

# Teva Pharmaceutical Industries Ltd. Fourth Quarter 2018 Results

February 13, 2019



# Cautionary Note Regarding Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which are based on management's current beliefs and expectations and are subject to substantial risks and uncertainties, both known and unknown, that could cause our future results, performance or achievements to differ significantly from that expressed or implied by such forward-looking statements. Important factors that could cause or contribute to such differences include risks relating to:

- our ability to successfully compete in the marketplace, including: that we are substantially dependent on our generic products; competition for our specialty products, especially COPAXONE®, our leading medicine, which faces competition from existing and potential additional generic versions and orally-administered alternatives; the uncertainty of commercial success of AJOVY® or AUSTEDO®; competition from companies with greater resources and capabilities; efforts of pharmaceutical companies to limit the use of generics, including through legislation and regulations; consolidation of our customer base and commercial alliances among our customers; the increase in the number of competitors targeting generic opportunities and seeking U.S. market exclusivity for generic versions of significant products; price erosion relating to our products, both from competing products and increased regulation; delays in launches of new products and our ability to achieve expected results from investments in our product pipeline; our ability to take advantage of high-value opportunities; the difficulty and expense of obtaining licenses to proprietary technologies; and the effectiveness of our patents and other measures to protect our intellectual property rights;
- our substantial indebtedness, which may limit our ability to incur additional indebtedness, engage in additional transactions or make new investments, may result in a further downgrade of our credit ratings; and our inability to raise debt or borrow funds in amounts or on terms that are favorable to us;
- our business and operations in general, including: failure to effectively execute our restructuring plan announced in December 2017; uncertainties related to, and failure to achieve, the potential benefits and success of our new senior management team and organizational structure; harm to our pipeline of future products due to the ongoing review of our R&D programs; our ability to develop and commercialize additional pharmaceutical products; potential additional adverse consequences following our resolution with the U.S. government of our FCPA investigation; compliance with sanctions and other trade control laws; manufacturing or quality control problems, which may damage our reputation for quality production and require costly remediation; interruptions in our supply chain; disruptions of our or third party information technology systems or breaches of our data security; the failure to recruit or retain key personnel; variations in intellectual property laws that may adversely affect our ability to manufacture our products; challenges associated with conducting business globally, including adverse effects of political or economic instability, major hostilities or terrorism; significant sales to a limited number of customers in our U.S. market; our ability to successfully bid for suitable acquisition targets or licensing opportunities, or to consummate and integrate acquisitions; and our prospects and opportunities for growth if we sell assets ;
- compliance, regulatory and litigation matters, including: costs and delays resulting from the extensive governmental regulation to which we are subject; the effects of reforms in healthcare regulation and reductions in pharmaceutical pricing, reimbursement and coverage; increased legal and regulatory action in connection with public concern over the abuse of opioid medications in the U.S.; governmental investigations into selling and marketing practices; potential liability for patent infringement; product liability claims; increased government scrutiny of our patent settlement agreements; failure to comply with complex Medicare and Medicaid reporting and payment obligations; and environmental risks;
- other financial and economic risks, including: our exposure to currency fluctuations and restrictions as well as credit risks; potential impairments of our intangible assets; potential significant increases in tax liabilities; and the effect on our overall effective tax rate of the termination or expiration of governmental programs or tax benefits, or of a change in our business;

and other factors discussed in our Annual Report on Form 10-K for the year ended December 31, 2018, including the sections captioned "Risk Factors." Forward-looking statements speak only as of the date on which they are made, and we assume no obligation to update or revise any forward-looking statements or other information contained herein, whether as a result of new information, future events or otherwise. You are cautioned not to put undue reliance on these forward-looking statements.

## Non-GAAP Financial Measures

This presentation includes certain non-GAAP financial measures as defined by SEC rules. Please see our press release reporting our 2018 financial results, as well as our Annual Report on Form 10-K for the year ended December 31, 2018, for a reconciliation of the GAAP results to the adjusted non-GAAP figures. The non-GAAP data presented by Teva are the results used by Teva's management and board of directors to evaluate the operational performance of the company, to compare against the company's work plans and budgets, and ultimately to evaluate the performance of management. Teva provides such non-GAAP data to investors as supplemental data and not in substitution or replacement for GAAP measure, because management believes such data provides useful information to investors. A reconciliation of forward-looking non-GAAP estimates to the corresponding GAAP measures is not being provided due to the unreasonable efforts required to prepare it.

# Kåre Schultz

Chief Executive Officer



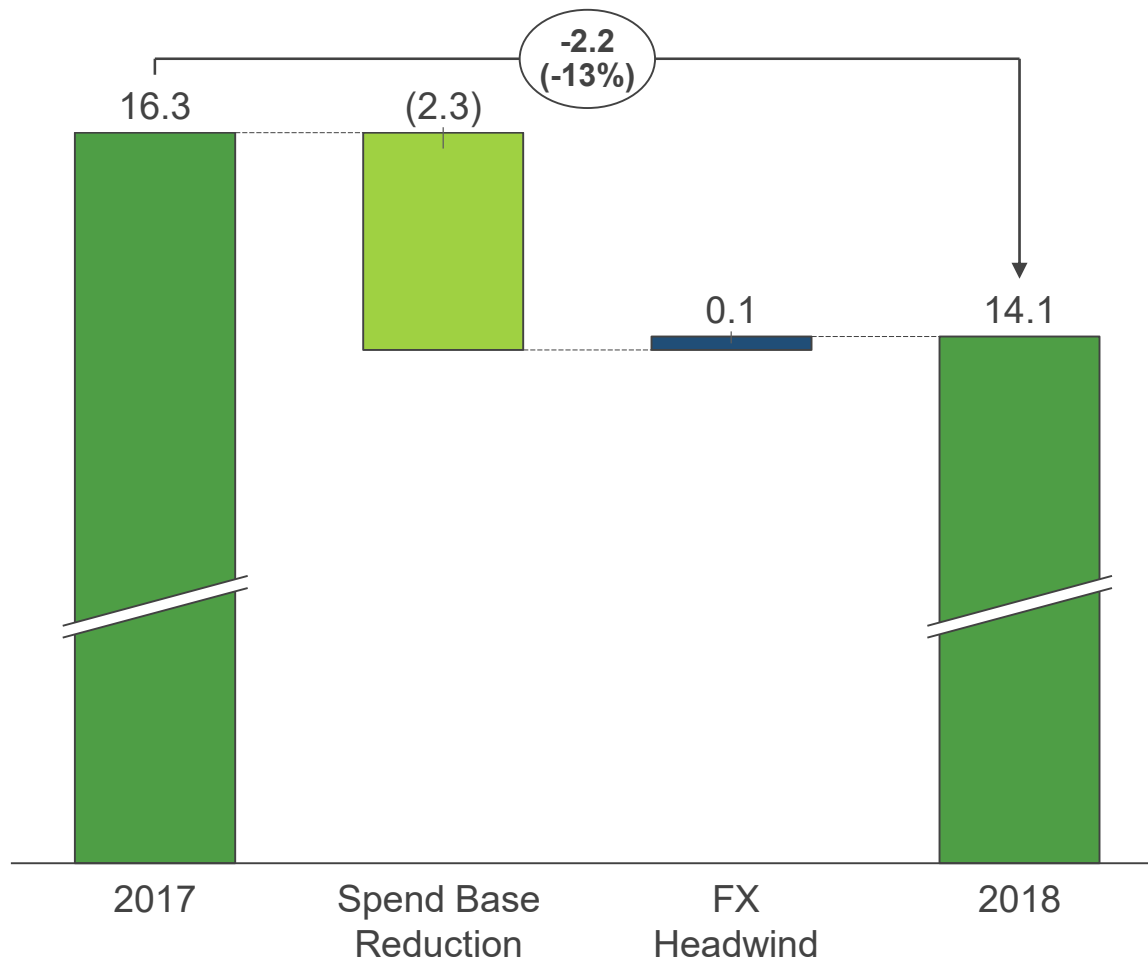
# 2018 Highlights

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- Met or exceeded all components of 2018 financial guidance including:
  - Revenues of \$18.9 billion
  - Non-GAAP EPS of \$2.92
  - Free cash flow of \$3.7 billion
- Deployed new unified and simplified organizational structure – One Teva
- Significant spend base reduction of ~\$2.2 billion in 2018
- Reduced net debt by 14% to \$27.1 billion
- Launched AJOVY™ in the U.S.; demand continues to grow steadily over the first four plus months of launch
- AUSTEDO® rapid growth continues
- COPAXONE® maintained share in the U.S.
- North American generic revenues stabilizing

