

Teva Pharmaceutical Industries Ltd. Fourth Quarter 2019 Results

February 12, 2020



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; 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 and subsequent filed reports, 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 presentation 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.

Kåre Schultz

Chief Executive Officer



Strong Results and Execution in 2019

Financial Highlights

Met all components of 2019 guidance including:

- Revenues of \$16.9 billion*
- Non-GAAP EBITDA of \$4.7 billion
- Non-GAAP EPS of \$2.40
- Free cash flow of \$2.05 billion

Business Highlights

- AUSTEDO® rapid growth continues
- Launched AJOVY® in the EU; Autoinjector approved in the U.S.
- Continued to manage decline of COPAXONE® in the U.S.
- Steady flow of generic launches including biosimilar TRUXIMA®
- Published our first-ever Global Economic Impact report

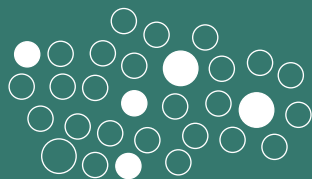
2018-2019: Restructuring

13



manufacturing sites
closed or divested

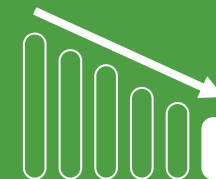
10



manufacturing sites in
the process of being
closed or divested



>\$3bn



spend base
reduction achieved

40



offices and
laboratories closed

~13,000

full time employee
reduction



full operational
capacity maintained

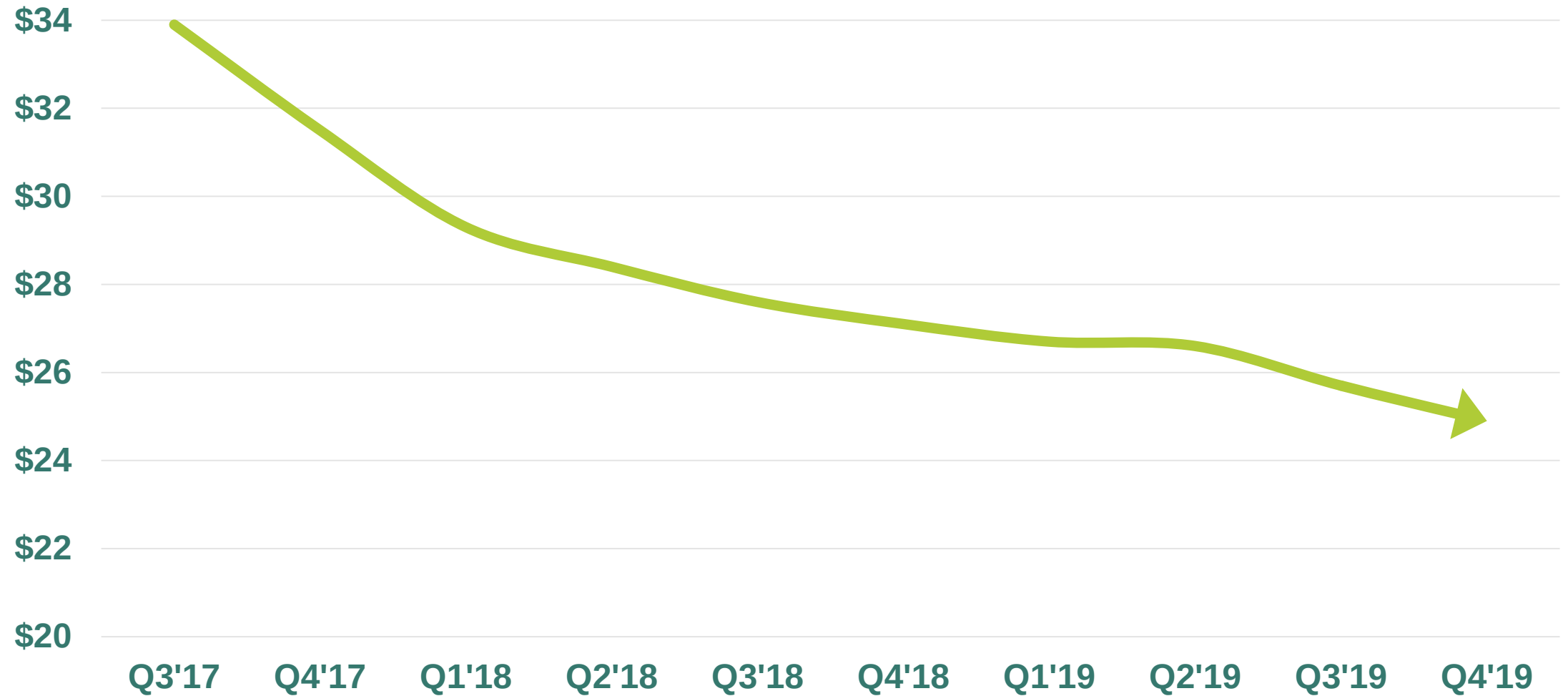


The Scope of Restructuring



Net Debt Development

\$ billions



Successful Refinancing



by **CALCALIST**

Teva Raises \$2.1 Billion in Debt Tender Offer

Teva originally aimed to raise \$1.5 billion, to redeem previous debentures it raised to finance the \$40.5 billion acquisition of Actavis in 2016

Sophie Shulman 09:50 20.11.19

TAGS: [Teva](#) [Debt](#) [Tender](#) [Bonds](#)

Teva Pharmaceutical Industries Ltd. [announced](#) on Tuesday it has completed its debt tender [offer](#) opened earlier this month, upsizing it from the \$1.5 billion it aimed to raise to \$2.1 billion. The company announced the tender to redeem previous debentures it raised to fund the \$40.5 billion acquisition of Actavis in 2016.



Teva Announces Early Tender Results of its Debt Tender Offer and Election of Early Settlement

November 25, 2019 08:00 AM Eastern Standard Time

JERUSALEM--(BUSINESS WIRE)--Teva Pharmaceutical Industries Ltd. (NYSE and TASE: TEVA) ("Teva") announced today the early tender results in connection with its previously announced tender offers (the "Offers") to purchase for cash for a combined aggregate purchase price (exclusive of accrued and unpaid interest but inclusive of tender premium) of up to \$1,500,000,000 (the "Maximum Amount") of the following series of notes issued by finance subsidiaries of Teva and guaranteed by Teva:

- 2.200% Senior Notes due 2021, CUSIP 88167AAC5 / ISIN US88167AAC53, issued by Teva Pharmaceutical Finance Netherlands III B.V. (the "Priority 1 Notes");
- 3.650% Senior Notes due 2021, CUSIP 88165F AF9 / ISIN US88165FAF99, issued by Teva Pharmaceutical Finance Company B.V. (the "Priority 2 Notes"); and
- 3.650% Senior Notes due 2021, CUSIP 88166J AA1 / ISIN US88166JAA16, issued by Teva Pharmaceutical Finance IV B.V. (the "Priority 3 Notes", and together with the Priority 1 Notes and the Priority 2 Notes, the "Notes").

GlobalCapital

Teva ups dosage to \$2.1bn as investors devour pharma bond

By Karoliina Liimatainen 20 Nov 2019

Israeli-US pharmaceutical company Teva has priced a \$2.1bn bond package at the tighter end of initial price thoughts. Although Teva is still to sign a binding global settlement on its involvement in the opioid crisis, investors were happy to jump aboard a rare double-B issue yielding as much as 7%.

