

Teva Pharmaceutical Industries Ltd.

Fourth Quarter and Full Year 2017 Results

February 8, 2018

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 generics medicines business, including: that we are substantially more dependent on this business, with its significant attendant risks, following our acquisition of Allergan plc's worldwide generic pharmaceuticals business; 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 generic products, both from competing products and increased regulation; delays in launches of new generic products; our ability to take advantage of high-value biosimilar opportunities; efforts of pharmaceutical companies to limit the use of generics including through legislation and regulations; the difficulty and expense of obtaining licenses to proprietary technologies; returns, allowances and chargebacks; and investigations of the calculation of wholesale prices;
 - our specialty medicines business, including: competition for our specialty products, especially COPAXONE®, our leading medicine, which faces competition from existing and potential additional generic versions and orally-administered alternatives; our ability to achieve expected results from investments in our product pipeline; competition from companies with greater resources and capabilities; and the effectiveness of our patents and other measures to protect our intellectual property rights;
 - our substantially increased indebtedness and significantly decreased cash on hand, which may limit our ability to incur additional indebtedness, engage in additional transactions or make new investments, and 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 the recently announced restructuring plan; 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 expected 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; governmental investigations into sales 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 20-F for the year ended December 31, 2016, including in the section captioned "Risk Factors," and in our other filings with the U.S. Securities and Exchange Commission, which are available at www.sec.gov and www.tevapharm.com. Additional information will be set forth in our Annual Report on Form 10-K that will be filed for the year ended Dec. 31, 2017, which should be read in conjunction with these financial results. 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 2017 full year and fourth quarter financial results as well as our Annual Report on Form 10-K for the year ended December 31, 2017, 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.

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Kåre Schultz

Chief Executive Officer

2017 Full-Year Results

\$ billion, except EPS	2017	2016	2017	2016
	GAAP		Non-GAAP	
Revenues	22.4	21.9	22.4	21.9
Operating income (loss)	(17.5)	2.2	6.1	6.8
Net income (loss) attributable to Teva	(16.3)	0.3	4.3	5.2
Earnings (loss) per share (\$)	(16.26) 1,016M shares	0.07 961M shares	4.01 1,018M shares	5.14 1,020M shares

\$ billions	2017	2016
Cash flow from Operations	3.5	5.2
Free cash flow*	2.7	4.4
Net cash flow including Divestitures **	4.0	4.5

* Free Cash Flow includes cash flow generated from operating activities, net of cash used for capital investments

** Including \$0.7bn and \$1.7bn of proceeds from sale of Actavis assets in Q1/17 and Q3/16, respectively, as well as \$1.8bn proceeds from the sale of our women's health business in the U.S. in Q4/17

Restructuring Plan Update

- New organizational structure – Annual Operating Plan completed with new team
- Global workforce reduction of ~14,000 – ~50% expected to be completed by end of Q2 '18
- Closures or divestments of 12 manufacturing plants – 6 announced since Dec '17; expect to announce an additional 6 plants by YE '18
- Gx portfolio optimization – Initial discussions with key customers regarding unprofitable products
- ROI review of all R&D programs – 25 specialty programs (27% of total) and 100+ generics programs discontinued

**On track to achieve \$3b in spend base reduction
More than half in 2018; full amount by end of 2019**

Focus on Specialty Assets

Future growth drivers

AUSTEDO®

Movement Disorder

- First product approved and launched to treat both Tardive Dyskinesia and chorea associated with Huntington disease
- Phase 3 Tourette's study to start in Q1 2018

fremanezumab

Migraine

- PDUFA June 16, 2018
- API manufacturing partner, Celltrion, received an FDA warning letter. We are in active dialogue with the FDA in an effort to maintain our priority date for the approval
- Phase 3 cluster headache and Phase 2 post traumatic headache programs initiated

fasinumab

Pain

- Phase 3 studies in osteoarthritis and chronic low back pain underway

Commitment to Deleverage

- Target = Below 4x Net debt/EBITDA by YE 2020
- Begin 2018 with gross debt of \$32.5bn
 - Includes \$3.7bn of term loans
- Proceeds to reduce debt in the short term
 - \$0.7bn from Allergan settlement
 - Organic cash flow generation
- Renegotiated covenant terms to obtain financial flexibility