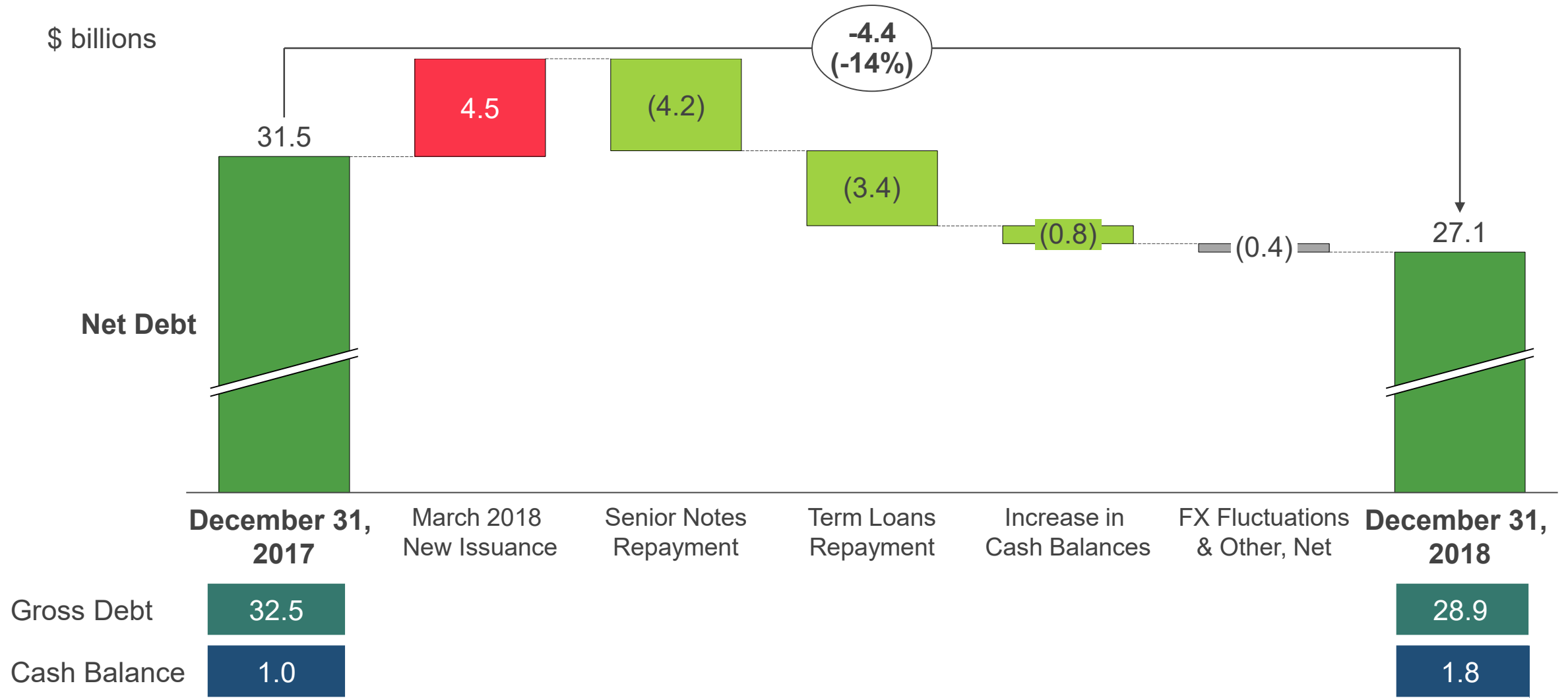
# Spend Base: 2018 vs. 2017

\$ billions



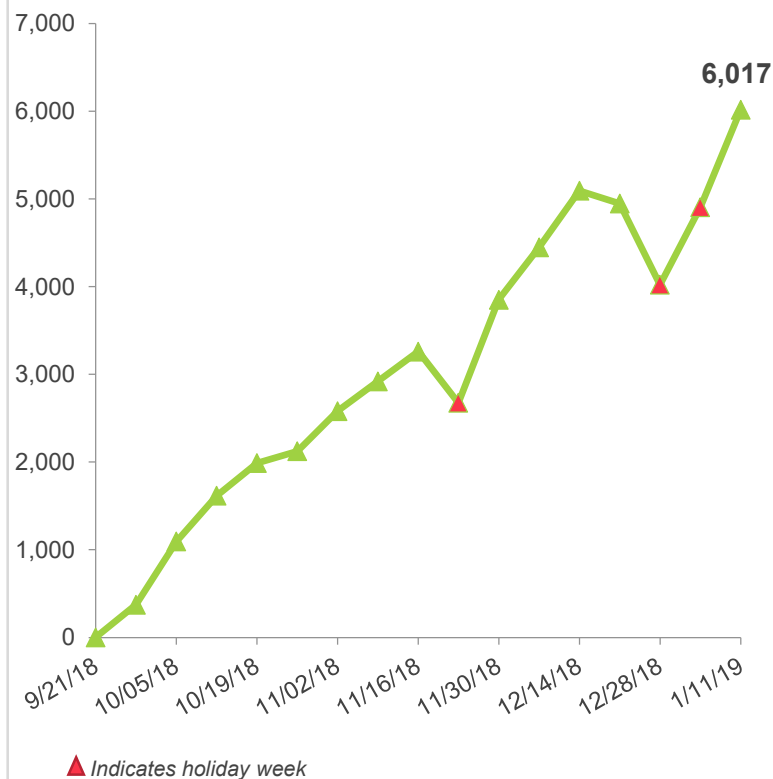
- On track to achieve \$3B in spend base reduction by YE 2019; ~\$2.2B already achieved in 2018
- FTE reduced by ~10,300 since the start of the restructuring plan
- Reduced the number of manufacturing facilities by 7 in 2018 to 73; 11 more sites to be closed or divested in 2019

