)	—	(17.8)
Other	20.5	45.1	(54.5)	—	(54.5)
Specialty Generics Total	689.8	738.7	(6.6)	—	(6.6)
Segment net sales	2,749.4	3,162.5	(13.1)	—	(13.1)
Medicaid lawsuit	536.0	—	*	*	*
Net sales	<u>\$ 2,213.4</u>	<u>\$ 3,162.5</u>	(30.0)%	— %	(30.0)%

*Not meaningful

MALLINCKRODT PLC
(DEBTOR-IN-POSSESSION)
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited, in millions)

	December 25, 2020	December 27, 2019
Assets		
Current Assets:		
Cash and cash equivalents	\$ 1,070.6	\$ 790.9
Accounts receivable, net	538.8	577.5
Inventories	344.9	312.1
Prepaid expenses and other current assets	350.0	150.2
Total current assets	2,304.3	1,830.7
Property, plant and equipment, net	833.1	896.5
Intangible assets, net	6,184.5	7,018.0
Other assets	393.5	593.7
Total Assets	\$ 9,715.4	\$ 10,338.9
Liabilities and Shareholders' Equity		
Current Liabilities:		
Current maturities of long-term debt	\$ 3,587.9	\$ 633.6
Accounts payable	93.3	139.8
Accrued payroll and payroll-related costs	79.4	105.2
Accrued interest	26.9	62.9
Accrued and other current liabilities	331.2	485.4
Total current liabilities	4,118.7	1,426.9
Long-term debt	—	4,741.2
Opioid-related litigation settlement liability	—	1,643.4
Pension and postretirement benefits	34.6	62.4
Environmental liabilities	59.8	60.0
Deferred income taxes	80.6	11.0
Other income tax liabilities	100.1	227.1
Other liabilities	109.8	226.2
Liabilities subject to compromise	4,192.6	—
Total Liabilities	8,696.2	8,398.2
Shareholders' Equity:		
Preferred shares	—	—
Ordinary shares	18.8	18.7
Ordinary shares held in treasury at cost	(1,616.1)	(1,615.7)
Additional paid-in capital	5,587.6	5,562.5
Retained deficit	(2,961.5)	(2,016.9)
Accumulated other comprehensive loss	(9.6)	(7.9)
Total Shareholders' Equity	1,019.2	1,940.7
Total Liabilities and Shareholders' Equity	\$ 9,715.4	\$ 10,338.9

MALLINCKRODT PLC
(DEBTOR-IN-POSSESSION)
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited, in millions)

	Fiscal Year	
	December 25, 2020	December 27, 2019
Cash Flows From Operating Activities:		
Net loss	\$ (944.6)	\$ (996.5)
Adjustments to reconcile net cash from operating activities:		
Depreciation and amortization	885.2	951.1
Share-based compensation	25.3	33.8
Deferred income taxes	385.3	(604.3)
Non-cash impairment charges	63.5	388.0
Inventory provisions	18.5	18.0
(Gains) losses on divestiture	(16.6)	33.5
Gain on repurchase of debt	—	(466.6)
Other non-cash items	(40.2)	(65.7)
Reorganization items, net	10.2	—
Changes in assets and liabilities:		
Accounts receivable, net	37.9	31.6
Inventories	(51.1)	(23.1)
Accounts payable	15.7	6.7
Income taxes	(433.8)	(2.1)
Opioid-related litigation settlement liability	—	1,600.0
Medicaid lawsuit	638.9	—
Other	(95.3)	(161.5)
Net cash from operating activities	498.9	742.9
Cash Flows From Investing Activities:		
Capital expenditures	(47.7)	(133.0)
Proceeds from divestiture, net of cash	(0.7)	95.1
Other	37.2	29.6
Net cash from investing activities	(11.2)	(8.3)
Cash Flows From Financing Activities:		
Issuance of external debt	—	695.0
Repayment of external debt	(139.5)	(945.1)
Debt financing costs	(9.4)	(10.1)
Proceeds from exercise of share options	—	0.6
Repurchase of shares	(0.4)	(2.6)
Other	(36.3)	(17.9)
Net cash from financing activities	(185.6)	(280.1)
Effect of currency rate changes on cash	2.3	0.6
Net change in cash, cash equivalents and restricted cash	304.4	455.1
Cash, cash equivalents and restricted cash at beginning of period	822.6	367.5
Cash, cash equivalents and restricted cash at end of period	\$ 1,127.0	\$ 822.6
Cash and cash equivalents at end of period	\$ 1,070.6	\$ 790.9
Restricted cash included in prepaid expenses and other assets at end of period	20.2	—
Restricted cash included in other long-term assets at end of period	36.2	31.7
Cash, cash equivalents and restricted cash at end of period	\$ 1,127.0	\$ 822.6