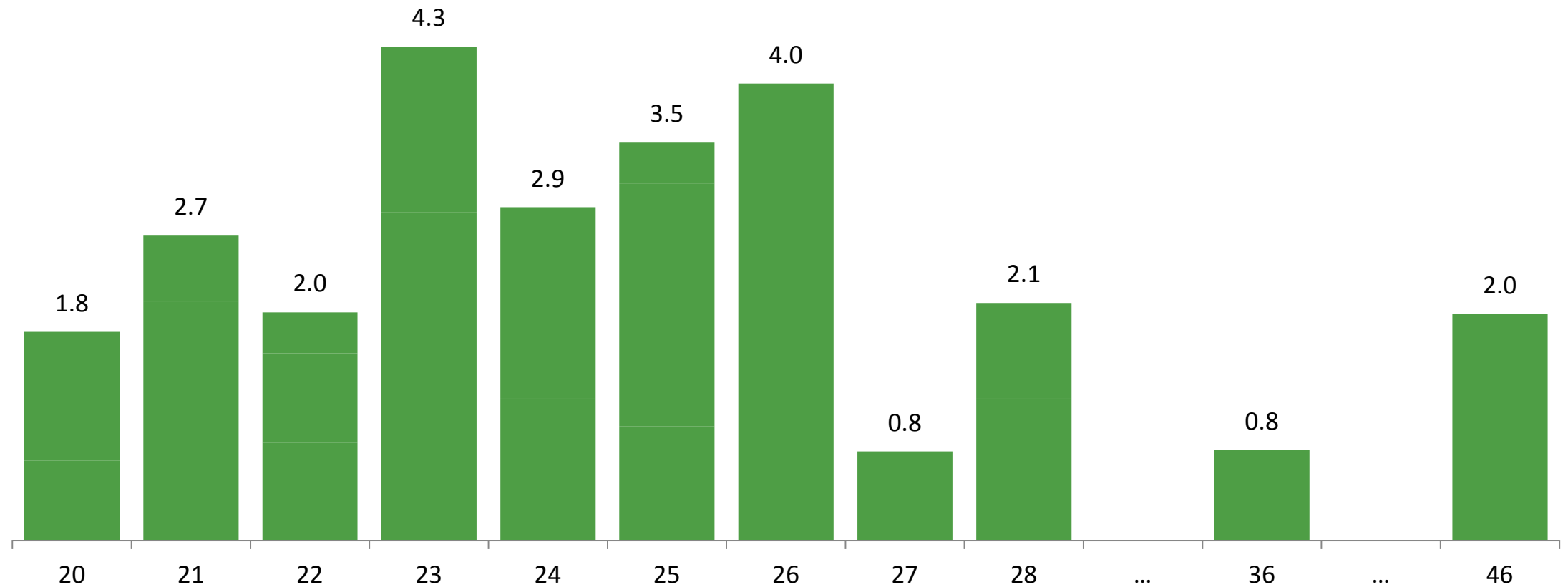


Liquidity and cash flow will cover bond repayments due in the next 3 years

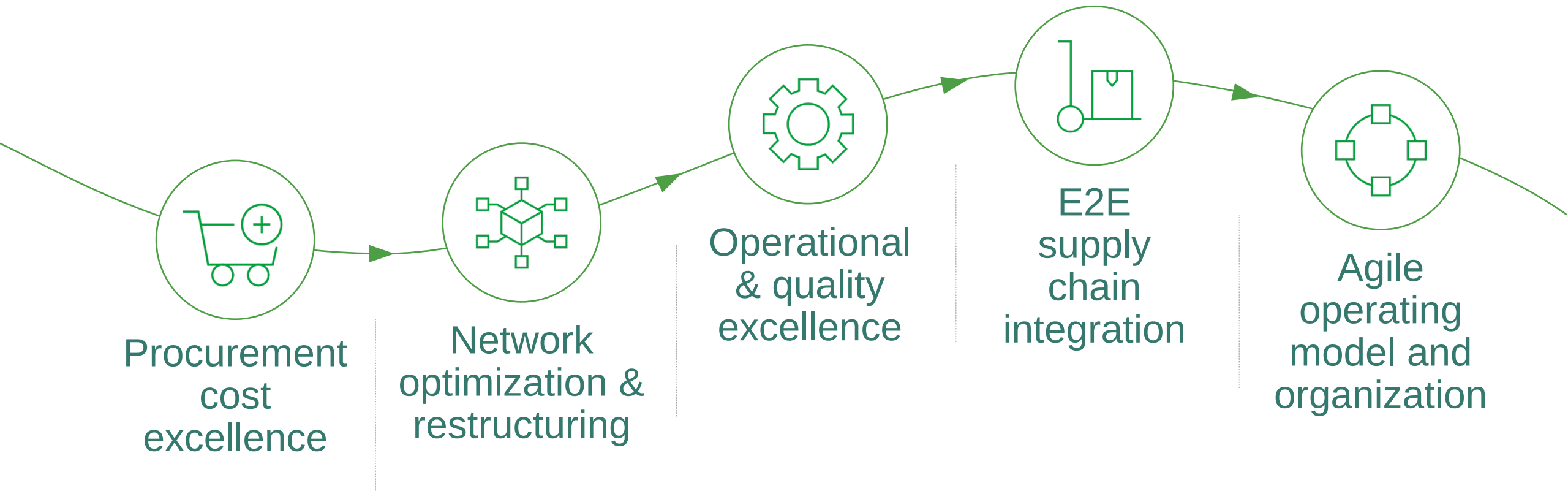
Net debt to EBITDA ratio is declining
Q219 - 5.72x
Q319 - 5.62x
Q419 - 5.32x

Debt Structure as of December 31, 2019

\$ billions

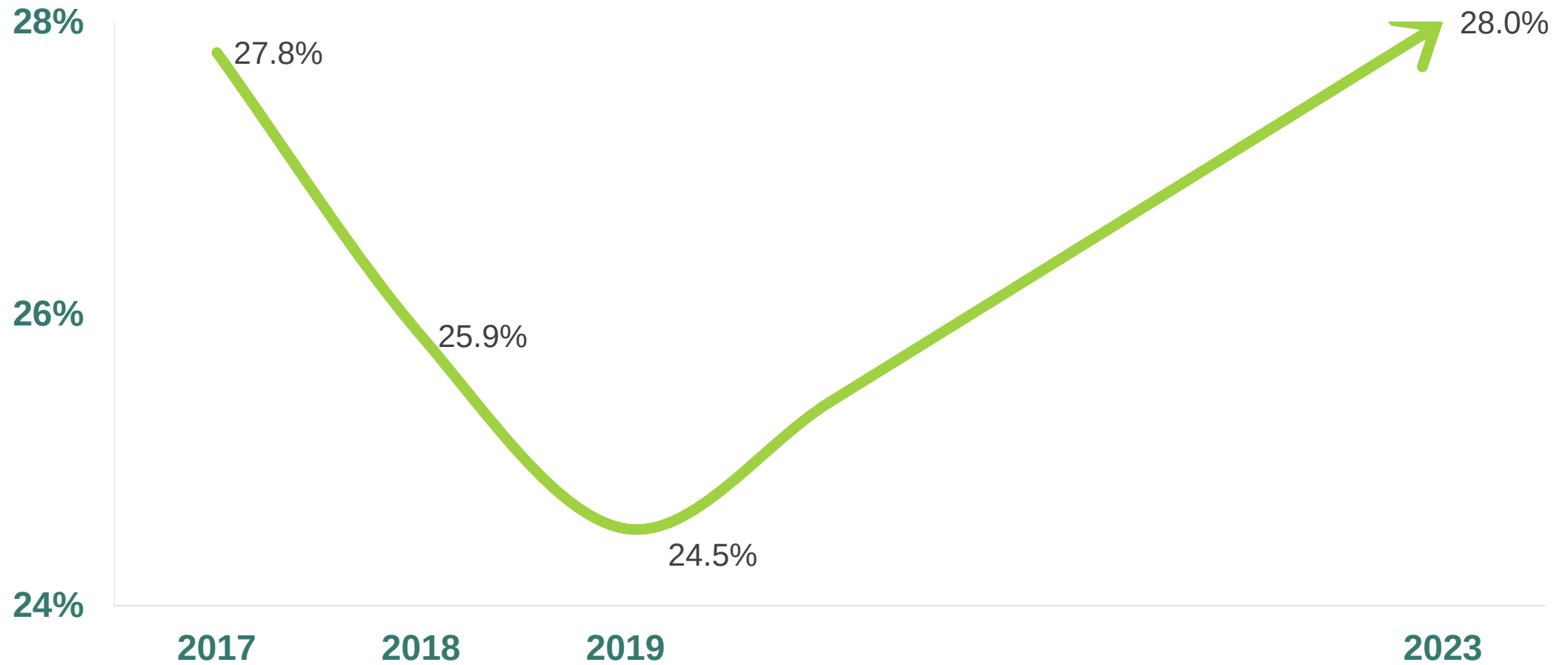


Gross Margin Improvement Program focused on 5 key levers



Operating Margin Expansion

Non-GAAP operating margin %



Growth Drivers



Austedo®
(deutetrabenazine)
6 mg, 9 mg, and 12 mg tablets

AJOVY®
(fremanezumab-vfrm)
injection 225 mg/1.5 mL



Additional Development for Movement Disorders

Tourette Syndrome (TS)

- Epidemiology: 840,000 patients in the U.S. of which 52% are pediatric (aged 6-16) and 25% diagnosed with TS.¹
- Target Population is 61,000 diagnosed, pediatric patients with moderate-severe symptoms.¹
- Potentially the first-in-class non-antipsychotic treatment for TS
- Currently in phase III, results expected in Q1 2020

Dyskinesia in Cerebral Palsy (DCP)

- Epidemiology: 740,000 cerebral palsy patients in the U.S. of which 6% dyskinetic, and 80% pediatric (6 to 18)¹
- Target Population is 15,000 patients aged 6-18 with moderate-severe DCP¹
- Potential to be 1st approved product for DCP
- Currently in phase III, results expected in 2021

For Migraine Extending Outside the US

Europe

- Launched with reimbursement in multiple markets throughout Europe
- Available in multiple countries in Europe
- Full reimbursement currently in 5 countries; reimbursement decisions expected for additional countries in Q1 2020
- Approximately 3.7 million people in the EU are diagnosed with Chronic Migraine/Episodic Migraine and receiving preventive treatment
- Autoinjector approved; Germany will be the first launch market in early Q2 2020