# FY 2018 Net Debt Movements

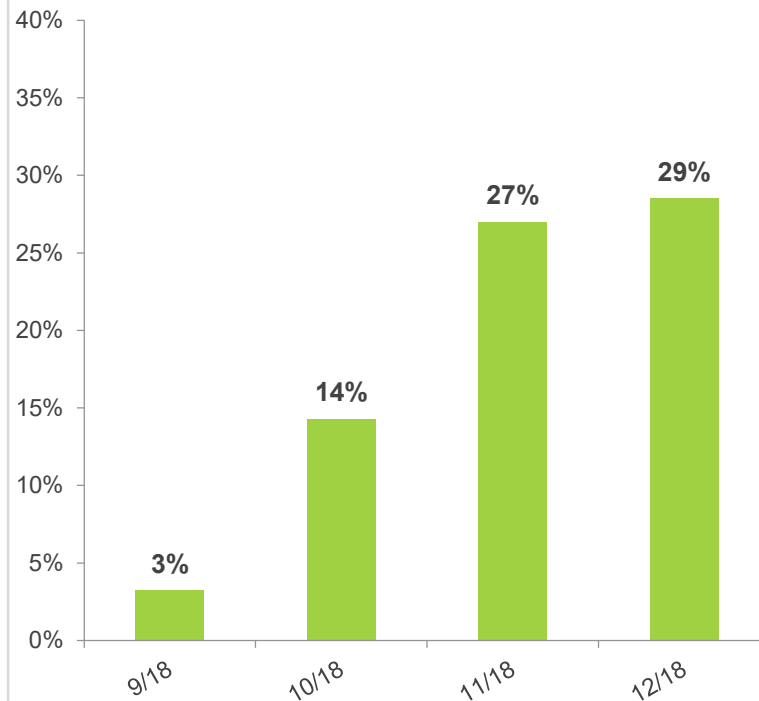


# AJOVY™ TRx Uptake Remains Strong

## AJOVY™ Weekly Normalized TRx Count



## AJOVY™ NBRx Share\*

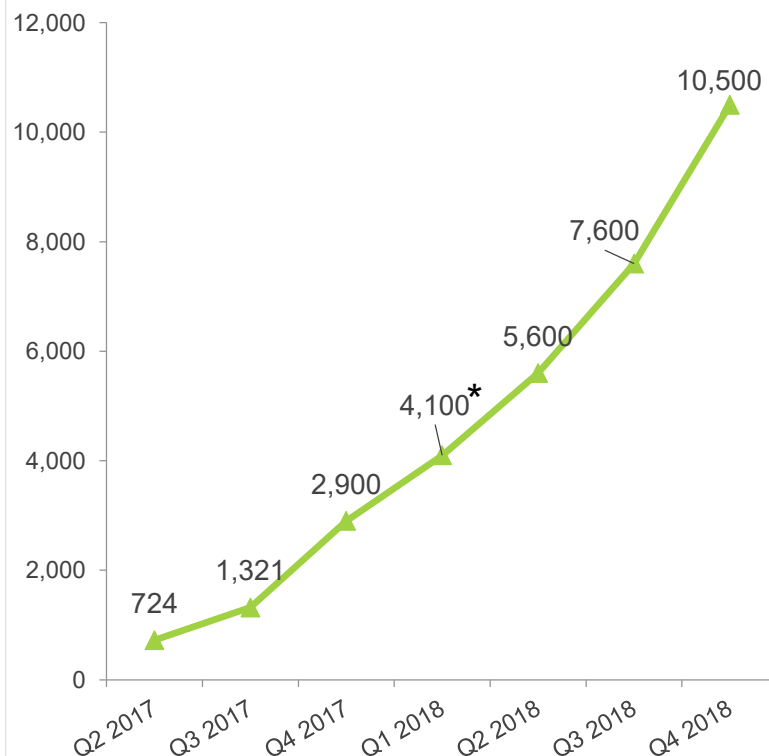


## Highlights

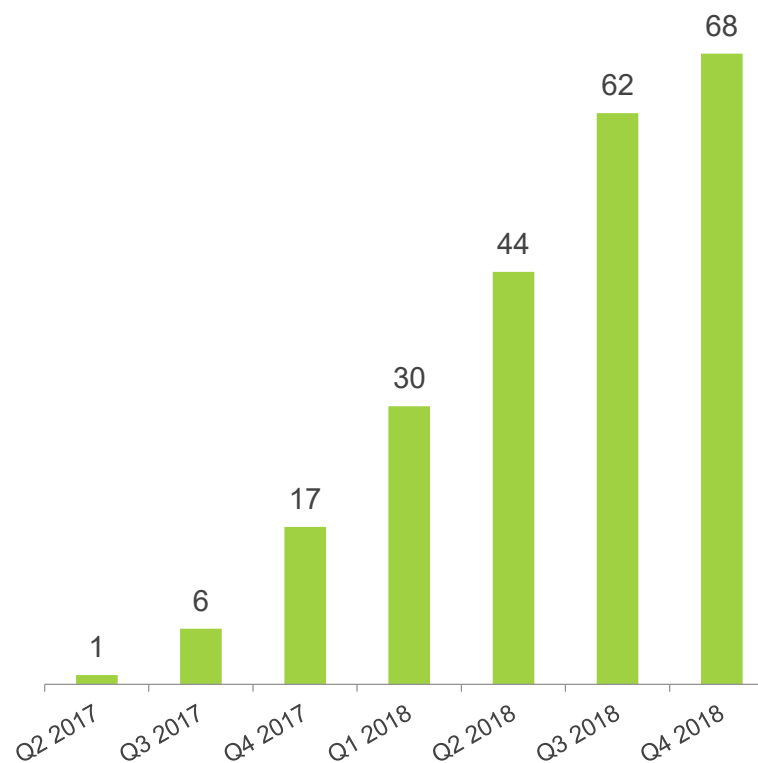
- Normalized TRx Share<sup>†</sup> of ~19%
- ~11% of launch-to-date AJOVY™ TRx's are Quarterly
- Over 6,400 unique HCPs\* have prescribed AJOVY™

# AUSTEDO® Continues to Grow

**AUSTEDO® Unique Patients  
Dispensed Per Quarter**



**Austedo® Revenues By Quarter  
(\$ million)**

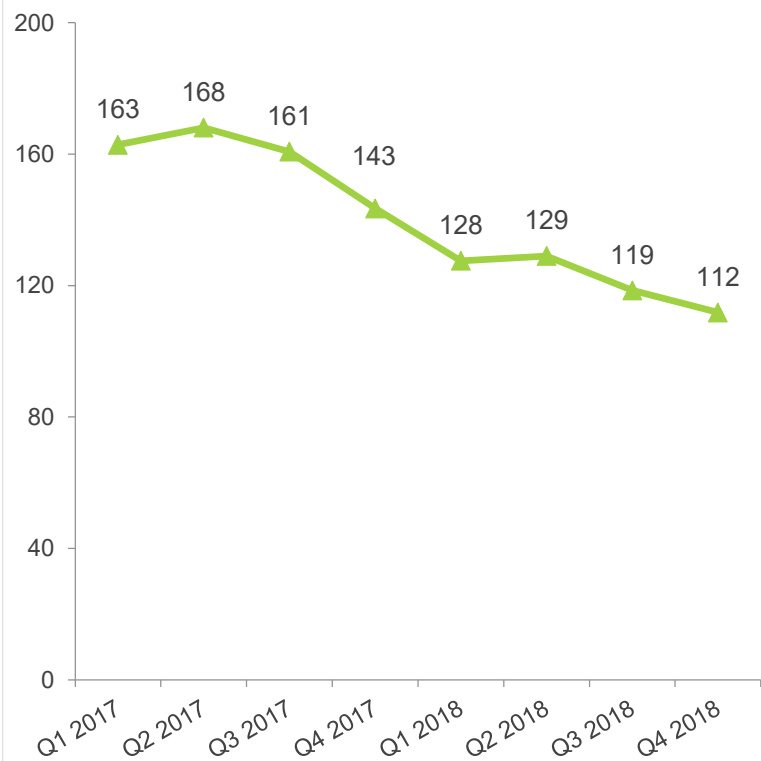


## Highlights

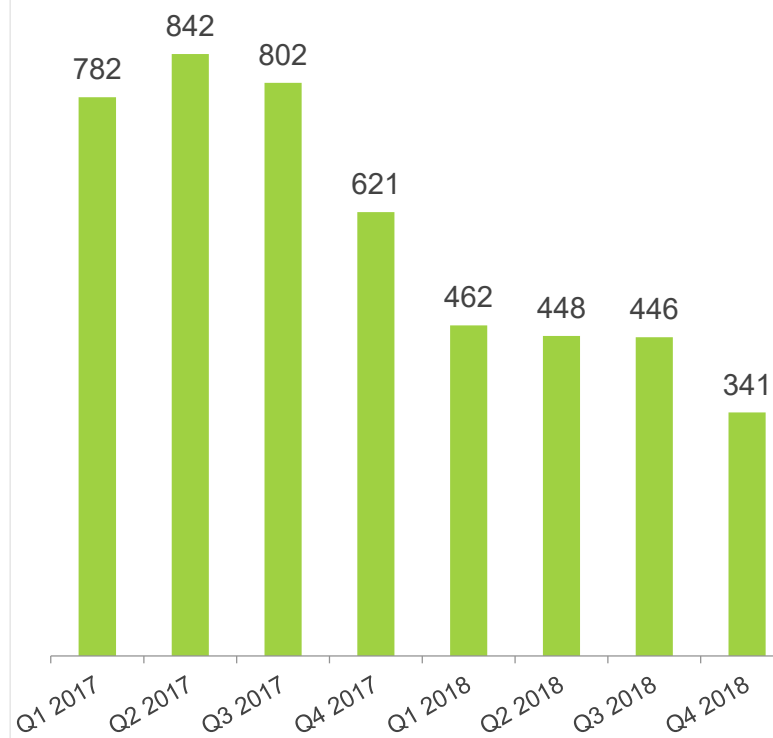
- \$204M in Net Sales for 2018
- Over 10,000 unique patients dispensed in Q4 2018
- Favorable national formulary coverage

# COPAXONE® (U.S. only)

COPAXONE® TRx Count Per Quarter  
(‘000s)



COPAXONE® Revenues By Quarter  
(\$ million)



## Highlights

- \$1.697B in Net Sales for 2018
- Continue to be one of the leading MS therapies in U.S.
- COPAXONE® 2018 exit TRx share ~21.8%
- Copaxone 40mg retains 74.7% share of the 40mg glatiramer acetate market (as of December 2018)

# 2019 Areas of Focus

## Revenue Generating

- **AJOVY™ and AUSTEDO®:**  
Full organizational focus for ongoing launch success
- **Stabilize Global Generics** business in 2019; **Execute new Gx launches**
- **Loss of exclusivities (LOEs)**  
COPAXONE®, ProAir® HFA

## Expense Management

- Achieving **restructuring target:** spend base reduction of \$3 billion vs. 2017
- **Executing site consolidation** with 11 manufacturing sites to be closed/divested in 2019
- Targeted investments in **high ROI specialty brands**

## Debt Reduction

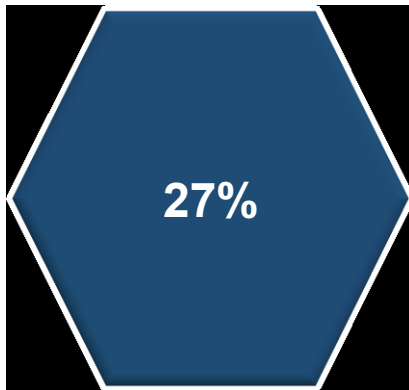
- **Committed** to utilizing cash flow to pay down debt
- \$1.7 billion scheduled for repayment in 2019

2019 financial outlook reflects a trough year following the impact of the LOEs  
Return to growth in 2020 supported by the launches of AJOVY™ and AUSTEDO®

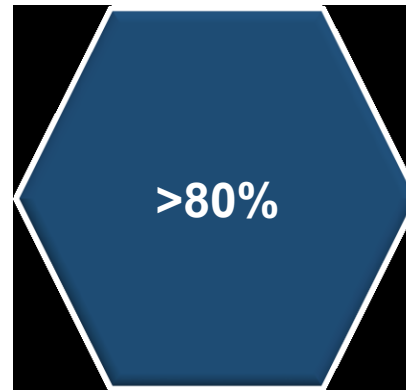
# Long-term Financial Targets

To be achieved within 3-5 years

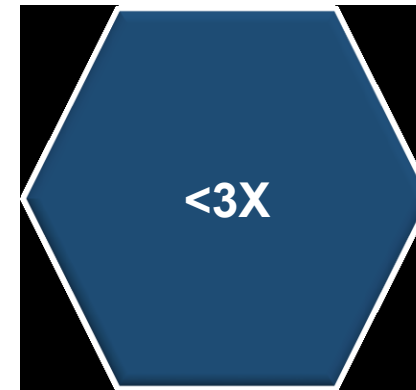
Operating Income Margin\*<sup>1</sup>



Cash-to-earnings\*<sup>2</sup>



Net debt/EBITDA\*<sup>3</sup>



Committed to utilizing cash flow to pay down debt; we do not plan to raise equity

- <sup>1</sup> Operating income margin = Non-GAAP operating income divided by net revenues
- <sup>2</sup> Cash to earnings = Free cash flow divided by non-GAAP net income attributable to ordinary shareholders
- <sup>3</sup> Net debt/EBITDA = Net debt/ non-GAAP EBITDA
- \*All measures including operating income ,EBITDA and earnings are presented on a non-GAAP basis
- Free Cash Flow includes cash flow generated from operating activities net of capital expenditures and deferred purchase price cash component collected for securitized trade receivables.

