November 3, 2026

Alkermes Q3 2026 Earnings Conference Call Prepared Remarks

Sandy Coombs:

Welcome to the Alkermes plc conference call to discuss our financial results and business update for the quarter ended September 30, 2026. With me today are Blair Jackson, our Chief Executive Officer, Todd Nichols, our Chief Commercial Officer and Joshua Reed, our Chief Financial Officer.

A slide presentation, along with our press release, related financial tables and reconciliations of the GAAP to non-GAAP financial measures that we'll discuss today are available on the Investors section of alkermes.com. We believe the non-GAAP financial results, in conjunction with the GAAP results, are useful in understanding the ongoing economics of our business.

Our discussions during this conference call will include forward-looking statements. Actual results could differ materially from these forward-looking statements. Please see slide 2 of the accompanying presentation, our press release issued this morning, and our most recent annual report filed with the SEC for important risk factors that could cause our actual results to differ materially from those expressed or implied in the forward-looking statements. We undertake no obligation to update or revise the

information provided on this call or in the accompanying presentation as a result of new information or future results or developments.

After our prepared remarks, we will open the call for Q&A, and now I will turn the call over to Blair for some opening remarks.

Blair Jackson:

On my first quarterly call as CEO of Alkermes, I'd like to start with a few thoughts on the opportunity ahead and the priorities that will guide us.

We have a clear strategy and a strong foundation. Our focus now is on execution. That means advancing our pipeline with rigor and urgency, driving strong commercial and financial performance, and allocating capital thoughtfully to our highest-value opportunities.

Our commercial business is an important element of our strategy and provides a strong financial foundation to invest in innovation. Our greatest opportunity for growth and value creation lies in our pipeline, particularly our leadership in orexin research and the potential of our orexin development portfolio to yield important new treatment options in neuropsychiatry. I'll discuss the significant momentum across our development pipeline in more detail following the discussion of the quarterly results.

The combination of commercial strength, financial performance and a differentiated pipeline positions Alkermes well for its next chapter and the potential for meaningful long-term value creation for shareholders.

I'm incredibly proud and honored to lead Alkermes at this important point in its evolution, and I'm confident in our strategy, our people and the opportunities ahead.

Todd Nichols:

I'm pleased to report that we delivered strong performance across our commercial portfolio in the third quarter, reflecting contributions across addiction, psychiatry and sleep medicine. Our teams remain focused on driving demand, broadening patient access and building on the opportunities across our four proprietary products.

In the third quarter, net sales from our proprietary product portfolio increased 31% year-over-year to $417.3 million, reflecting the addition of LUMRYZ and continued demand growth across our established commercial portfolio.

Starting with VIVITROL. Net sales in the third quarter were $127.6 million. VIVITROL continued to see strong demand driven by penetration in the alcohol dependence

market. Net sales also benefited from approximately $8 million in gross-to-net favorability primarily driven by favorable patient mix.

For the full year, we continue to expect VIVITROL net sales in the range of $460 to $480 million. We remain confident in the strength and durability of our VIVITROL business and look forward to continuing our impact with this important medicine.

Turning to our psychiatry franchise. Third quarter net sales for the ARISTADA product family were $103.9 million. ARISTADA continued to see demand growth driven by expansion in HCP adoption. Net sales also benefited from approximately $7 million of gross-to-net and inventory favorability. We are encouraged by ARISTADA's continued strong performance within this category.

For the full year, we continue to expect ARISTADA net sales in the range of $365 to $385 million.

LYBALVI net sales were $95.9 million in the third quarter, with underlying TRx growth of 18% year-over-year, supported by new patient starts and broader prescriber adoption. Net sales also reflected approximately $2 million of inventory benefit. Last quarter, we implemented a strategic expansion of the LYBALVI market access profile that we believe will position LYBALVI for long-term growth. Access now stands at approximately

80% of covered lives and, as a result, we have already seen positive trends on volume demand and prescription fulfillment. As expected, gross-to-net adjustments were approximately 42% during the third quarter.

