February 25, 2026

Alkermes Q4 & FY 2025 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 and year ended December 31, 2025. With me today are Richard Pops, our CEO, Joshua Reed, our Chief Financial Officer, Todd Nichols, our Chief Commercial Officer, and Blair Jackson, our Chief Operating Officer who will join us for the Q&A.

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 and quarterly reports 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 Richard for some opening remarks.

Richard Pops:

We clearly had a strong and eventful 2025. As we enter 2026, there are three elements of the business to understand and to value.

First, our commercial business.

In 2026, we expect it to generate revenues of more than $1.7 billion and Adjusted EBITDA of more than $370 million. And we are continuing to build this business with the recently completed acquisition of Avadel. Adding Avadel represents an important milestone and strategic step in the company's transformation. The acquisition adds an important new revenue stream and growth opportunity to our portfolio of commercial products. Strategically, it accelerates our entry into the commercial sleep medicine market and provides a highly functional commercial platform for the potential launch of alixorexton.

Which brings me to the second element of our business, alixorexton, our most advanced orexin candidate. We plan to enter phase 3 in narcolepsy this quarter, following the completion of a rigorous phase 2 program and with recently

granted FDA Breakthrough Therapy designation. We had our end of phase 2 meeting with FDA last week which solidified our registration plan and reaffirmed for us the benefit of consistent interactions with the reviewing division. We believe alixorexton has blockbuster potential and could advance the standard of care in central disorders of hypersomnolence. We are ready for phase 3 and excited to get going.

Third is the opportunity that extends beyond alixorexton and central disorders of hypersomnolence. Orexin 2 receptor agonist candidates represent an entirely new potential vertical of growth and expansion in multiple disease areas beyond sleep medicine. We identified this early on and are leaders in advancing the frontiers of this pharmacology. Following a review of the financials and commercial performance and outlook, I'll provide an update on where we are today and our plans to advance these development programs in 2026.

Joshua Reed:

Alkermes' economic engine is underpinned by a diverse portfolio of commercial products. These revenue streams provide the resources to advance our exciting pipeline of development programs while generating strong cash flow.

In 2025, we generated total revenues of nearly $1.5 billion, driven primarily by our proprietary product portfolio which grew 9% year-over-year and generated approximately $1.2 billion in net sales. For the year, we recorded VIVITROL net sales of

$467.9 million, ARISTADA net sales of $370 million, and LYBALVI net sales of $346.7 million.

For the year, we recorded manufacturing and royalty revenues of $291.3 million, including revenues of $130.5 million from VUMERITY and $109.6 million from the long-acting INVEGA products.

Turning to expenses.

Cost of goods sold were $196.5 million, which compared favorably to $245.3 million for the prior year, primarily reflecting efficiencies following the sale of our Athlone-based manufacturing business last year.

R&D expenses were $324 million, compared to $245.3 million in the prior year, reflecting investments in the Vibrance phase 2 studies of alixorexton across narcolepsy and idiopathic hypersomnia, and first-in-human studies and development efforts for our next orexin 2 receptor agonist candidates, ALKS 4510 and ALKS 7290.

SG&A expenses were $701.5 million, compared to $645.2 million in 2024, reflecting the expansion of our psychiatry field organization last year and promotional activities related to LYBALVI as well as certain legal and transaction-related expenses incurred in 2025. The investments we have made in the expansion of our psychiatry sales force have generated a strong return and we expect to continue to build on that momentum going forward.

Our performance generated strong profitability resulting in GAAP net income of $241.7 million, EBITDA of $285.6 million, and Adjusted EBITDA of $394 million for the year.

Turning to our balance sheet. We ended the year in a strong position, with $1.3 billion in cash and total investments. In order to fund the acquisition of Avadel, which closed in February 2026, we used approximately $775 million of cash from our balance sheet and entered into term loans totaling $1.525 billion due in 2031. We expect to pay down this debt quickly with cash flows from the business.