5 Year Debt Maturities (\$bn)*



* Maturities are as of Dec 31st, 2017; as of Feb 7th, 2018, an additional \$1.1 billion has been prepaid: \$0.3bn from 2018, \$0.5bn from 2019 and \$0.3bn from 2020 maturities

2018 Non-GAAP Outlook

\$ billion except EPS	2018 Outlook	FY 2017
Revenues	18.3 – 18.8	22.4
Operating Income	4.0 – 4.3	6.1
EBITDA	4.7 – 5.0	6.7
EPS (\$)	2.25 – 2.50 1,030M shares	4.01 1,018M shares
Free cash flow*	2.6-2.8	2.7

* Free Cash Flow includes cash flow generated from operating activities, net of cash used for capital investments

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Mike McClellan

EVP, Chief Financial Officer

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Q4 2017 Results

Q4 2017 Summary

\$ millions, except EPS	Q4 2017	Q4 2016	Q4 2017	Q4 2016
	GAAP		Non-GAAP	
Revenues	5,459	6,492	5,459	6,492
Operating income (loss)	(13,017)	(137)	1,385	1,944
Net income (loss) attributable to Teva	(11,535)	(973)	1,014	1,480
Earnings (loss) per share (\$)	(11.41) 1,017M shares	(1.10) 1,015M shares	0.93 1,018M shares	1.38 1,076 shares

Q4 2017 Non-GAAP Adjustments

\$ millions	Q4 2017	Highlights
Impairment	14,263	US goodwill (\$11,000m) and intangible assets (\$1,681m), Japan LLPs and Gx (\$623m), plant and equipment of (\$302m)
Venezuela deconsolidation	396	
Amortization	356	
Restructuring, acquisition and integration expenses	253	
Other adjustments	18	
Gain from sale of US WH	(1,083)	
Tax effect	(1,654)	Including the effect of a one-time tax benefit associated with the U.S. new tax legislation
Total adjustments	12,549	