For the full year, we continue to expect LYBALVI net sales in the range of $380 to $400 million. Looking ahead to next year, we expect gross-to-net adjustments for LYBALVI to be in the 45% range. We expect the benefits of expanded payer access to be reflected first in prescription volume, which we expect will continue to grow nearly 20% year-over-year, with an acceleration in net sales growth expected to follow. Beyond 2027, we expect volume growth and net sales growth to track more closely together again.

Turning to our sleep franchise, LUMRYZ net sales were $89.9 million in the third quarter. We reached approximately 4,100 patients on therapy at quarter-end, reflecting strong underlying demand, broader prescriber adoption and increased use among existing prescribers. Net sales also reflected the drawdown of approximately $7 million of inventory build that we highlighted in our second quarter results.

Last month, we presented results from the positive phase 3 REVITALYZ study of LUMRYZ in idiopathic hypersomnia at the SLEEP Europe meeting. IH is a fast growing segment for the oxybate market. The REVITALYZ data will serve as the foundation for the sNDA submission for IH, with a potential launch in March 2028, if approved. IH

represents an important potential growth opportunity for LUMRYZ and we look forward to updating you on our progress.

For the full year, we continue to expect total LUMRYZ net sales of $350 to $370 million, of which Alkermes expects to record $315 to $335 million, reflecting the mid-February close of the Avadel transaction.

Supporting LUMRYZ, we have an established sleep medicine platform that includes an experienced commercial and medical organization with a deep understanding of the market dynamics and HCP and patient journeys. This platform provides a strong foundation to support the potential launch of alixorexton and our broader ambition to become leaders in sleep medicine across multiple treatment modalities.

Across our proprietary portfolio, we expect net sales to be in the range of $400 to $420 million in the fourth quarter. We are pleased with what we have accomplished so far this year and remain focused on delivering against our 2026 objectives. As we enter the final quarter, our priorities remain clear: drive demand for our medicines, expand patient access and position our brands for continued growth.

Joshua Reed:

We delivered solid financial results in the third quarter, supported by the strength of our commercial portfolio and disciplined management of the business. Through the first nine months of the year, our financial position has provided the flexibility to advance our strategic priorities and invest in key opportunities that we believe will support our future growth.

During the quarter, we generated total revenues of $480.1 million. As Todd outlined, our portfolio of proprietary products generated net sales of $417.3 million. These results reflect contributions from all four of our proprietary products and positive underlying demand trends across the commercial business.

Manufacturing and royalty revenues were $62.9 million for the quarter, including $29.5 million from VUMERITY and $26.4 million from the long-acting INVEGA products.

Turning to expenses. Cost of goods sold in the third quarter was $94.2 million, which includes the purchase price fair value accounting of LUMRYZ inventory that we described last quarter. This compared to $51.6 million in Q3 of the prior year.

R&D expenses in the quarter were $121.1 million, compared to $81.7 million in Q3 of the prior year, reflecting continued investment in our orexin development portfolio. Of

note, our development activities during the quarter included the alixorexton phase 3 studies initiated earlier this year and clinical development activities to advance ALKS 7290 in ADHD and MDD, as well as ALKS 4510 in fatigue associated with Parkinson's Disease or multiple sclerosis.

SG&A expenses were $208.5 million for the quarter, compared to $171.8 million in Q3 of the prior year, with the addition of the Avadel commercial infrastructure as the primary driver of the year-over-year change.

During the quarter, we also recorded amortization of acquired intangible assets of $19.7 million and net interest expense of $21.1 million.

In Q3, we recorded GAAP net income of $16.3 million and EBITDA of $63.0 million. Adjusted EBITDA was $120.1 million, which we believe provides a useful measure of the underlying cash-generating performance of the business during the quarter.

From a balance sheet perspective, we ended the third quarter in a strong position with approximately $787.6 million in cash and total investments.

For the year, we are reiterating our 2026 financial expectations provided in July across all line items. Our performance through the first nine months of the year positions us well to deliver against these expectations.