International Markets

- Positive data reported by Otsuka (AJOVY[®] partner) in Japan
- Filed for marketing authorization in 15 markets with approval in 4 (Australia, Brazil, Russia and Israel)
- Expect to generate revenue in several markets in 2020

Additional Development Programs

New indications development currently in phase II,
results expected in 2021

Pediatrics (PEDS) – Post Approval Study

Post Traumatic Headache (PTH):

- Approximately 1.9 million people in the US are estimated to develop PTH following a brain injury
- Potential to be the first product approved for PTH

Fibromyalgia:

- Over 7 million patients diagnosed in the G7 markets, however fibromyalgia is primarily recognized in the US
- Approximately 30% overlap with migraine patients

Teva Specialty Product Pipeline

by development stage - February 2020

TECHNOLOGY PLATFORMS

Biosimilars

Novel
Biologics

Small
Molecules

Digital
Respiratory

Pre-clinical

Phase 1

Phase 2

Phase 3

Under Regulatory Review

Approved: Commercial Launch Planned for 2020

TEV-54242
Respiratory

TEV-53408
Gastrointestinal

TEV-56192
Respiratory

TV-48438
Schizophrenia

TEV-45779

TEV-54142

TEV-56194

TEV-56191

TEV-56193

TV-44749
Schizophrenia

TVB-009

Fremanezumab¹
Post-Traumatic
Headache

Fremanezumab¹
Fibromyalgia

Fremanezumab¹
Pain

TEV-48574
Respiratory

TEV-53275
Respiratory

Fasinumab²
Osteoarthritic Pain

Risperidone LAI
Schizophrenia

Deutetrabenazine³
Tourette Syndrome

Deutetrabenazine³
Dyskinesia in
Cerebral Palsy

ArmonAir® Digihaler®
(fluticasone propionate)
(US)

GoResp® Digihaler®
(budesonide and
formoterol fumarate
dihydrate)
(EU)

HERZUMA®
(trastuzumab-pkrb)
Injection*
(US)

ProAir® Digihaler®
(albuterol sulfate)
inhalation powder*
(US)

AirDuo® Digihaler®
(fluticasone propionate/
salmeterol) inhalation
powder*
(US)

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

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

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*

Global Generic Pipeline Potential

251 ANDAs awaiting
FDA approval

\$210 billion



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

80%



of originator value nominated
for Gx development at Teva



**Originator
project pool**

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

>3000



Teva operations capacity to launch
new SKUs every year

~500



Gx launches
planned
globally in
2020

>1,000

Generic products
currently under
development

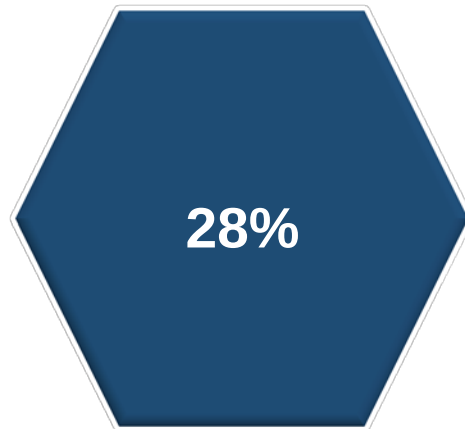
~45% of R&D investment is
allocated toward complex generic
projects – a large value pool remains
in standard technologies

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

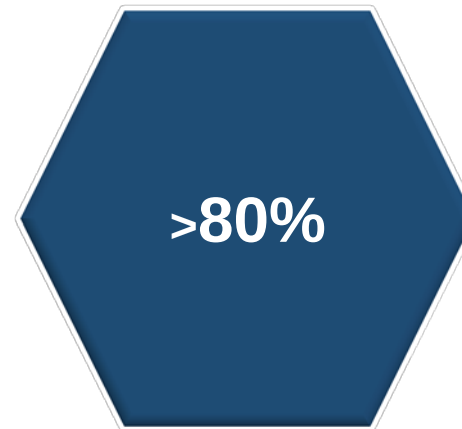
Long-Term Financial Targets

To be achieved by year-end 2023

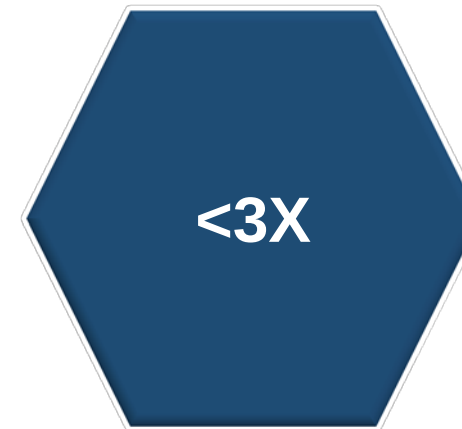
Operating Income Margin ⁽¹⁾⁽²⁾⁽³⁾



Cash-to-earnings ⁽¹⁾⁽⁴⁾



Net debt/EBITDA ⁽¹⁾⁽⁵⁾



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

(1) 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.

(2) Operating income margin = Non-GAAP operating income divided by net revenues. Increased to 28% vs. 27% due to the revision in revenue as described in slide 29-30.

(3) All measures including operating income, EBITDA and earnings are presented on a non-GAAP basis.

(4) Cash to earnings = Free cash flow divided by non-GAAP net income attributable to ordinary shareholders.

(5) Net debt/EBITDA = Net debt/non-GAAP EBITDA.

Eli Kalif

EVP & Chief Financial Officer



Q4 2019 Summary

\$ millions, except EPS	Q4 2019	Q4 2018	Q4 2019	Q4 2018
	GAAP		Non-GAAP	
Revenues*	4,468	4,418	4,468	4,418
Operating income (loss)	148	(3,164)	1,061	946
Net income (loss) attributable to Teva's ordinary shareholders	110	(2,940)	683	543
Earnings (loss) per share (\$)	0.10 1,094 million shares	(2.85) 1,031 million shares	0.62 1,094 million shares	0.53 1,034 million shares

Non-GAAP Adjustments

\$ millions	Q4 2019	FY 2019	Q4 Comments
Impairment items*	477	1,653	Mainly U.S. intangible assets related to the acquisition of Actavis Generics (\$259 million in Q4 2019)
Amortization	290	1,113	Quarterly run-rate
Restructuring	59	199	
Contingent consideration*	51	151	
Equity compensation plans	19	123	
Legal Related Items	7	1,178	
Lenalidomide	4	33	
Other items	(6)	132	
Minority	(54)	(82)	
Tax items effect	(274)	(875)	
Total adjustments	573	3,625	

* Excluding Lenalidomide

Q4 2019 Non-GAAP Summary

\$ billions, except EPS	Q4 2019	Q4 2018	Change
Revenues*	4.5	4.4	1%
Gross profit	2.3 50.6%	2.3 52.7%	(3%)
Operating income	1.1 23.8%	0.9 21.4%	12%
EBITDA	1.2	1.1	10%
Net income attributable to Teva's ordinary shareholders	0.7	0.5	26%
EPS (\$)	0.62 1,094 million shares	0.53 1,034 million shares	18%
Free cash flow**	1.0	0.5	87%

* Revenues reflect the revision related to the Israeli distribution business, with the change from gross to net basis.

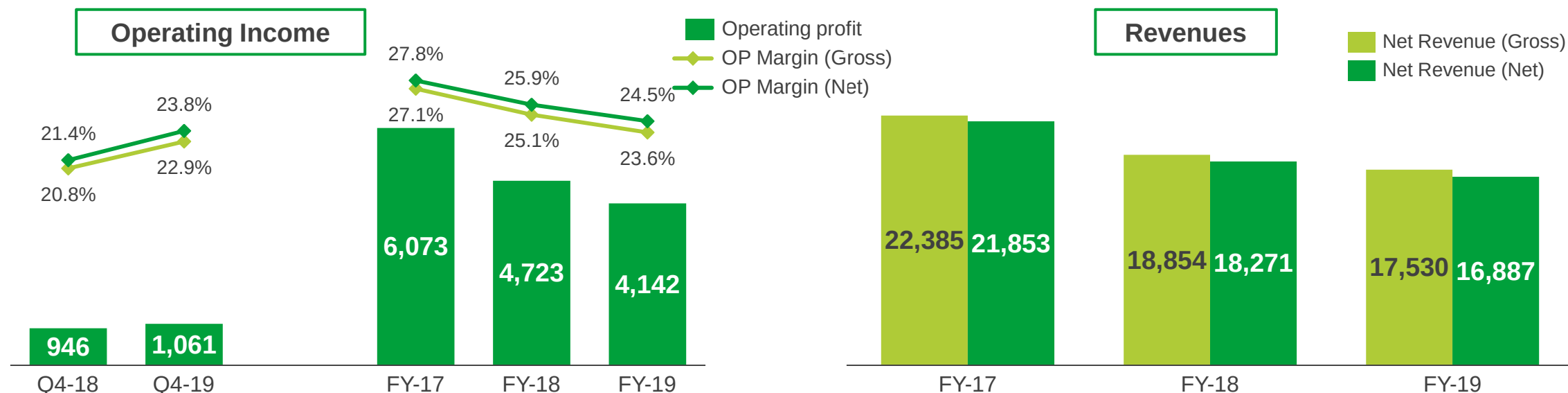
** Free cash flow includes cash flow generated from operating activities net of capital expenditures and deferred purchase price cash component collected for securitized trade receivables.