In 2026, we plan to continue to manage the business with disciplined operational execution, to deliver strong profitability and cash flow while continuing to invest in the opportunities we believe will drive long-term shareholder value. With the Avadel transaction now closed, our commercial platform is meaningfully strengthened, and we are allocating capital to the highest-potential growth drivers across the business, including the advancement of our orexin portfolio. Our 2026 financial expectations were outlined in the press release issued this morning and reflect the combined organization, including 10 and a half months of contribution from Avadel and certain transaction expenses and related accounting adjustments that were outlined in the press release that we issued earlier this month upon closing of the acquisition.

Starting with the topline, we expect total revenues for 2026 to be in the range of $1.73 to $1.84 billion, driven primarily by net sales from our proprietary products in the range

of $1.52 to $1.6 billion. Todd will provide more specific details on each of our proprietary products, including expected LUMRYZ revenues for the remainder of the year.

For manufacturing and royalty revenues, we anticipate 2026 revenues in the range of $210 to $240 million. This outlook reflects the scheduled expiration of certain XEPLION royalties, which phase out on a country-by-country basis during the second half of the year. For VUMERITY, we completed our manufacturing obligations in 2025 and, going forward, VUMERITY revenues will be solely driven by the royalty on world-wide net sales without any associated costs.

Turning to expenses.

Cost of goods sold are expected to be in the range of $365 to $385 million, reflecting the impact of purchase price accounting related to LUMRYZ inventory. In connection with the closing of the acquisition, LUMRYZ inventory held by Avadel was marked to fair market value, resulting in an increase of approximately $180 million over its cost. Approximately $150 million of this amount will be expensed as the inventory is sold in 2026.

R&D expenses are expected to be in the range of $445 to $485 million. The increased investment reflects activities of the combined organization and development across the orexin portfolio. Later this quarter, we plan to initiate the phase 3 Brilliance program for alixorexton in narcolepsy. We expect to complete the recently expanded phase 2 study in IH in the fourth quarter. In addition, we will continue to advance our ongoing phase 1 work for ALKS 7290 and ALKS 4510, with phase 2 programs expected to begin in the

second half. In terms of the Avadel R&D portfolio, we plan to complete the phase 3 program in IH in the first half and to continue to advance valiloxybate in the early clinic. SG&A expenses are expected to be in the range of $890 to $930 million. This reflects consistent investments in our proprietary commercial portfolio, plus $50 million of transaction costs related to the acquisition of Avadel, which closed earlier in the first quarter, and the incorporation of Avadel's commercial infrastructure supporting LUMRYZ for the remainder of the year.

In connection with the acquisition, we will also begin to record amortization of intangible assets. In 2026, we expect this will be in the range of $95 to $105 million.
Net interest expense for the year is expected to be in the range of $75 to $85 million, and we expect a net tax benefit of approximately $20 million.

While GAAP results will be confounded by the accounting for the Avadel acquisition, we expect to maintain a strong cash flow positive profile in 2026. We expect a GAAP net loss in the range of $115 to $135 million, reflecting accounting related to the transaction, contrasted by positive EBITDA in the range of $60 to $90 million and Adjusted EBITDA in the range of $370 to $410 million. As a reminder Adjusted EBITDA excludes share-based compensation and transaction-related expenses of $50 million as well as the non-cash inventory step-up charge of $150 million that I previously mentioned. Adjusted EBITDA is useful in that it is more reflective of cash flow to the business.

As we look ahead, to support your modeling, I'll provide some additional context on our expectations for the first quarter of the year.

In the first quarter of 2026, we expect net sales from our proprietary commercial product portfolio to be in the range of $310 to $330 million. This reflects our expectation of less pronounced inventory fluctuations during the first quarter, typical patient copay and deductible reset dynamics, and historical demand patterns, as well as six weeks of contributions from LUMRYZ.

Royalty and manufacturing revenues will reflect the annual reset of the royalty tiers on the remaining long-acting Invega products and typical Q1 end-market demand patterns. We expect these factors will drive a sequential decrease compared to Q4 2025 to a range of $40 to $45 million.