# Michael McClellan

Chief Financial Officer



# Q4 2018 Summary

| \$ millions, except EPS                | Q4 2018                    | Q4 2017                     | Q4 2018                  | Q4 2017                  |
|----------------------------------------|----------------------------|-----------------------------|--------------------------|--------------------------|
|                                        | GAAP                       |                             | Non-GAAP                 |                          |
| Revenues                               | 4,559                      | 5,398                       | 4,559                    | 5,398                    |
| Operating income (loss)                | (3,164)                    | (13,017)                    | 946                      | 1,385                    |
| Net income (loss) attributable to Teva | (2,886)                    | (11,535)                    | 597                      | 1,014                    |
| Earnings (loss) per share (\$)         | (2.85)<br>1,031M<br>Shares | (11.41)<br>1,017M<br>shares | 0.53<br>1,034M<br>shares | 0.93<br>1,018M<br>shares |

# Q4 2018 Non-GAAP Adjustments

| \$ millions               | Q4 2018      | Highlights                                                                                |
|---------------------------|--------------|-------------------------------------------------------------------------------------------|
| Goodwill impairment       | 2,727        | International Markets, Medis                                                              |
| Other impairment items    | 990          | Japan, International Markets, US and Europe intangibles                                   |
| Amortization              | 257          |                                                                                           |
| Restructuring             | 46           |                                                                                           |
| Legal settlements         | 31           |                                                                                           |
| Equity compensation plans | 30           |                                                                                           |
| Other items               | 36           | Includes \$15M in accelerated depreciation related to production sites slated for closure |
| Minority                  | (399)        | Japan impairment                                                                          |
| Tax items effect          | (235)        |                                                                                           |
| <b>Total adjustments</b>  | <b>3,483</b> |                                                                                           |

# Q4 2018 Non-GAAP Summary

| \$ billions, except EPS       | Q4 2018               | Q4 2017               | Change       |
|-------------------------------|-----------------------|-----------------------|--------------|
| Revenues                      | 4.6                   | 5.4                   | (16%)        |
| Gross profit                  | 2.3<br>51.1%          | 2.7<br>50.9%          | (15%)        |
| Operating income              | 0.9<br>20.8%          | 1.4<br>25.7%          | (32%)        |
| EBITDA                        | 1.1                   | 1.5                   | (29%)        |
| Net income                    | 0.6                   | 1.0                   | (41%)        |
| EPS (\$)                      | 0.53<br>1,034M shares | 0.93<br>1,018M shares | (43%)        |
| <b>Free cash flow*</b>        | <b>0.5</b>            | <b>0.9</b>            | <b>(44%)</b> |
| <b>Total cash generated**</b> | <b>0.4</b>            | <b>2.6</b>            | <b>(86%)</b> |

# Q4 2018 Foreign Exchange Impact

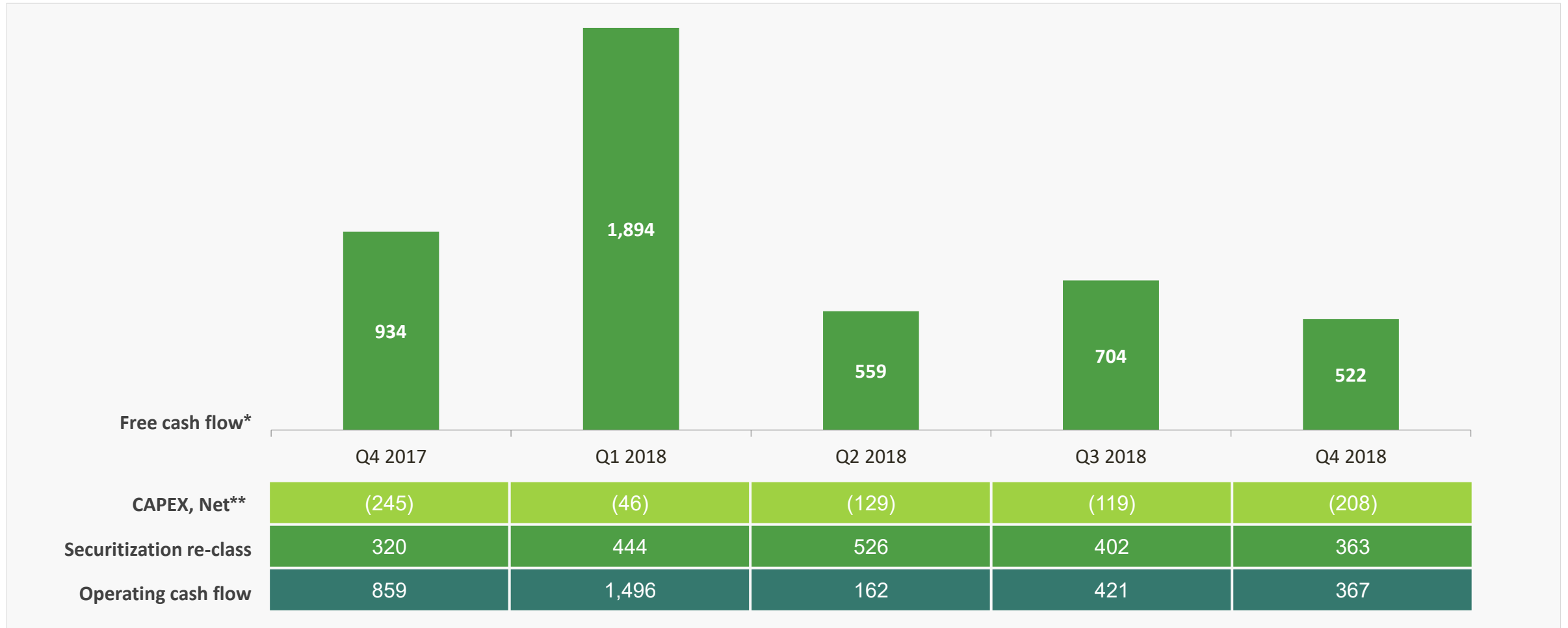
| \$ millions                         | Q4 2018 | Q4 2017  | Diff  | FX Effect | Diff net FX |
|-------------------------------------|---------|----------|-------|-----------|-------------|
| Revenues                            | 4,559   | 5,398    | (839) | (100)     | (739)       |
| Operating income<br><b>GAAP</b>     | (3,164) | (13,017) | 9,853 | (13)      | 9,866       |
| Operating income<br><b>Non-GAAP</b> | 946     | 1,385    | (439) | (17)      | (422)       |

# Revenues by Activity and Geographical Area

| \$ millions                          | Q4-17        | Q1-18        | Q2-18        | Q3-18        | Q4-18        |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|
| <b>North America Segment</b>         | <b>2,689</b> | <b>2,531</b> | <b>2,263</b> | <b>2,265</b> | <b>2,238</b> |
| Generic Medicines                    | 1,224        | 1,088        | 947          | 922          | 1,099        |
| Copaxone                             | 641          | 476          | 464          | 463          | 356          |
| Treanda and Bendeka                  | 158          | 181          | 160          | 161          | 140          |
| ProAir                               | 102          | 130          | 115          | 107          | 45           |
| QVAR                                 | 48           | 107          | 30           | 36           | 9            |
| Austedo                              | 17           | 30           | 44           | 62           | 68           |
| Distribution                         | 289          | 331          | 320          | 333          | 363          |
| Other                                | 210          | 188          | 183          | 181          | 158          |
| <b>Europe Segment</b>                | <b>1,450</b> | <b>1,442</b> | <b>1,328</b> | <b>1,212</b> | <b>1,204</b> |
| Generic Medicines                    | 928          | 997          | 907          | 845          | 844          |
| Copaxone                             | 155          | 153          | 140          | 124          | 118          |
| Respiratory products                 | 110          | 113          | 106          | 93           | 90           |
| Other                                | 257          | 179          | 175          | 150          | 152          |
| <b>International Markets Segment</b> | <b>910</b>   | <b>750</b>   | <b>789</b>   | <b>726</b>   | <b>740</b>   |
| Generic Medicines                    | 650          | 488          | 537          | 498          | 499          |
| Copaxone                             | 26           | 16           | 22           | 14           | 20           |
| Distribution                         | 144          | 153          | 154          | 149          | 146          |
| Other                                | 90           | 93           | 76           | 65           | 75           |
| <b>Other</b>                         | <b>349</b>   | <b>342</b>   | <b>321</b>   | <b>326</b>   | <b>377</b>   |
| <b>Total Teva</b>                    | <b>5,398</b> | <b>5,065</b> | <b>4,701</b> | <b>4,529</b> | <b>4,559</b> |