Our 2026 financial performance and operating expenses reflect a number of Avadel transaction-related costs. As we look ahead to our 2027 operating expense profile, there are a few important dynamics to keep in mind, beginning with cost of goods sold. With the vast majority of the non-cash LUMRYZ inventory fair value step-up associated with the Avadel acquisition being recognized in 2026, we expect cost of goods sold to be lower in 2027, reflective of more normalized patterns. For SG&A, excluding the transaction-related costs recorded in early 2026, we expect a broadly similar expense profile for 2027. For R&D, our 2027 investment will reflect the growing number of programs across the portfolio and the broader level of clinical activity planned.

Importantly, we expect to deliver strong cash generation and Adjusted EBITDA performance in 2027 while continuing to invest in the significant opportunities across our pipeline. We believe this balance demonstrates our ability to fund future growth drivers while maintaining financial discipline. We'll provide our full 2027 expectations on our February call.

Blair Jackson:

As you've heard from Todd and Joshua, our commercial business continues to perform well with the proprietary product portfolio expected to deliver net sales of nearly $1.6 billion in 2026. That foundation allows us to advance an increasingly broad pipeline, led by our portfolio of orexin 2 receptor agonists.

We are in the early stages of understanding the full therapeutic potential of orexin biology. Over the past several years, we have been generating a substantial body of clinical evidence across central disorders of hypersomnolence, and we are now generating our first clinical datasets from our orexin portfolio in broader areas of neuroscience.

Starting with alixorexton, our most advanced orexin candidate, we reached several important milestones across the development program during the quarter.

Our three phase 3 BRILLIANCE studies in narcolepsy type 1 and narcolepsy type 2 are underway, and we are pleased with enrollment progress across the program. We continue to expect topline results from these studies beginning in mid-2027.

In idiopathic hypersomnia, we completed enrollment in the Vibrance-3 phase 2 study, which enrolled approximately 130 participants and will represent the first multi-week

clinical dataset of an oral, orexin 2 receptor agonist in IH. The study is evaluating wakefulness and IH symptom severity with the Epworth Sleepiness Scale and Idiopathic Hypersomnia Severity Scale as primary and secondary endpoints, respectively.

Beyond evaluating the safety, tolerability and efficacy of alixorexton in patients with IH, we expect the study to provide important insights to inform a potential registrational program, including dose selection, dosing regimen and endpoint strategy. The study also includes our first evaluation of split dosing in a hypersomnolence disorder, which we believe could provide additional flexibility to address the diverse needs of patients. We expect topline results around year-end or in early 2027 and look forward to sharing those data.

Hypersomnolence disorders represent a significant market opportunity and, this month, the first orexin 2 receptor agonist is expected to become commercially available for the subset of patients with narcolepsy type 1. As this new therapeutic category enters the commercial landscape, we believe that, if approved, alixorexton's wide therapeutic range, dosing optionality and broad anticipated utility across narcolepsy types 1 and 2, and potentially IH, will support a differentiated profile with the potential to provide an important new treatment option to providers and patients.

While the commercial opportunity begins to take shape in hypersomnolence disorders, we are advancing our strategy to develop orexin 2 receptor agonists for a range of

neuropsychiatric and neurodegenerative disorders. Last month, we reported the first clinical results for ALKS 7290 in adults with ADHD. This was a 50-subject phase 1b proof-of-concept study designed primarily to evaluate safety and tolerability and to generate initial data characterizing the effects of ALKS 7290 across a range of established clinical scales for ADHD, CNS biomarkers and objective cognitive performance tests.

In the study, ALKS 7290 was generally well tolerated, with no serious treatment-emergent adverse events and no treatment discontinuations among participants who received ALKS 7290. Most treatment-emergent adverse events were mild and largely consistent with on-target effects for orexin 2 receptor agonists.

Across the two doses evaluated, ALKS 7290 demonstrated dose-dependent, clinically meaningful improvements from baseline on exploratory endpoints evaluating established measures of ADHD symptoms and disease severity. We were pleased to observe improvements across both the inattentive and the hyperactivity-impulsivity subscales of the Adult ADHD Investigator Symptom Rating Scale, or AISRS, with effects emerging as early as the first assessment on day six. ALKS 7290 also demonstrated clinically meaningful improvements from baseline in overall ADHD disease severity as measured on the CGI-S scale. In addition, we observed treatment effects across objective measures related to processing speed, information processing, working memory and attention.

