

# Teva Reports 2019 Business Results



**||** In 2019 we made great strides towards positioning Teva for renewed growth by completing our two-year restructuring plan, reducing our cost base by more than \$3 billion, and reducing our net debt by more than \$9 billion, all while maintaining our global leadership in generics, serving around 200 million patients every day.

Our key growth products met major milestones in 2019, including the launch of AJOVY® in the EU, continued strong growth for AUSTEDO®, and the successful launch of our first biosimilar TRUXIMA® in North America. In 2020, we expect to see continued growth for AJOVY, AUSTEDO and biosimilars.

Looking ahead, we will further transform our manufacturing network, improve our profitability, and generate cash, which will further reduce our debt. We will enhance our biopharmaceutical offerings, and expand our key assets with additional indications and geographies. **||**

**Kåre Schultz**

President & Chief Executive Officer

## 2019 Financial Results - Meeting all guidance targets



**Revenue**  
**\$16.9 billion**

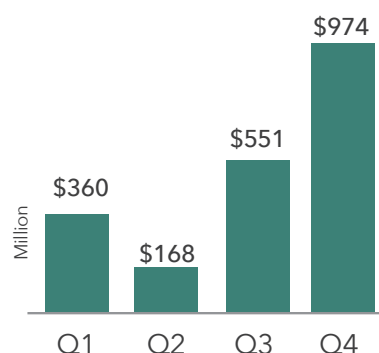
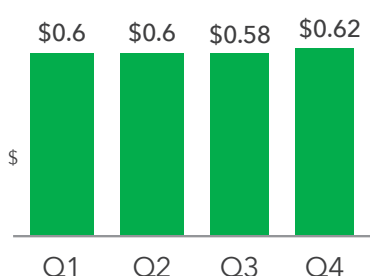
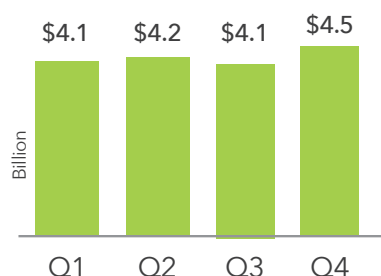


**EPS\***  
**\$2.40**



**Free Cash Flow**  
**\$2,053 million**

\* Non-GAAP Earnings Per Share

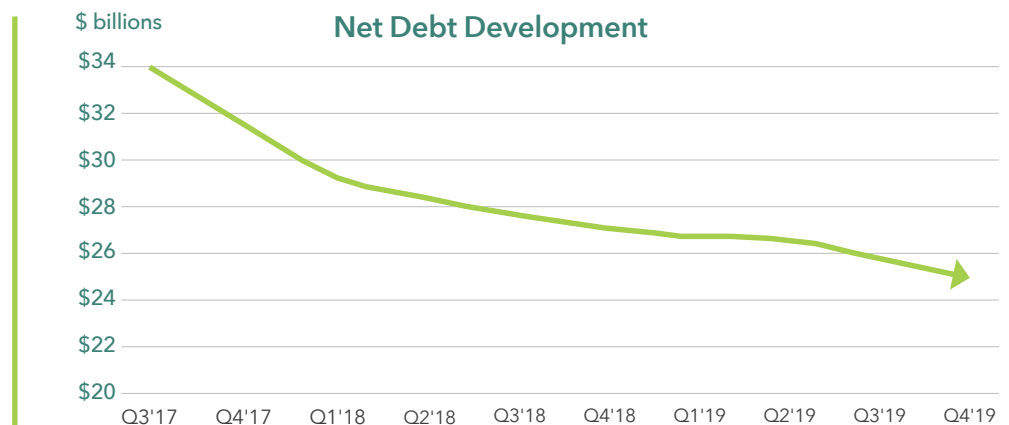


## 2-Year Restructuring Update



## Debt Management

- Reduced net debt by over \$9 Billion
- Successful refinancing; maturity profile aligned for the coming years with our core operational performance
- Net Debt to EBITDA ratio is declining



## Key Products - Leveraging our growth engines in 2019:

**AJOVY®**  
launched in several countries across the EU. Autoinjector approved in the US

**AUSTEDO®**  
continues rapid growth in US with approvals in other countries

**TRUXIMA®**  
successful US launch

**EpiPen®**  
successfully launched **EpiPen Jr®** in the US

# Looking ahead to 2020

## Our 2020 Guidance



### Revenue

**\$16.6 - \$17.0 billion**



### EPS

**\$2.30 - \$2.55**

(Non-GAAP Earnings Per Share)



### Free Cash Flow

**\$1.8 - \$2.2 billion**

## Our Global Generic Pipeline Potential

**251 ANDAs**

awaiting FDA approval

**210 bn USD**

Projected Originator value going off patent in the US from 2020 to 2030

**80%**



of originator value nominated for generic development at Teva

**Originator project pool**



Number of originator R&D projects increased to ~2,900, providing a large pool of Generic opportunities\*

**>3,000**



Teva Operations capacity to launch new SKUs every year

**~500**



Generic launches planned globally in 2020

**>1,000**

Generic products currently under development



**~45%**

of R&D investment is allocated toward complex generic projects - a large value pool remains in standard technologies

**Current pipeline**

includes >10 complex technologies e.g. MDI & DPI inhalers, peptides, liposomes, implants, transdermal patches and other

\* Source: IQVIA 2019, The changing landscape of research and development.