On the expense side, we expect cost of goods sold in the first quarter of 2026 to increase by approximately $20 million sequentially from the fourth quarter, primarily driven by the inventory fair value step up related to LUMRYZ. For the first quarter of 2026, we expect R&D expenses to increase sequentially from Q4 to a range of $110 to $125 million, primarily driven by activities related to the initiation of the alixorexton phase 3 program in narcolepsy, and the integration of Avadel's ongoing R&D activities related to LUMRYZ and valiloxybate. We expect SG&A expenses in the first quarter to be in the range of $230 to $250 million, reflecting one-time transaction-related cost of approximately $40 million, the incorporation of LUMRYZ commercial activities in the

latter half of the quarter and consistent investment in promotional activities for LYBALVI, ARISTADA and VIVITROL.

Taken all together, we expect Q1 Adjusted EBITDA in the range of $30 to $50 million. As we close out 2025, we do so from a position of financial strength. Our commercial portfolio delivered another year of solid performance, providing a profitable foundation that enables continued investment in our strategic priorities. With the Avadel transaction now closed, we enter 2026 with expanded commercial capabilities and a broader platform from which to grow. Across the organization, we remain focused on operational discipline, efficient capital allocation, and investing in the opportunities we believe will drive long-term value — including the advancement of our orexin portfolio and the integration of LUMRYZ into our commercial model. We are well-positioned for the year ahead and committed to delivering shareholder-focused growth.

Todd Nichols:

2025 was another strong year of disciplined execution against our commercial strategy. I am pleased that we delivered at the high end of the increased guidance ranges we provided in October for our proprietary products, driven by strong performance across all three brands. For the full year, proprietary product sales totaled $1.18 billion. The commercial investments we made throughout 2025 have already generated strong returns and strengthen our foundation for growth as we enter 2026. Joshua has taken you through the top-line results, so for my remarks, I will focus on the underlying demand trends as well as our strategic priorities and expectations for 2026.

Starting with VIVITROL. In 2025, VIVITROL net sales were $467.9 million, reflecting 2% growth year-over-year. VIVITROL performance continued to be driven by growth in the alcohol dependence market, and our ability to capitalize on highly localized market dynamics in certain states and payer systems. As a reminder, VIVITROL results in 2025 included approximately $27 million of gross-to-net favorability that we do not expect to recur. As we look ahead to 2026, we expect VIVITROL net sales in the range of $460 to $480 million. We continue to expect VIVITROL to contribute meaningfully to our revenue and profitability profile over the coming years.

Turning to our psychiatry franchise. The expansion of our psychiatry sales force in early 2025 was a key strategic initiative designed to enhance our competitive share of voice—and it has been highly successful. With our expanded footprint in place, we significantly increased call frequency to high-priority prescriber targets across both LYBALVI and ARISTADA throughout the year. This improved reach and frequency, combined with strong execution in the field, contributed to broader engagement and increased breadth of prescribers for both brands.

For the ARISTADA product family, in 2025, net sales were $370 million, reflecting 7% growth year-over-year. Similar to VIVITROL, during the year, ARISTADA results included approximately $14 million of gross-to-net favorability, which we do not expect to recur in 2026. Throughout the year, leading indicators of underlying demand remained solid. We continued to see expanding prescriber breadth, healthy persistency,

and strong new-to-brand prescriptions, reflecting effective execution by the field team. For the full year 2026, we expect ARISTADA net sales in the range of $365 to $385 million.

In 2025, net sales of LYBALVI grew 24% year-over-year to $346.7 million. Underlying TRx growth was 24% year-over-year, driven by sustained momentum in new patient starts and continued expansion in prescriber breadth. Throughout the year, improvements in payer access supported broader utilization and reinforced the durability of demand. Gross-to-net adjustments were approximately 29% in 2025. Looking ahead, for 2026, we expect LYBALVI net sales in the range of $380 to $400 million, reflecting expectations of strong continued growth in demand and gross-to-net adjustments widening into the mid 30s, starting in Q1 of this year, reflecting a strategic expansion of payer access to support broader adoption.