These findings provide the first clinical evidence of the effects of an orexin 2 receptor agonist in the treatment of adults with ADHD and further support the dose range selected for the ongoing phase 2 study. That phase 2 study is already enrolling adults with ADHD and is designed to evaluate once-daily and split-dose regimens of ALKS 7290, with change from baseline in AISRS total score compared with placebo at week four as the primary endpoint. We expect the ADHD phase 2 data in the second half of 2027.

Building on our momentum in diseases outside of hypersomnolence, last week we announced the expansion of the ALKS 7290 development program into major depressive disorder, or MDD, with the initiation of a 150-patient phase 2 study evaluating ALKS 7290 as an adjunct to antidepressant treatment in adults with MDD who have had a partial response to standard antidepressant therapy.

This randomized, double-blind, placebo-controlled study is designed to evaluate the safety and tolerability of ALKS 7290 over six weeks, while also assessing its effects on depressive symptoms as measured by change from baseline on the MADRS and CGI-S compared to placebo at week six. The study will enroll adults with and without excessive daytime sleepiness which will allow us to evaluate the potential effects of ALKS 7290 in the overall MDD population as well as in this important subgroup.

Turning to orexin biology in neurodegenerative disorders. We plan to initiate a randomized, double-blind, placebo-controlled phase 2 study evaluating ALKS 4510 in people with fatigue associated with multiple sclerosis or Parkinson's Disease.

Fatigue is one of the most common and consequential symptoms across a broad range of neurological and systemic diseases, yet effective treatment options remain limited. Fatigue associated with multiple sclerosis or Parkinson's Disease are compelling initial areas for development with clearly defined patient populations, significant unmet need and established clinical scales focused on fatigue. We believe these disease areas offer a tractable development pathway for establishing clinical proof-of-concept for orexin 2 receptor agonism in fatigue while also representing meaningful commercial opportunities in these patient populations. Importantly, this study is intended not only to evaluate the potential of ALKS 4510 in these specific disorders, but also to deepen our understanding of the role of orexin biology in fatigue more broadly. We believe these insights generated could help establish a foundation for evaluating additional disease areas where fatigue remains a significant source of patient burden and unmet need.

Alixorexton in hypersomnolence disorders, ALKS 7290 in broader neuropsychiatric disorders and ALKS 4510 in fatigue are components of a broader orexin portfolio development strategy that allows us to evaluate these distinct molecules across a range of patient populations and disease settings. As we advance and expand these development programs, we are also continuing to advance additional orexin compounds

through preclinical development. We are just beginning to explore the potential clinical utility of orexin compounds and Alkermes is at the leading edge of research for this emerging therapeutic class. Our focus will remain in neuroscience applications but, with the potential to reach across a broad range of disorders, we believe the opportunity for this class is vast and will be the focus of significant research and development for years to come.

Looking ahead, the next year will be a pivotal and data-rich period for Alkermes, with six important studies expected to read out across our orexin portfolio. We start with anticipated data from the Vibrance-3 phase 2 study of alixorexton in idiopathic hypersomnia in the coming months, followed by topline results from all three BRILLIANCE phase 3 studies in narcolepsy beginning mid-2027. For ALKS 7290, we expect phase 2 data in ADHD next fall, and for ALKS 4510, phase 2 proof-of-concept data in fatigue toward the end of the year.

Taken together, these studies have the potential to significantly expand our understanding of where orexin-based therapies can make a meaningful difference for patients. Our focus remains on executing with urgency and discipline, generating the clinical evidence needed to unlock the potential of this novel class, and building what we believe can become a leading franchise addressing some of the most significant unmet needs across sleep, neuropsychiatric, and neurological disorders. We plan to pursue

these opportunities while continuing to deliver strong commercial performance and investing thoughtfully to support long-term growth and value creation.