# Free Cash Flow

\$ millions



# 2018 Guidance Development

| \$ billion except EPS     | FY 2017 | February Guidance | May Guidance | August Guidance | November Guidance | FY 2018       |
|---------------------------|---------|-------------------|--------------|-----------------|-------------------|---------------|
| Revenues                  | 22.4    | 18.3–18.8         | 18.5-19.0    | 18.5-19.0       | <b>18.6-19.0</b>  | <b>18.9</b> ✓ |
| Non-GAAP Operating income | 6.1     | 4.0–4.3           | 4.2-4.5      | 4.3-4.6         | <b>4.6-4.8</b>    | <b>4.7</b> ✓  |
| Non-GAAP EBITDA           | 6.7     | 4.7–5.0           | 4.9-5.2      | 5.0-5.3         | <b>5.2-5.4</b>    | <b>5.3</b> ✓  |
| Non-GAAP EPS (\$)         | 4.01    | 2.25–2.50         | 2.40-2.65    | 2.55-2.80       | <b>2.80-2.95</b>  | <b>2.92</b> ✓ |
| Free cash flow            | 2.7     | 2.6-2.8           | 3.0-3.2      | 3.2-3.4         | <b>3.6-3.8</b>    | <b>3.7</b> ✓  |

# 2019 Outlook - Main Assumptions

| Product / Business            | FY 2018 | Commentary for 2019                                                         |
|-------------------------------|---------|-----------------------------------------------------------------------------|
| <b>Global Copaxone</b>        | \$2.4B  | Continued generic erosion; Sales ~\$1.5B                                    |
| <b>ProAir® HFA</b>            | \$397M  | Significant erosion due to introduction of Gx Albuterol                     |
| <b>AJOVY™</b>                 | \$3M    | Continued ramp up of sales in the U.S. to ~\$150m                           |
| <b>AUSTEDO®</b>               | \$204M  | Continued ramp up of sales in the U.S. to ~\$350m                           |
| <b>North America Generics</b> | \$4.1B  | Slight decline due to erosion and volume declines offset by new launches    |
| <b>Europe Generics</b>        | \$3.6B  | Continued portfolio optimization and full year effect of OTC JV dissolution |
| <b>International Generics</b> | \$2B    | Adverse impact in Japan due to NHI price revision and LLP erosion           |

# 2019 Outlook - Additional Assumptions

|                              | Commentary for 2019                                                                       |
|------------------------------|-------------------------------------------------------------------------------------------|
| <b>Foreign Exchange</b>      | Negative impact of approximately \$0.3B on sales, and \$0.1B on operating profit vs. 2018 |
| <b>Non-GAAP Other Income</b> | Significant decline vs. 2018 actual of \$0.2B                                             |
| <b>Non-GAAP Tax Rate</b>     | ~16% vs. 2018 actual of 14%                                                               |
| <b>CAPEX</b>                 | At similar level vs. 2018 actual of \$0.6B                                                |

# 2019 Non-GAAP Outlook

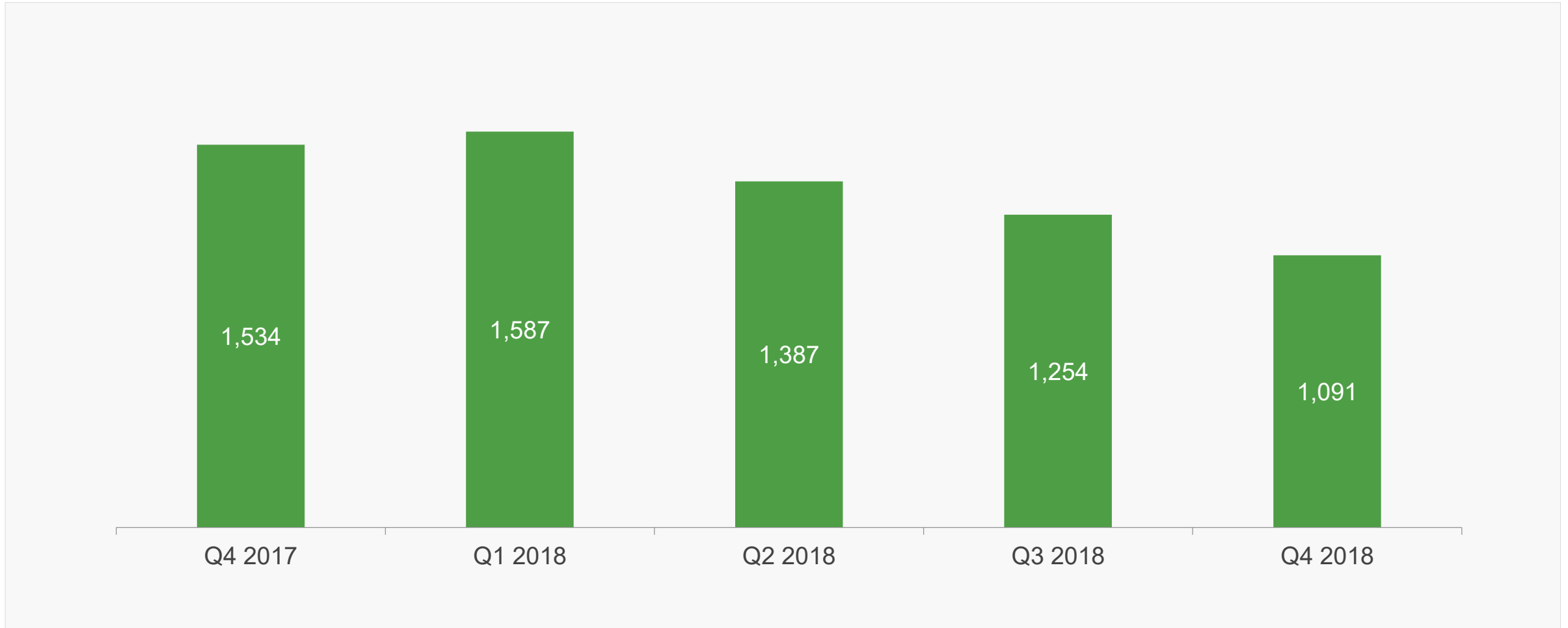
| \$ billions, except EPS | 2019 Outlook                      | FY 2018                      |
|-------------------------|-----------------------------------|------------------------------|
| <b>Revenues</b>         | <b>17.0-17.4</b>                  | <b>18.9</b>                  |
| <b>Operating Income</b> | <b>3.8 – 4.2</b>                  | <b>4.7</b>                   |
| <b>EBITDA</b>           | <b>4.4 – 4.8</b>                  | <b>5.3</b>                   |
| <b>EPS (\$)</b>         | <b>2.20-2.50</b><br>1,096M shares | <b>2.92</b><br>1,024M shares |
| <b>Free Cash Flow*</b>  | <b>1.6-2.0</b>                    | <b>3.7</b>                   |