As we look ahead to 2026, we are excited to build on this strong foundation. This year also marks our entry into the commercial sleep medicine market, accelerated by the recently closed acquisition of Avadel, which brings a number of valuable new assets into our business, including Avadel's commercial product, LUMRYZ, and the organization supporting that brand. First a few thoughts on LUMRYZ. Launched in 2023, LUMRYZ is a once-at-bedtime sodium oxybate for the treatment of narcolepsy. The features of this product are differentiated and address a significant unmet need in the treatment landscape for narcolepsy. Intended to consolidate the fragmented sleep, sodium oxybates are an important option in the treatment paradigm for narcolepsy, and

LUMRYZ is the only once-at-bedtime option available, avoiding the need for patients to wake in the middle of the night for a second dose. The Avadel team has done exceptional work launching this product and we intend to build on this momentum.

In 2025, LUMRYZ generated approximately $279 million in net sales, with approximately 3,500 patients on LUMRYZ therapy as of the end of 2025, a roughly 40% increase in number of patients from the fourth quarter of 2024. With an estimated 50,000 oxybate-eligible patients with narcolepsy, we believe there is significant opportunity to continue to expand the number of patients on LUMRYZ. We are delighted to welcome the talented commercial team joining us from Avadel and their integration into our organization is already underway. Their expertise and deep relationships in sleep medicine will be critical to our success with LUMRYZ and provide an opportunity for Alkermes to establish a strong presence in this community as we prepare for the potential future launch of orexin 2 receptor agonists, including our own alixorexton, which we believe will be transformative in how narcolepsy is managed.

We expect strong continued uptake of LUMRYZ as we integrate this commercial team and capabilities. We expect LUMRYZ total revenue in the range of $350 to $370 million for the full year. For the first six weeks of the year, the Avadel team was off to a strong start and generated revenue of approximately $33 million. Following the recent completion of the acquisition, we expect that in 2026, Alkermes will generate an additional $315 to $335 million in LUMRYZ net sales for the remainder of the year. We

are truly excited about the opportunity for LUMRYZ, which we believe will continue to play an important role in the treatment paradigm.

With the momentum across our existing brands and the addition of LUMRYZ, we enter 2026 with meaningful opportunities to drive growth and broaden the impact of our commercial business.

Richard Pops:

As you've heard, the financial foundation of the business is strong, with a resilient commercial portfolio with important growth potential.

2026 will be a year of execution across the alixorexton development program. As I mentioned in my opening comments, last week we completed an important milestone in the development program with our end of phase 2 meeting with FDA. This meeting followed the completion of a phase 2 program developed in consultation with the Agency. The interaction was detailed and constructive and helped confirm key design elements of the pivotal program. With Breakthrough Therapy designation and clarity regarding necessary elements of our registrational program, we are in a strong position to initiate phase 3 later this quarter.

So here's what it is going to look like:

The global Brilliance phase 3 program in narcolepsy will consist of three 12-week randomized, parallel design, placebo-controlled studies – two in narcolepsy type 1 and

one in narcolepsy type 2. In NT1, each study will include three arms and will enroll approximately 150 patients. The primary endpoint will be change in mean sleep latency on the maintenance of wakefulness test, or MWT, with weekly cataplexy rates and the Epworth Sleepiness Scale, or ESS, as key secondary endpoints. The Brilliance NT2 study will be a four-arm study and is planned to enroll approximately 180 patients, again with MWT as the primary endpoint and ESS a key secondary.

Each program will have as an anchor a once-daily dose that demonstrated robust efficacy in phase 2. We expect that the option for once daily dosing will continue to be a key differentiating feature of alixorexton. We will also include split dosing regimens designed to drive wakefulness later into the evening hours. Along with the once daily options, split dosing may add another strong element to our product profile.