## Growth Products



For adults who have movement disorders related to Huntington's disease and tardive dyskinesia.

Additional research and development for movement disorders for:

- Tourette Syndrome (TS)
- Dyskinesia in Cerebral Palsy (DCP)



An injectable prescription medicine used to prevent migraine headaches in adults.

Extending outside the US into Europe and International Markets, as well as additional development programs for:

- Pediatrics (PEDS) – post approval study
- Post Traumatic Headache (PTH)
- Fibromyalgia

## Teva Specialty Product Pipeline by Development Stage

| Pre-clinical                  | Phase 1                    | Phase 2                                                 | Phase 3                                                          | Under Regulatory Review                                                            | Approved:<br>Commercial Launch<br>Planned for 2020                                          |
|-------------------------------|----------------------------|---------------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| TEV-54242<br>Respiratory      | TV- 44749<br>Schizophrenia | Fremanezumab <sup>1</sup><br>Post-Traumatic<br>Headache | Fasinumab <sup>2</sup><br>Osteoarthritic Pain                    | ArmonAir® Digihaler®<br>(fluticasone propionate)<br>(US)                           | HERZUMA®<br>(trastuzumab-pkrb)<br>Injection*<br>(US)                                        |
| TEV-53408<br>Gastrointestinal | TVB-009                    | Fremanezumab <sup>1</sup><br>Fibromyalgia               | Risperidone LAI<br>Schizophrenia                                 | GoResp® Digihaler®<br>(budesonide and<br>formoterol fumarate<br>dihydrate)<br>(EU) | ProAir® Digihaler®<br>(albuterol sulfate)<br>inhalation powder*<br>(US)                     |
| TEV-56192<br>Respiratory      |                            | Fremanezumab <sup>1</sup><br>Pain                       | Deutetrabenazine <sup>3</sup><br>Tourette Syndrome               |                                                                                    |                                                                                             |
| TV-48438<br>Schizophrenia     |                            | TEV-48574<br>Respiratory                                | Deutetrabenazine <sup>3</sup><br>Dyskinesia in<br>Cerebral Palsy |                                                                                    | AirDuo® Digihaler®<br>(fluticasone propionate/<br>salmeterol) inhalation<br>powder*<br>(US) |
| TEV-45779                     |                            | TEV-53275<br>Respiratory                                |                                                                  |                                                                                    |                                                                                             |
| TEV-54142                     |                            |                                                         |                                                                  |                                                                                    |                                                                                             |
| TEV-56194                     |                            |                                                         |                                                                  |                                                                                    |                                                                                             |
| TEV-56191                     |                            |                                                         |                                                                  |                                                                                    |                                                                                             |
| TEV-56193                     |                            |                                                         |                                                                  |                                                                                    |                                                                                             |

### TECHNOLOGY PLATFORMS

Biosimilars Novel Biologics Small Molecules Digital Respiratory

Teva specialty pipeline by development stage, excluding country / regional launches of products submitted or under review in new markets.

\*Visit <https://www.tevause.com/our-products/article-pages/Specialty-Medicines-List/> for full prescribing information for these products in the US.

Pipeline is current as of February 2020

1) These uses are investigational. Fremanezumab is approved in the United States for another indication as AJOVY® (fremanezumab-vfrm) injection\*

2) In partnership with Regeneron

3) These uses are investigational. Deutetrabenazine is approved in the United States for other indications as AUSTEDO® (deutetrabenazine) tablets\*

## Cautionary Note Regarding Forward-Looking Statements

This infographic 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; 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; competition for our specialty products, especially COPAXONE®, our leading medicine, which faces competition from existing and potential additional generic versions, competing glatiramer acetate products and orally-administered alternatives; the uncertainty of commercial success of AJOVY® or AUSTEDO®; competition from companies with greater resources and capabilities; delays in launches of new products and our ability to achieve expected results from investments in our product pipeline; ability to develop and commercialize biopharmaceutical products; efforts of pharmaceutical companies to limit the use of generics, including through legislation and regulations 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: implementation of our restructuring plan announced in December 2017; our ability to attract, hire and retain highly skilled personnel; our ability to develop and commercialize additional pharmaceutical products; compliance with anti-corruption, sanctions and trade control laws; manufacturing or quality control problems; interruptions in our supply chain; disruptions of information technology systems; breaches of our data security; variations in intellectual property laws; 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; our ability to successfully bid for suitable acquisition targets or licensing opportunities, or to consummate and integrate acquisitions; our prospects and opportunities for growth if we sell

assets and potential difficulties related to the operation of our new global enterprise resource planning (ERP) system;

- compliance, regulatory and litigation matters, including: our ability to reach a final resolution of the remaining opioid-related litigation; 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, 2019, including in the sections captioned "Risk Factors" and "Forward-looking statements." 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 infographic includes certain non-GAAP financial measures as defined by SEC rules. Please see our press release reporting our 2019 fourth quarter and annual financial results, as well as our Annual Report on Form 10-K and subsequent filed reports, 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.