Revenue Revision

- Revenue revised for the Israeli distribution business from gross basis to net basis due to immaterial error in the presentation.
- Part of the International Markets reporting segment which facilitates distribution of Teva and third party products to pharmacies, hospitals and other organizations in Israel.
- Revision for annual and interim financial statements for 2017, 2018 and the first three quarters of fiscal year 2019 were not material, individually or in the aggregate.
- Historical consolidated statements revised with respect to net revenue and cost of sales.
- No impact on gross profit, operating income or earnings per share for the related periods.
- No impact on balance sheet or statement of cash flow for the related periods.

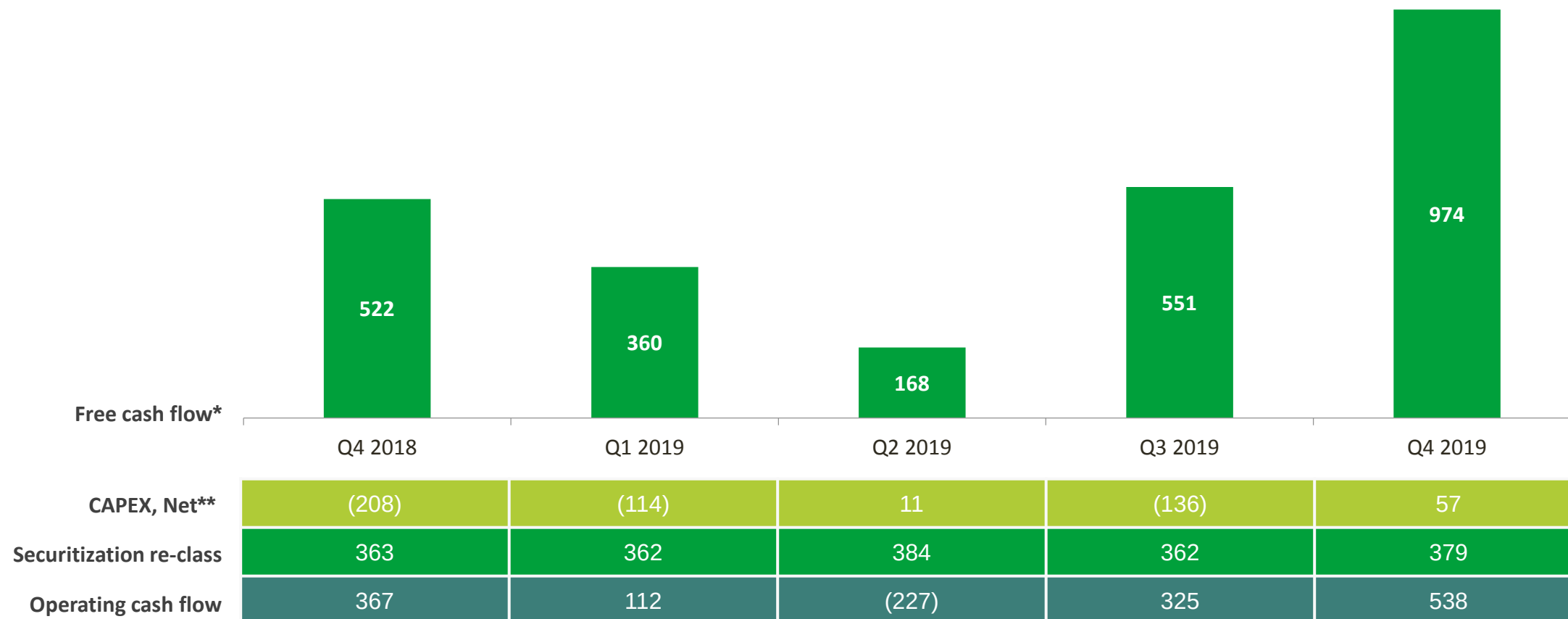
Revenue Revision Impact - 2017, 2018, 2019

\$ millions, except EPS	2017 Gross	2017	2018 Gross	2018	2019 Gross	2019
Revenues	22,385	21,853	18,854	18,271	17,530	16,887
Non-GAAP Operating Income	6,073	6,073	4,723	4,723	4,142	4,142
Non-GAAP EBITDA	6,684	6,684	5,319	5,319	4,685	4,685
Non-GAAP EPS	4.01	4.01	2.92	2.92	2.40	2.40
Free cash flow	2,693	2,693	3,679	3,679	2,053	2,053



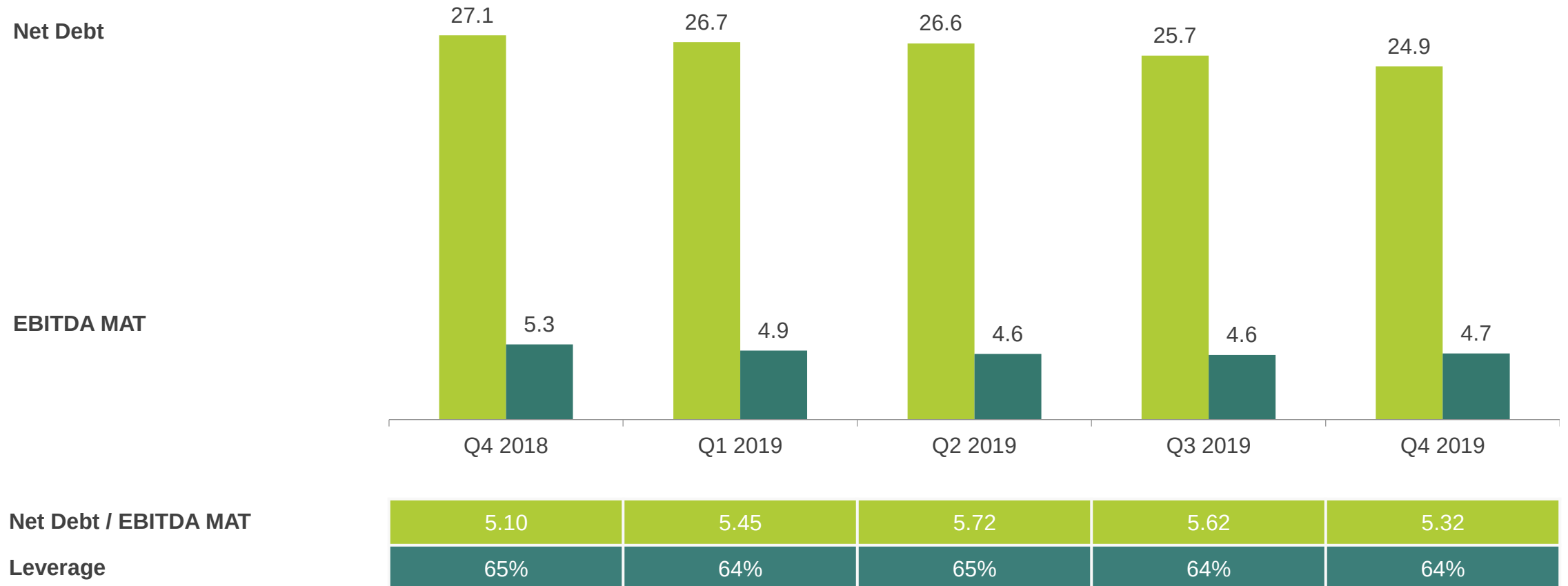
Free Cash Flow

\$ millions



Liquidity

\$ billions



2019 Guidance Development

\$ billions except EPS	FY 2018	February Guidance	November Guidance	2019 Results Prior to Revision	FY 2019
Revenues	18.3	17.0 - 17.4 ⁽¹⁾	17.2 - 17.4 ⁽¹⁾	17.5⁽¹⁾	16.9
Non-GAAP Operating Income	4.7	3.8 - 4.2	4.0 - 4.2	4.1	4.1
Non-GAAP EBITDA	5.3	4.4 - 4.8	4.5 - 4.8	4.7	4.7
Non-GAAP EPS (\$)	2.92	2.20 - 2.50	2.30 - 2.50	2.40	2.40
Free cash flow	3.7	1.6 - 2.0	1.7 - 2.0	2.1	2.1
Cash-to-earnings	114% ⁽²⁾			78%⁽³⁾	78%⁽³⁾

(1) - Guidance doesn't include the revision related to the Israeli distribution business with the change from gross to net basis; when including the revision, revenues are above the guidance range.

(2) - 2018 cash-to-earnings excluding one-time legal proceeds: 82%.

(3) - 2019 cash-to-earnings excluding one-time asset sales and swaps unwind proceeds: 66%.