Our first clinical data from the split dose regimens will be from the ongoing Vibrance-3 phase 2 study in idiopathic hypersomnia. This study is expected to be completed in the fourth quarter. So for alixorexton we have a clear path forward, we're capitalizing on our momentum from phase 2 and are excited to get started with the phase 3 program later this quarter.

We also expect to have data from the REVITALYZ phase 3 study of LUMRYZ in patients with idiopathic hypersomnia in the second quarter. This 14-week randomized withdrawal study enrolled approximately 150 patients. If positive, we expect these data

would serve as the basis for an sNDA submission with a potential launch in early 2028, if approved.

Now, turning to our other orexin 2 receptor agonist development programs, ALKS 7290 and ALKS 4510. Targeting the orexin pathway with well tolerated small molecule drugs is a rich area for pharmaceutical development. ALKS 7290 and 4510 are both currently in phase 1 studies in healthy volunteers. We expect to advance these candidates into patients this year.

We plan to develop ALKS 7290 for ADHD, moving quickly to generate proof-of-concept data in patients this year. ADHD is characterized by persistent difficulty in maintaining attention and concentration, and is frequently accompanied by impulsive behavior. Despite the availability of stimulant and non-stimulant treatment options, there is significant unmet need in this space and an orexin agonist targeting the wakefulness and attention circuitry could be a major advance. With approximately 15.5 million adults and 6.5 million children in the U.S. with a current ADHD diagnosis, this represents a significant potential opportunity.

ALKS 7290 has demonstrated improved measures of attention and task engagement and decreased behavioral impulsivity in validated preclinical models. We have already shared these compelling data with you. Our single- and multiple ascending dose cohorts in healthy volunteers are underway. As we progress through the multiple-ascending dose cohorts, we plan to initiate a multi-dose phase 1b study evaluating safety,

tolerability and efficacy in adult patients with ADHD and we expect data from this translational study in the second half of the year. In parallel, we are planning for success and expect to initiate a phase 2 study in the second half of the year.

We plan to develop ALKS 4510 for fatigue associated with neurodegenerative disorders, starting with fatigue associated with Multiple Sclerosis and Parkinson's Disease. Fatigue is one of the most common and burdensome symptoms affecting these patients. Patient populations here are significant, with approximately one million patients in the U.S. with MS, and another million with Parkinson's.

ALKS 4510 went into its healthy volunteer phase 1 study last year and it has completed several single- and multiple-ascending dose cohorts. We are planning to initiate a multi-dose phase 2a study this year evaluating safety, tolerability and efficacy in fatigue associated with MS and Parkinson's Disease. We see this as the beginning of a much more extensive exploration of fatigue in the future.

So, we have built a strong foundation for growth and value creation. In the near-term, and for the future. With alixorexton moving to phase 3, ALKS 7290 and 4510 moving to phase 2, LUMRYZ in phase 3 for IH, and valiloxybate, a sodium-free once-nightly oxybate candidate early in the clinic, this company has an unusual combination of assets: a profitable neuroscience business, a late-stage potential blockbuster product in development and leadership in one of the most exciting new areas of neuroscience.

Lastly, this morning, we announced that I will, at long last, pass the CEO torch to Blair Jackson, our current chief operating officer and my valued colleague for many years. We will make the transition official this summer and I will continue as Chairman. The timing is good. The company is in the strongest position it has ever been in my 35 years, for the reasons we have summarized today. Now is not the time for reflection--we have too much important work to do over the next few months. But I will say what many of you know, which is that I am extremely proud of this company, its people and all that we have accomplished. Thousands of patients have benefitted from our medicines, developed in a culture defined by scientific curiosity, integrity and deep commitment to patients and families. I have great confidence that we will continue to build on the momentum we have right now. Alkermes is on a whole new growth path. It took us some time to get here, but we did, and the road ahead looks extraordinarily promising.