Q&A

# Additional Information

# Quarterly EBITDA

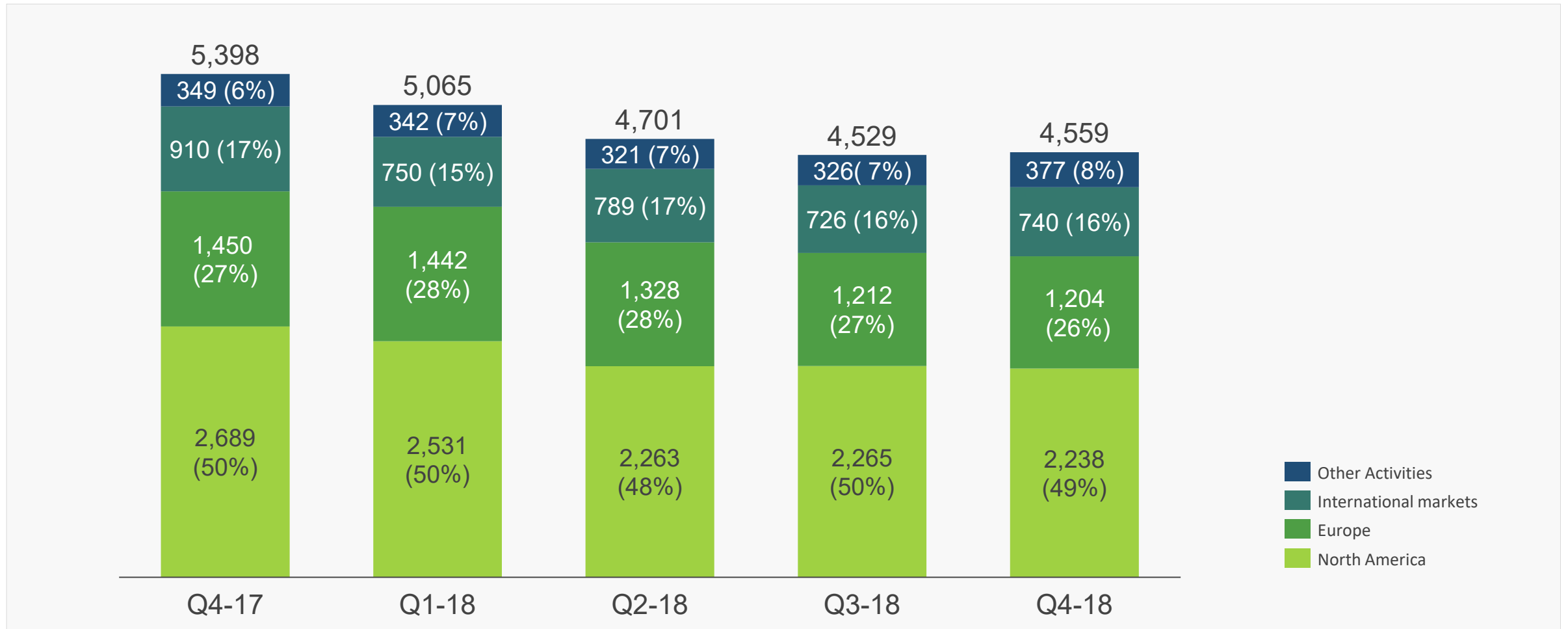
\$ millions



EBITDA is based on non-GAAP operating income (which excludes amortization and certain other items) and excludes depreciation expenses

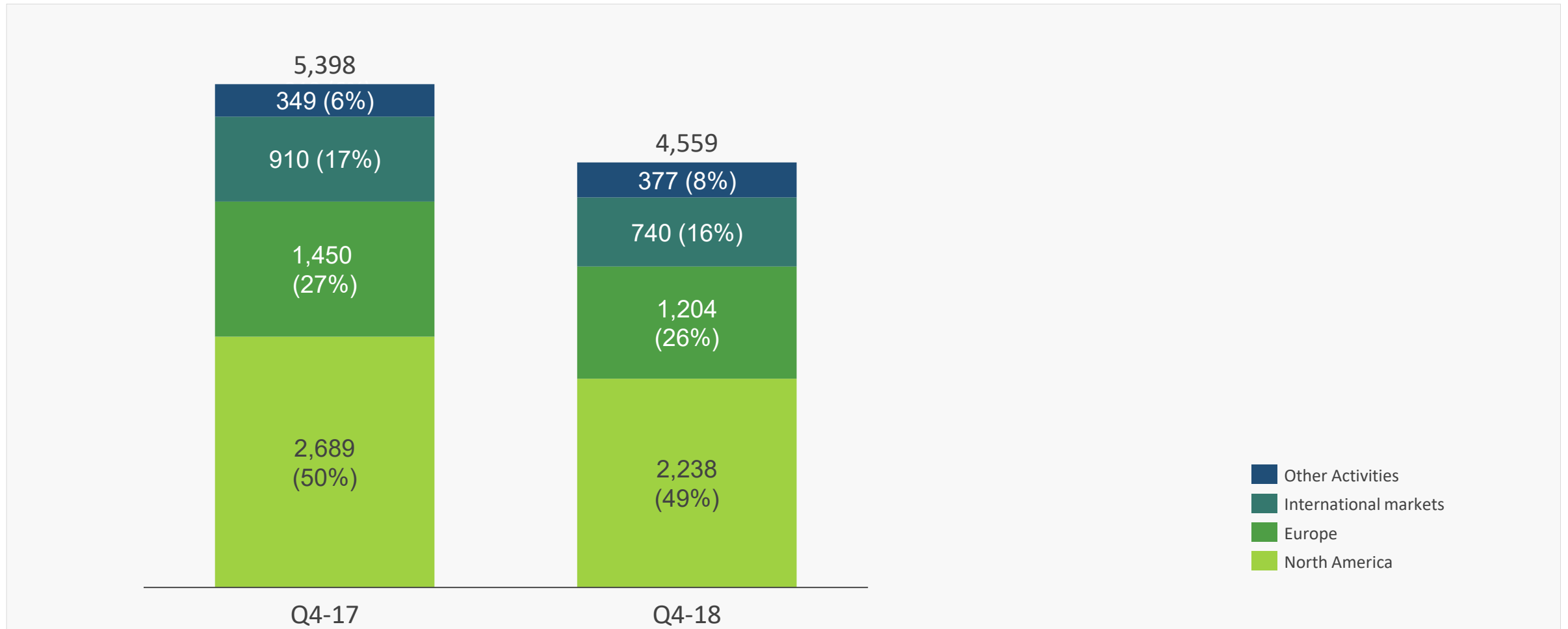
# Q4 2018 Revenues Trend

\$ millions



# Q4 2018 Revenues

\$ millions

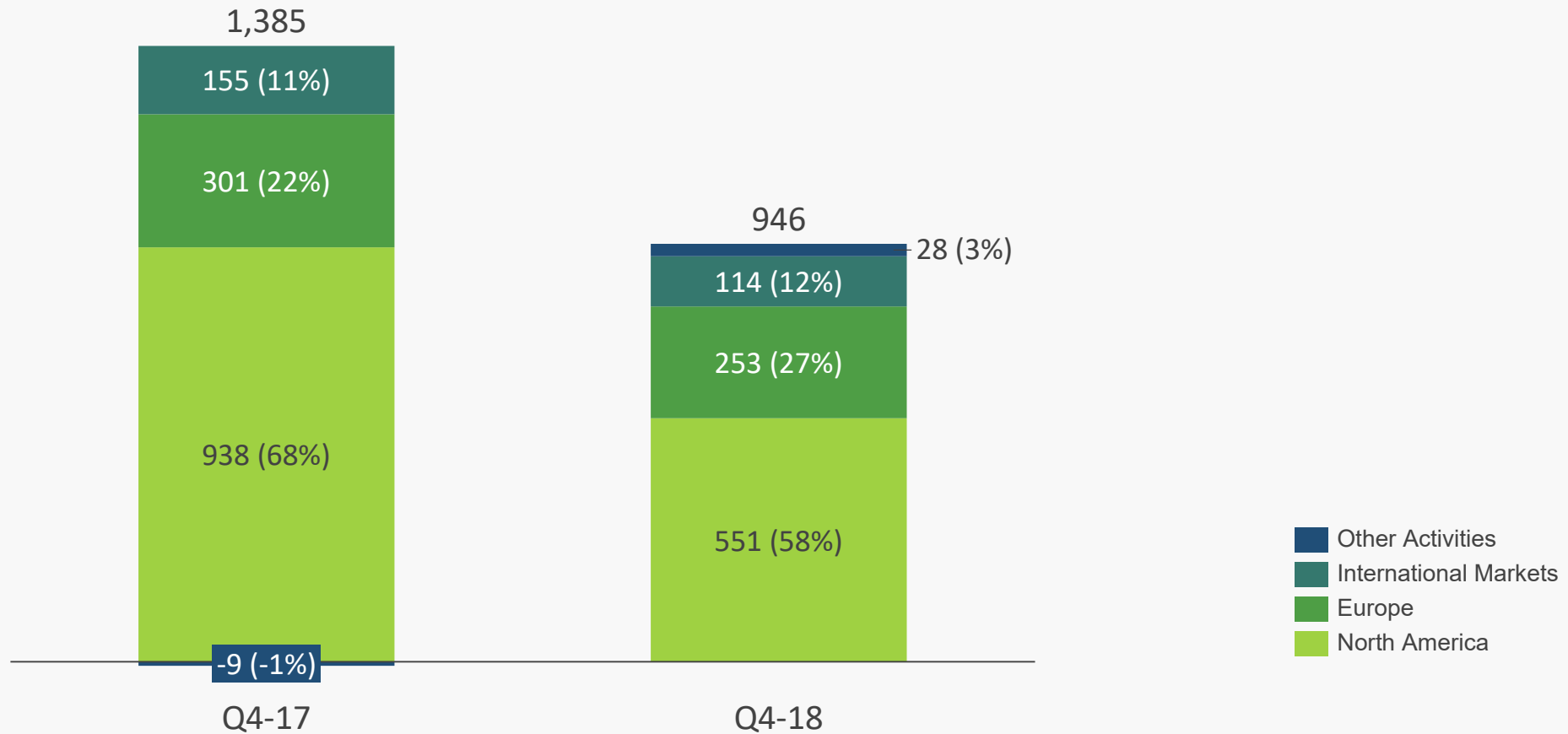


# Spend base trends (non-GAAP)

| \$ millions  | Q4 2017      | Q1 2018      | Q2 2018      | Q3 2018      | Q4 2018      |
|--------------|--------------|--------------|--------------|--------------|--------------|
| COGS         | 2,649        | 2,447        | 2,362        | 2,268        | 2,231        |
| S&M          | 749          | 682          | 634          | 634          | 768          |
| R&D          | 295          | 289          | 281          | 243          | 289          |
| G&A          | 335          | 322          | 292          | 284          | 330          |
| Other income | (15)         | (110)        | (106)        | (4)          | (5)          |
| <b>Total</b> | <b>4,013</b> | <b>3,630</b> | <b>3,463</b> | <b>3,425</b> | <b>3,613</b> |