2020 Outlook - Main Assumptions

Product / Business	FY 2019	Commentary for 2020
Global Copaxone	\$1.5 billion	Continued generic erosion; revenues of ~\$1.2 billion
AUSTEDO®	\$412 million	Continued increase of revenues in the U.S. to ~\$650 million
Global AJOVY®	\$96 million	Continued increase of revenues to ~\$250 million
Foreign Exchange		Moderate negative impact on revenues and operating profit vs. 2019
Non-GAAP Tax Rate	18%	17% - 18%
CAPEX	\$0.5 billion	\$0.6 billion

2020 Non-GAAP Outlook

\$ billions, except EPS	2020 Outlook	FY 2019
Revenues*	16.6 - 17.0	16.9
Operating Income	4.0 - 4.4	4.1
EBITDA	4.5 - 4.9	4.7
EPS (\$)	2.30 - 2.55 1,098 million shares	2.40 1,094 million shares
Free Cash Flow**	1.8 - 2.2	2.1

* Revenues reflect the revision related to the Israeli distribution business, with a change from gross to net 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.

Q&A

Additional Information

2019 Summary

\$ millions, except EPS	2019	2018	2017	2019	2018	2017
	GAAP			Non-GAAP		
Revenues*	16,887	18,271	21,853	16,887	18,271	21,853
Gross profit	7,537	8,296	10,615	8,702	9,546	12,034
Operating income (loss)	(443)	(1,637)	(17,484)	4,142	4,723	6,073
Net income (loss) attributable to Teva's ordinary shareholders	(999)	(2,399)	(16,525)	2,627	2,985	4,075
Earnings (loss) per share (\$)	(0.91) 1,091 million shares	(2.35) 1,021 million shares	(16.26) 1,016 million shares	2.40 1,094 million shares	2.92 1,024 million shares	4.01 1,018 million shares

Quarterly GAAP Income Statement

\$ millions, except EPS	Q4 2019	Q4 2019 Margins	Q4 2018	Q4 2018 Margins	Change
Revenues*	4,468		4,418		1%
COGS*	2,510	56.2%	2,447	55.4%	3%
Gross profit	1,958	43.8%	1,971	44.6%	(1%)
R&D	232	5.2%	295	6.7%	(21%)
S&M	706	15.8%	797	18.0%	(11%)
G&A	318	7.1%	344	7.8%	(7%)
Legal settlements and loss contingencies	7	0.2%	31	0.7%	(76%)
Impairments, restructuring and others	593	13.3%	3,625	82.0%	(84%)
Other income	(47)	(1.1%)	43	1.0%	n/a
Operating income	148	3.3%	(3,164)	(71.6%)	n/a
Finance exp.	186	4.2%	223	5.0%	(16%)
Tax	(119)	310.6%	(139)	4.1%	(15%)
Minority and share in profit (loss)	(29)	(0.7%)	(362)	(8.2%)	(92%)
Net income attributable to Teva	110	2.5%	(2,886)	(65.3%)	n/a
Dividends on preferred shares	-		54		
Net income attributable to ordinary shareholders	110		(2,940)		
# of shares (diluted, millions)	1,094		1,031		
Earnings (loss) per share (\$)	0.10		(2.85)		n/a

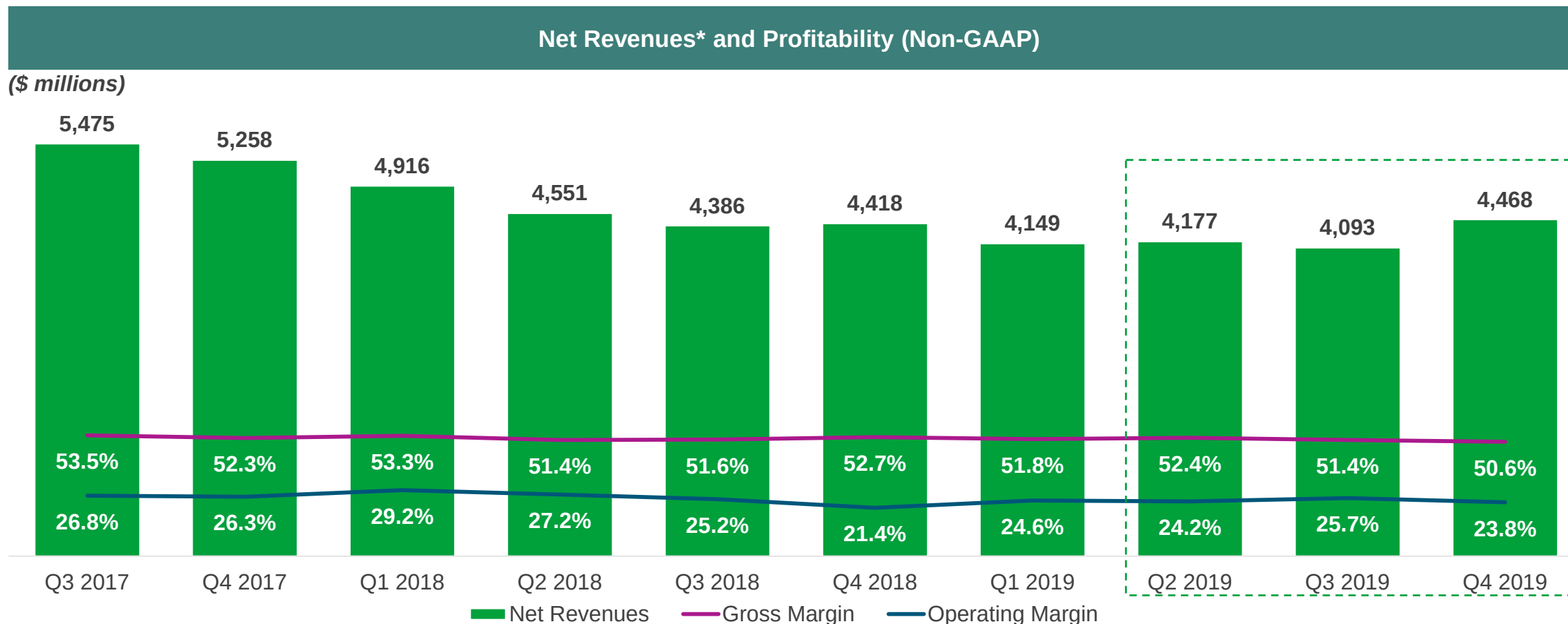
Some amounts may not sum due to rounding.

2019 GAAP Income Statement

\$ millions, except EPS	FY 2019	FY 2019 Margins	FY 2018	FY 2018 Margins	Change
Revenues*	16,887		18,271		(8%)
COGS*	9,351	55.4%	9,975	54.6%	(6%)
Gross profit	7,537	44.6%	8,296	45.4%	(9%)
R&D	1,010	6.0%	1,213	6.6%	(17%)
S&M	2,614	15.5%	2,916	16.0%	(10%)
G&A	1,192	7.1%	1,298	7.1%	(8%)
Legal settlements and loss contingencies	1,178	7.0%	(1,208)	(6.6%)	n/a
Impairments, restructuring and others	2,062	12.2%	6,005	32.9%	(66%)
Other income	(76)	(0.5%)	(291)	(1.6%)	(74%)
Operating income	(443)	(2.6%)	(1,637)	(9.0%)	(73%)
Finance exp.	822	4.9%	959	5.2%	(14%)
Tax	(278)	21.9%	(195)	7.5%	42%
Minority and share in profit (loss)	12	0.1%	(251)	(1.4%)	n/a
Net income attributable to Teva	(999)	(5.9%)	(2,150)	(11.8%)	(54%)
Dividends on preferred shares	-		249		
Net income attributable to ordinary shareholders	(999)		(2,399)		
# of shares (diluted, millions)	1,091		1,021		
Earnings (loss) per share (\$)	(0.91)		(2.35)		(61%)

Some amounts may not sum due to rounding.

Stabilized Net Revenue and Profitability (1/2)⁽¹⁾

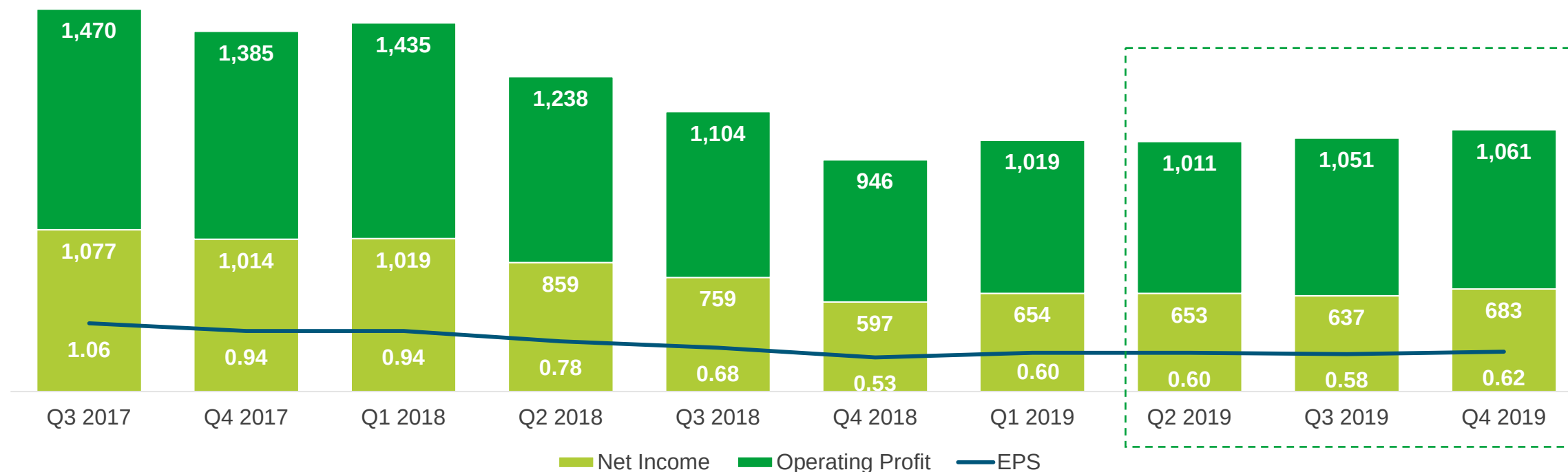


(1) Source: Company filings.

Stabilized Net Revenue and Profitability (2/2)⁽¹⁾

Profits and EPS (Non-GAAP)

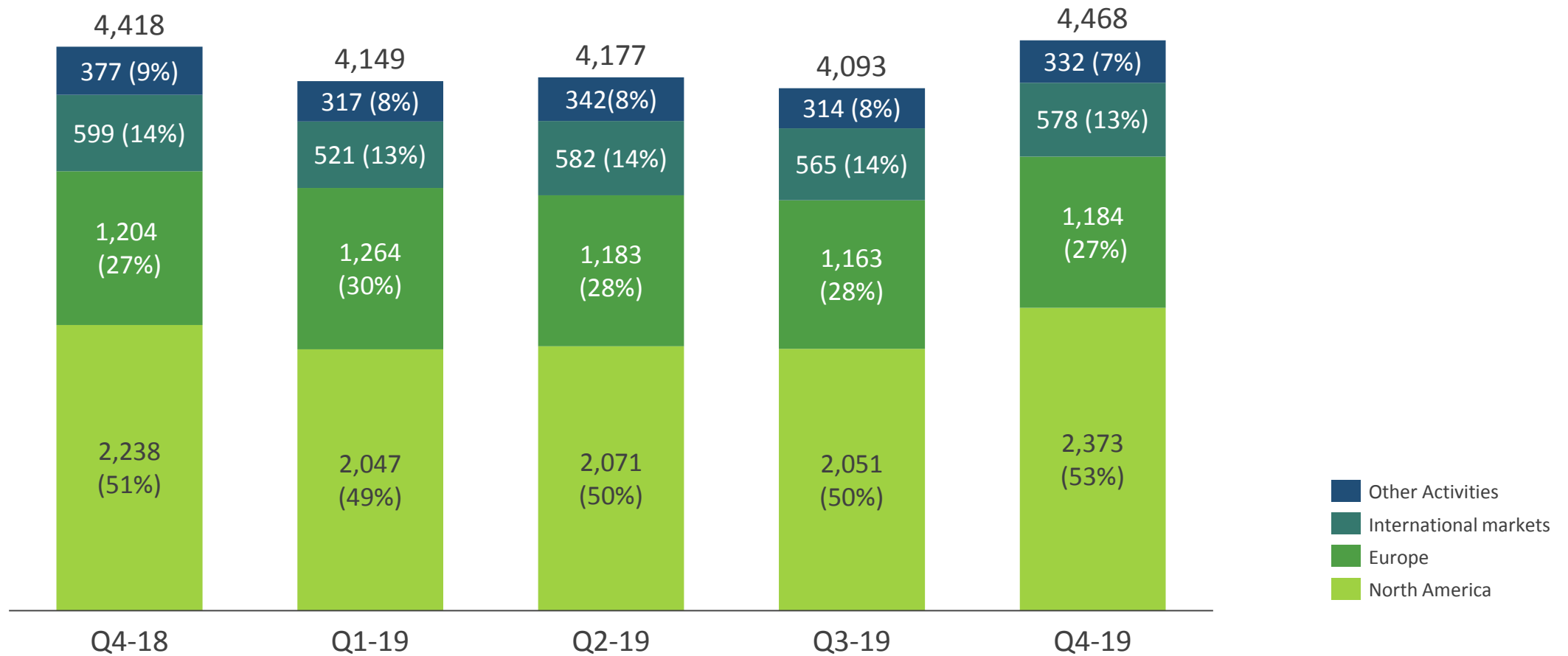
(\$ millions, EPS in \$)



(1) Source: Company filings.

Q4 2019 Revenues Trend

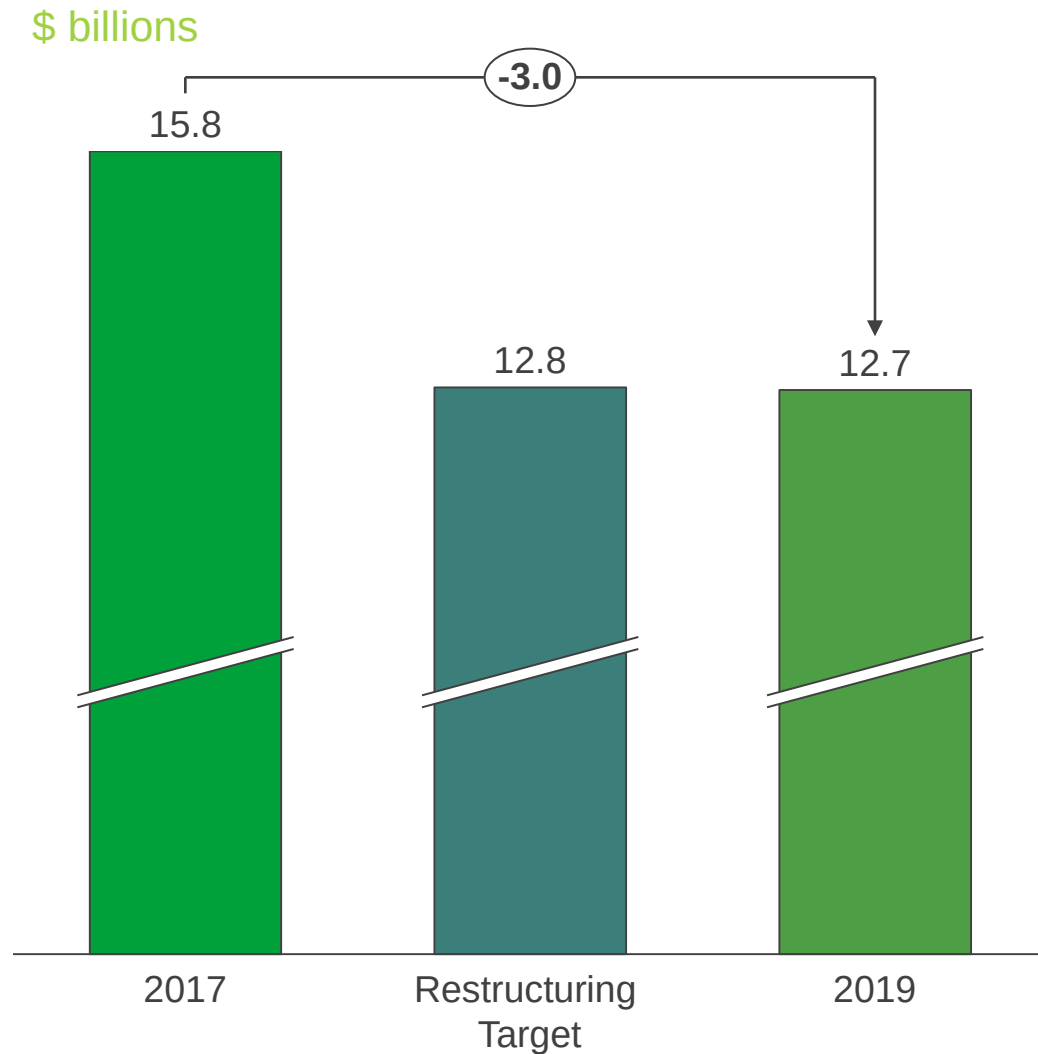
\$ millions



Revenues by Activity and Geographical Area

\$ millions	Q4-18	Q1-19	Q2-19	Q3-19	Q4-19	FY 18	FY 19
North America Segment	2,238	2,047	2,071	2,051	2,373	9,297	8,542
Generic Medicines	1,099	966	946	914	1,137	4,056	3,963
COPAXONE	356	208	274	271	264	1,759	1,017
AJOVY	3	20	23	25	25	3	93
BENDEKA and TREANDA	140	122	125	124	125	642	496
ProAir*	45	59	65	71	80	397	274
QVAR	9	64	60	60	67	182	250
AUSTEDO	68	74	96	105	136	204	412
Distribution	363	379	351	351	412	1,347	1,492
Other	154	155	131	131	128	708	546
Europe Segment	1,204	1,264	1,183	1,163	1,184	5,186	4,795
Generic Medicines	844	919	844	836	871	3,593	3,470
COPAXONE	118	114	107	106	106	535	432
Respiratory products	90	91	89	87	86	402	354
Other	152	140	143	134	122	656	539
International Markets Segment**	599	521	582	565	578	2,422	2,246
Generic Medicines	499	441	489	474	489	2,022	1,893
COPAXONE	20	13	13	20	17	72	63
Distribution**	5	5	5	5	6	19	20
Other	76	62	75	66	67	309	271
Other	377	317	342	314	332	1,366	1,304
Total Teva**	4,418	4,149	4,177	4,093	4,468	18,271	16,887