# Q4 Non-GAAP Operating Income

\$ millions



Profit is presented on a non-GAAP basis. Percentages may not add up to 100% due to rounding

# Quarterly Non-GAAP Operating Income

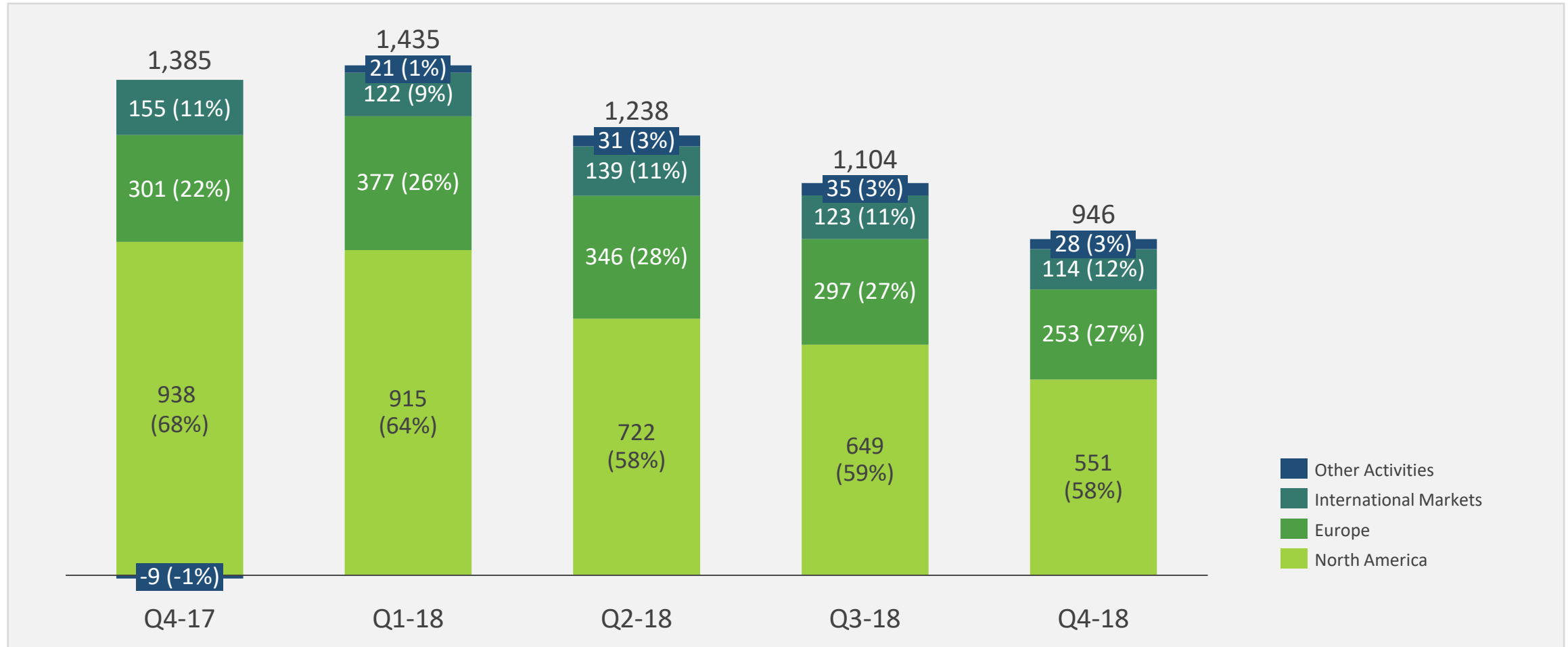
\$ millions



Divestment & Other mainly includes Women's Health divestment, closure of Hungary distribution activities, deconsolidation of Venezuela

# Q4 2018 Non-GAAP Operating Income

\$ millions



Profit is presented on a non-GAAP basis. Percentages may not add up to 100% due to rounding

# Quarterly GAAP Income Statement

| \$ millions, except EPS                                 | Q4-18          | Q4-18<br>Margins | Q4-17           | Q4-17<br>Margins | Change       |
|---------------------------------------------------------|----------------|------------------|-----------------|------------------|--------------|
| <b>Revenues</b>                                         | <b>4,559</b>   |                  | <b>5,398</b>    |                  | <b>(16%)</b> |
| COGS                                                    | 2,588          | 56.8%            | 2,954           | 54.7%            | (12%)        |
| <b>Gross profit</b>                                     | <b>1,971</b>   | <b>43.2%</b>     | <b>2,444</b>    | <b>45.3%</b>     | <b>(19%)</b> |
| R&D                                                     | 295            | 6.5%             | 346             | 6.4%             | (15%)        |
| S&M                                                     | 797            | 17.5%            | 823             | 15.2%            | (3%)         |
| G&A                                                     | 344            | 7.5%             | 350             | 6.5%             | (2%)         |
| Legal settlements and loss contingencies                | 31             | 0.7%             | 176             | 3.3%             | (82%)        |
| Impairments, restructuring and others                   | 3,625          | 79.5%            | 14,865          | 275.4%           | (76%)        |
| Other income                                            | 43             | 0.9%             | (1,099)         | (20.4%)          | (104%)       |
| <b>Operating income</b>                                 | <b>(3,164)</b> | <b>(69.4%)</b>   | <b>(13,017)</b> | <b>(241.1%)</b>  | <b>(76%)</b> |
| Finance exp.                                            | 223            | 4.9%             | 191             | 3.5%             | 17%          |
| Tax                                                     | (139)          | 4.1%             | (1,471)         | 11.1%            | (91%)        |
| Minority and share in profit (loss)                     | (362)          | (7.9%)           | (202)           | (3.7%)           | 79%          |
| <b>Net income attributable to Teva</b>                  | <b>(2,886)</b> | <b>(63.3%)</b>   | <b>(11,535)</b> | <b>(213.7%)</b>  | <b>(75%)</b> |
| Dividends on preferred shares                           | 54             |                  | 65              |                  |              |
| <b>Net income attributable to ordinary shareholders</b> | <b>(2,940)</b> |                  | <b>(11,600)</b> |                  |              |
| # of shares (diluted, millions)                         | 1,031          |                  | 1,017           |                  |              |
| <b>Earnings (loss) per share (\$)</b>                   | <b>(2.85)</b>  |                  | <b>(11.41)</b>  |                  | <b>(75%)</b> |

# 2018 GAAP Income Statement

| \$ millions, except EPS                                 | FY-18          | FY-18<br>Margins | FY-17           | FY-17<br>Margins | Change       |
|---------------------------------------------------------|----------------|------------------|-----------------|------------------|--------------|
| <b>Revenues</b>                                         | <b>18,854</b>  |                  | <b>22,385</b>   |                  | <b>(16%)</b> |
| COGS                                                    | 10,558         | 56.0%            | 11,770          | 52.6%            | (10%)        |
| <b>Gross profit</b>                                     | <b>8,296</b>   | <b>44.0%</b>     | <b>10,615</b>   | <b>47.4%</b>     | <b>(22%)</b> |
| R&D                                                     | 1,213          | 6.4%             | 1,778           | 7.9%             | (32%)        |
| S&M                                                     | 2,916          | 15.5%            | 3,395           | 15.2%            | (14%)        |
| G&A                                                     | 1,298          | 6.9%             | 1,451           | 6.5%             | (11%)        |
| Legal settlements and loss contingencies                | (1,208)        | (6.4%)           | 500             | 2.2%             | (342%)       |
| Impairments, restructuring and others                   | 6,005          | 31.8%            | 22,174          | 99.1%            | (73%)        |
| Other income                                            | (291)          | (1.5%)           | (1,199)         | (5.4%)           | (76%)        |
| <b>Operating income</b>                                 | <b>(1,637)</b> | <b>(8.7%)</b>    | <b>(17,484)</b> | <b>(78.1%)</b>   | <b>(91%)</b> |
| Finance exp.                                            | 959            | 5.1%             | 895             | 4.0%             | 7%           |
| Tax                                                     | (195)          | 7.5%             | (1,933)         | 10.5%            | (90%)        |
| Minority and share in profit (loss)                     | (251)          | (1.3%)           | (181)           | (0.8%)           | 39%          |
| <b>Net income attributable to Teva</b>                  | <b>(2,150)</b> | <b>(11.4%)</b>   | <b>(16,265)</b> | <b>(72.7%)</b>   | <b>(87%)</b> |
| Dividends on preferred shares                           | 249            |                  | 260             |                  |              |
| <b>Net income attributable to ordinary shareholders</b> | <b>(2,399)</b> |                  | <b>(16,525)</b> |                  |              |
| # of shares (diluted, millions)                         | 1,021          |                  | 1,016           |                  |              |
| <b>Earnings (loss) per share (\$)</b>                   | <b>(2.35)</b>  |                  | <b>(16.26)</b>  |                  | <b>(86%)</b> |