Spend Base Restructuring Achievement



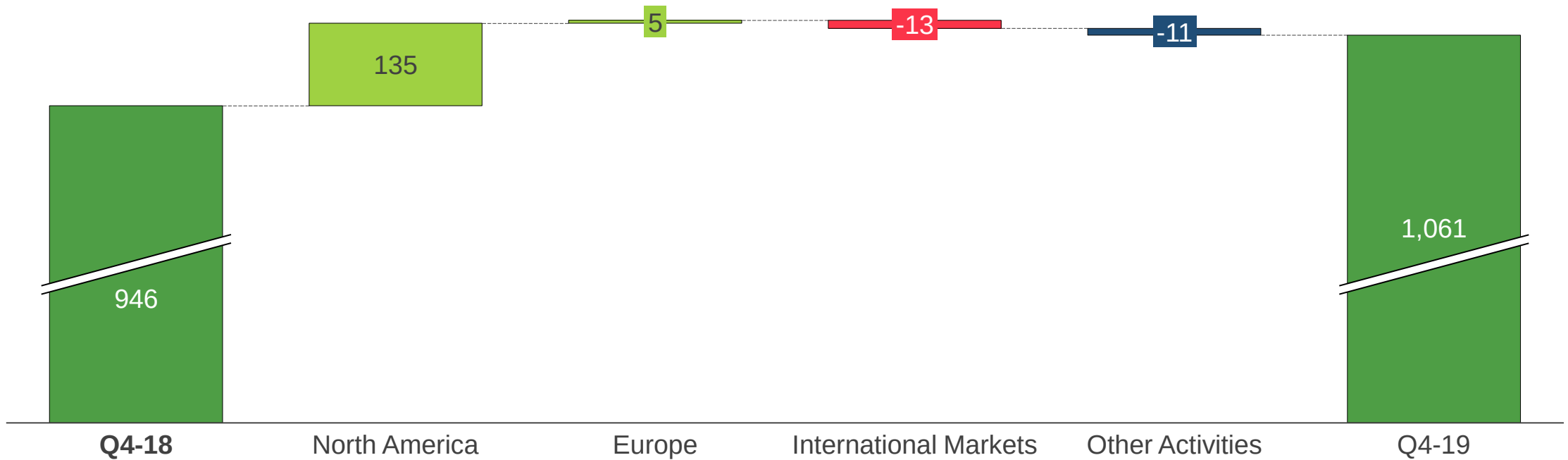
- Teva achieved its restructuring target to reduce spend base level by \$3 billion in two years, concluding 2019 with a spend base level of \$12.7 billion
- FTE reduced by ~13,000 since the start of the restructuring plan
- Reduced the number of manufacturing facilities by 15 since 2017 to 65

Spend Base Trend (Non-GAAP)

\$ millions	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
COGS	2,090	1,999	1,989	1,990	2,206
S&M	768	602	621	551	665
R&D	289	255	271	242	237
G&A	330	280	286	270	309
Other income	(5)	(6)	(0)	(11)	(9)
Total	3,472	3,130	3,167	3,042	3,406

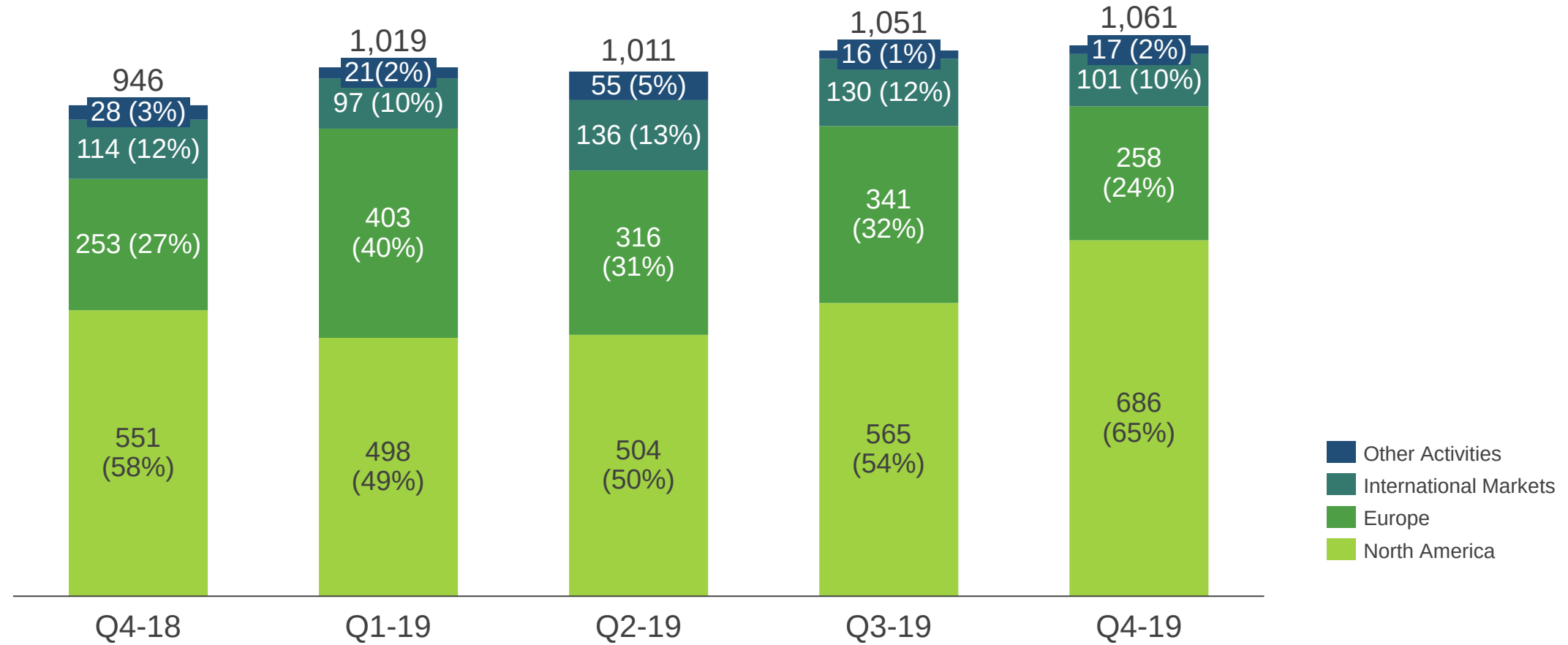
Quarterly Non-GAAP Operating Income

\$ millions



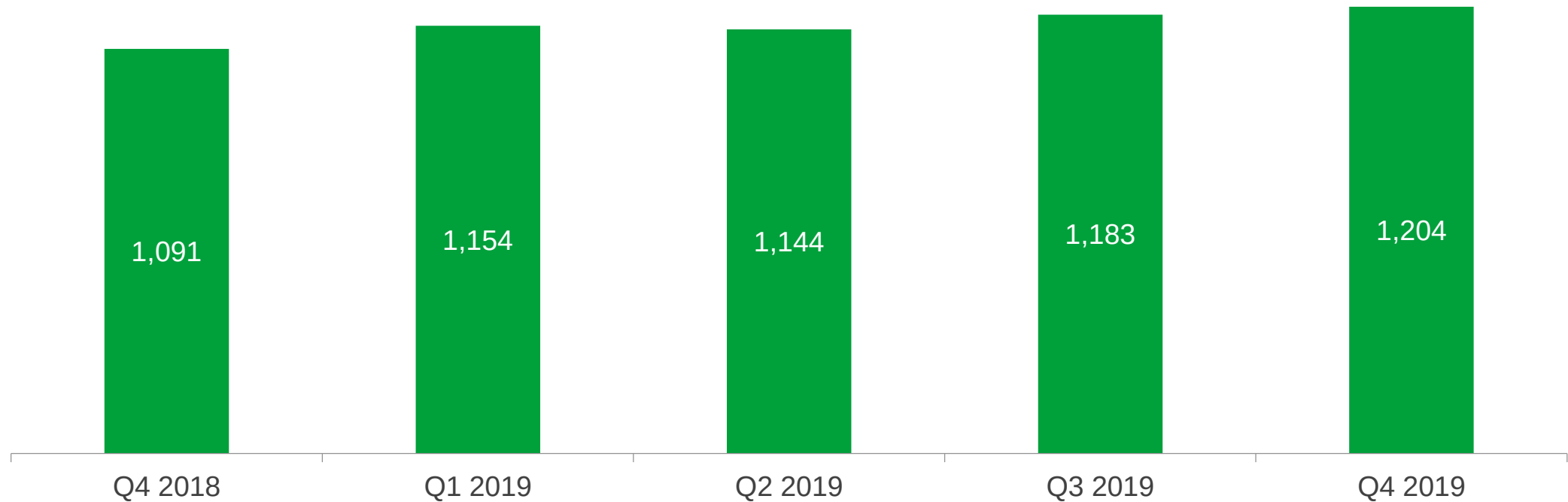
Quarterly Non-GAAP Operating Income

\$ millions



Quarterly EBITDA

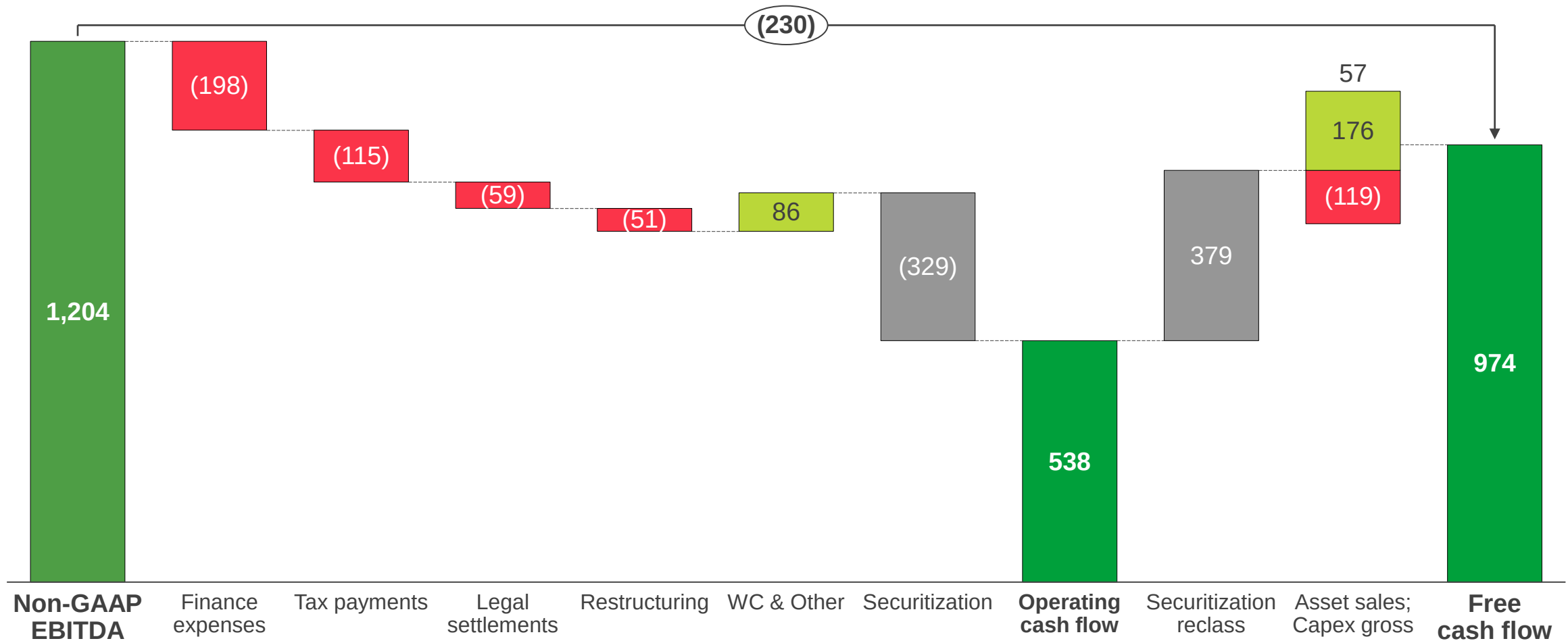
\$ millions



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

Q4 2019 EBITDA to Free Cash Flow

\$ millions



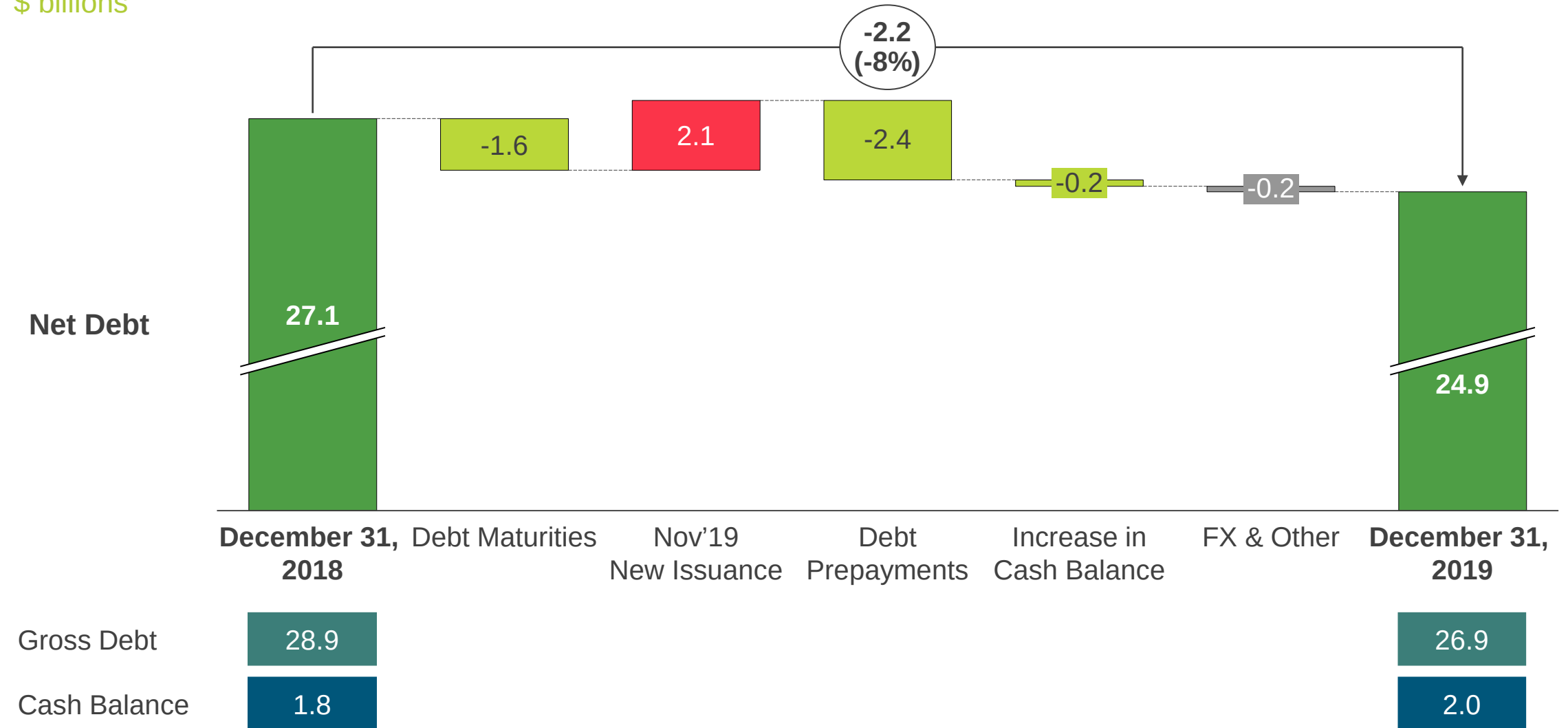
Consolidated Balance Sheet

\$ billions	Dec 31, 2019	Dec 31, 2018	Diff
Cash and Cash Equivalents	2.0	1.8	0.2
AR Trade	5.7	5.8	(0.1)
Pre-paid Expenses and Other Current Assets	1.9	1.5	0.4
Inventory	4.4	4.7	(0.3)
Fixed Assets	6.4	6.9	(0.4)
Intangible Assets	11.2	14.0	(2.8)
Goodwill	24.8	24.9	(0.1)
Other Long Term Assets	1.0	1.1	(0.1)
Total Assets	57.5	60.7	(3.2)
AP Trade	1.7	1.9	(0.1)
SR&A	6.2	6.7	(0.6)
AP Other	3.5	3.5	(0.1)
Total Debt (ST+LT)	26.9	28.9	(2.0)
Other Long Term Liabilities	4.2	3.9	0.3
Minority	1.1	1.1	0.0
Teva Shareholders' Equity	14.0	14.7	(0.7)
Total Liabilities & Equity	57.5	60.7	(3.2)

Some amounts may not sum due to rounding.

2019 Net Debt Movements

\$ billions



teva