# 2018 Non-GAAP Adjustments

| \$ millions              | FY 2018      | Highlights                                                                                |
|--------------------------|--------------|-------------------------------------------------------------------------------------------|
| Goodwill impairment      | 3,027        | International Markets, Medis                                                              |
| Other impairment items   | 2,594        | U.S. intangible assets, Japan, production sites slated for closure                        |
| Amortization             | 1,166        |                                                                                           |
| Restructuring            | 488          |                                                                                           |
| Equity compensation      | 152          |                                                                                           |
| In process R&D           | 83           |                                                                                           |
| Financial expenses       | 66           | Early redemption fees                                                                     |
| Contingent consideration | 57           |                                                                                           |
| Other items              | 104          | Includes \$80M in accelerated depreciation related to production sites slated for closure |
| Minority                 | (431)        | Japan impairment                                                                          |
| Tax items effect         | (714)        |                                                                                           |
| Legal settlements        | (1,208)      | Actavis WC, Rimsa settlement, reversal of GSK anti-trust Carvedilol judgment              |
| <b>Total adjustments</b> | <b>5,384</b> |                                                                                           |

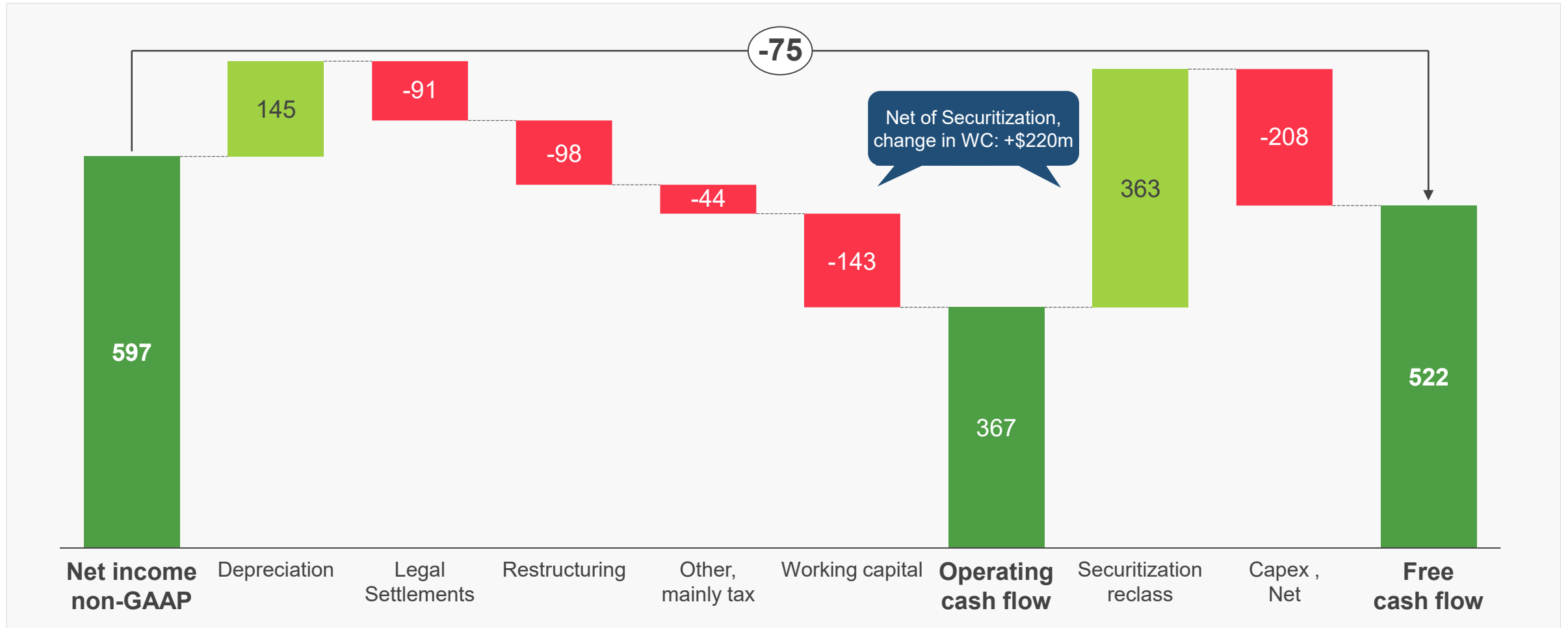
# Consolidated Balance Sheet

| \$ billions                                | Dec 31, 2018 | Dec 31, 2017 | Diff         |
|--------------------------------------------|--------------|--------------|--------------|
| Cash and Cash Equivalents                  | 1.8          | 1.0          | 0.8          |
| AR Trade                                   | 5.8          | 7.1          | (1.3)        |
| Pre-paid Expenses and Other Current Assets | 1.5          | 2.4          | (0.9)        |
| Inventory                                  | 4.7          | 4.9          | (0.2)        |
| Fixed Assets                               | 6.9          | 7.7          | (0.8)        |
| Intangible Assets                          | 14.0         | 17.6         | (3.6)        |
| Goodwill                                   | 24.9         | 28.4         | (3.5)        |
| Other Long Term Assets                     | 1.1          | 1.5          | (0.4)        |
| <b>Total Assets</b>                        | <b>60.7</b>  | <b>70.6</b>  | <b>(9.9)</b> |
| AP Trade                                   | 1.9          | 2.1          | (0.2)        |
| SR&A                                       | 6.7          | 7.9          | (1.2)        |
| AP Other                                   | 3.5          | 4.3          | (0.8)        |
| Total Debt (ST+LT)                         | 28.9         | 32.5         | (3.6)        |
| Other Long Term Liabilities                | 3.9          | 5.1          | (1.3)        |
| Minority                                   | 1.1          | 1.4          | (0.3)        |
| Teva Shareholders' Equity                  | 14.7         | 17.4         | (2.7)        |
| <b>Total Liabilities &amp; Equity</b>      | <b>60.7</b>  | <b>70.6</b>  | <b>(9.9)</b> |

Some amounts may not sum due to rounding

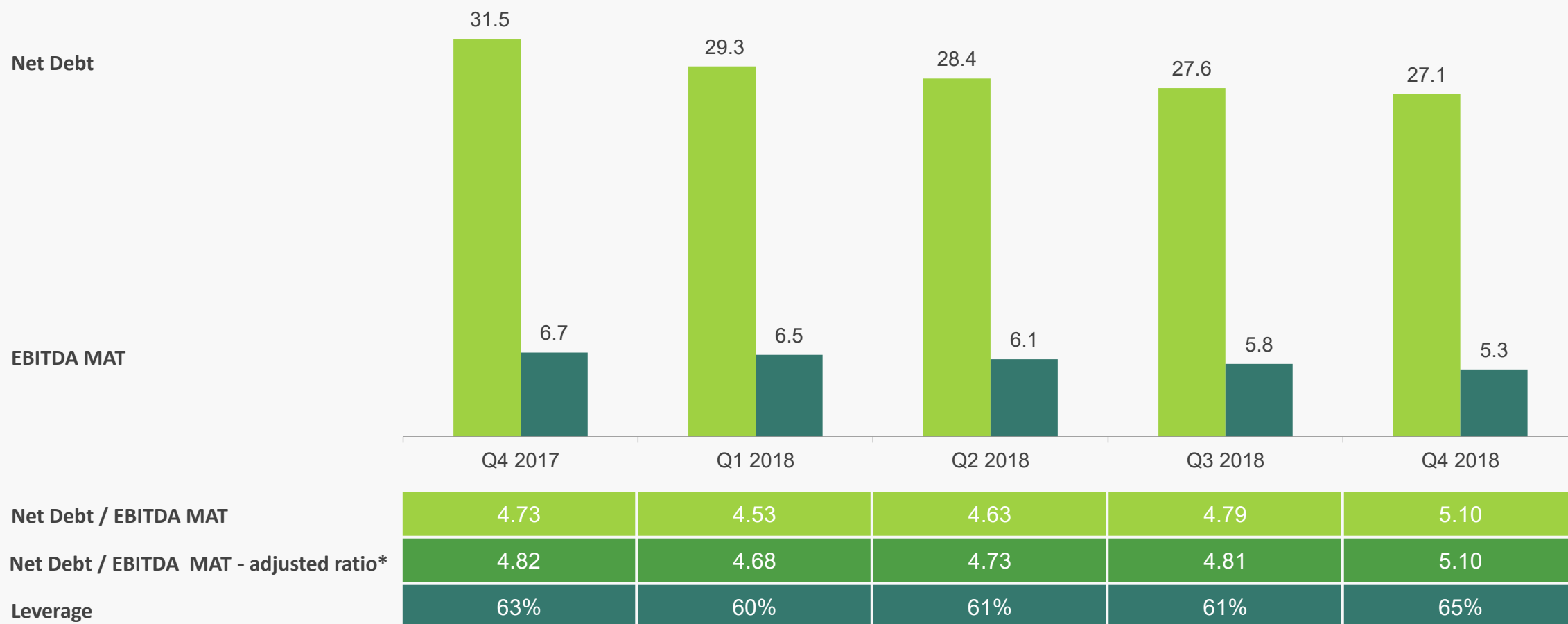
# Q4 2018 Cash Flow Bridge

\$ millions



# Liquidity

\$ billions



# Updated Debt Maturities