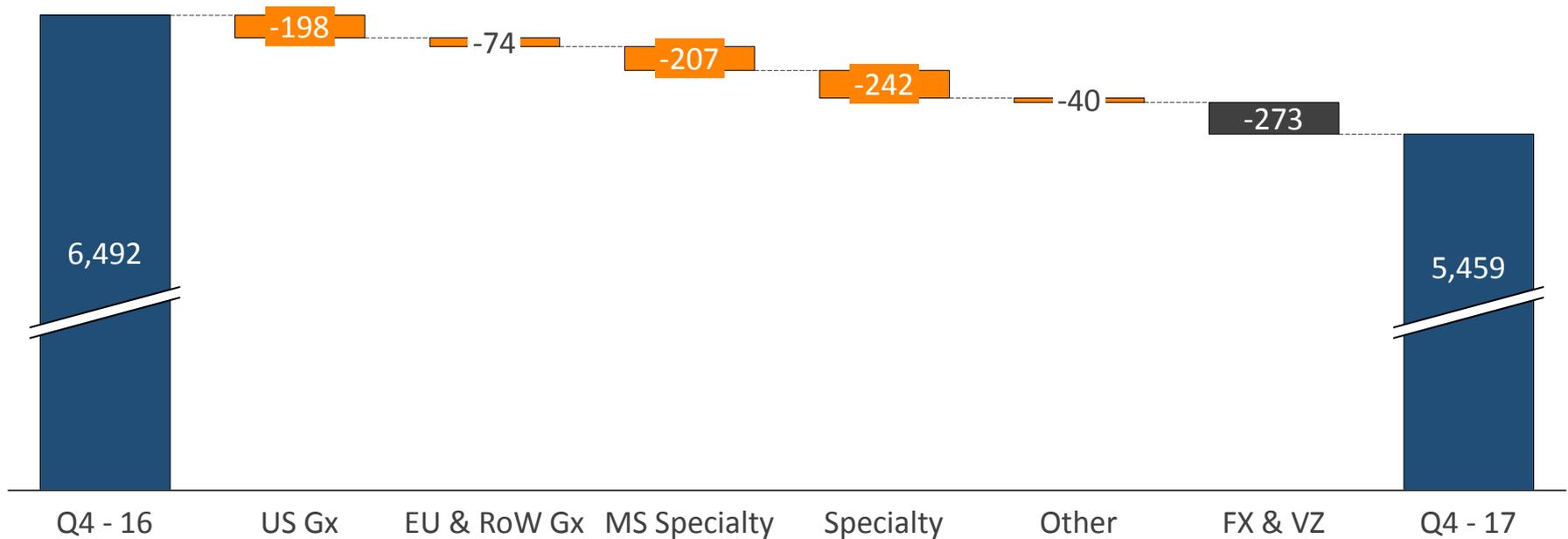
Q4 2017 Non-GAAP Summary

\$ billions, except EPS	Q4 2017	Q4 2016	Change
Revenues	5.5	6.5	(16%)
Gross profit	2.8 52.2%	3.9 59.4%	(26%)
Operating income	1.4 25.4%	1.9 29.9%	(29%)
EBITDA	1.5	2.1	(27%)
Net income	1.0	1.5	(31%)
EPS (\$)	0.93 1,018M shares	1.38 1,076M shares	(33%)
Cash flow from operations	1.2	1.4	(17%)
Free cash flow*	0.9	1.1	(16%)

- * Free Cash Flow includes cash flow generated from operating activities, net of cash used for capital investments
- Operating income, EBITDA, net income and EPS are presented on a non-GAAP basis.

Quarterly Revenues

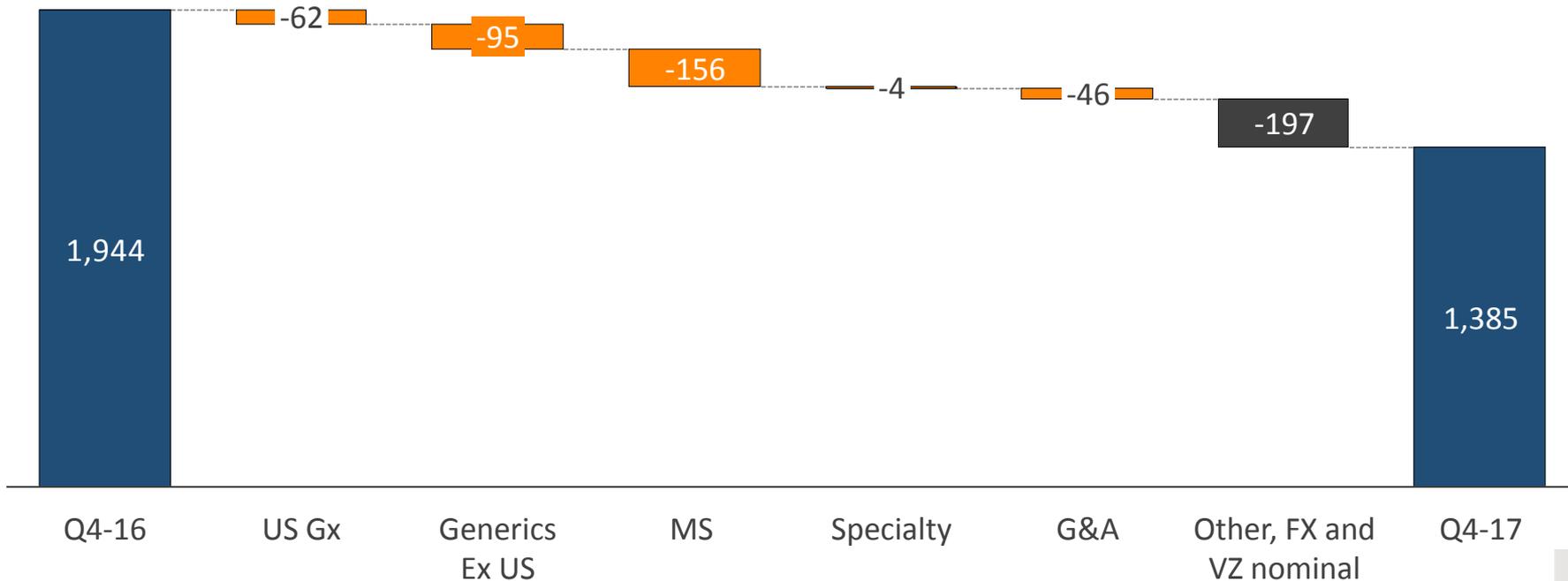
\$ millions



All data, except Fx and VZ, are net of the impact of foreign exchange fluctuations.

Quarterly Non-GAAP Operating Profit

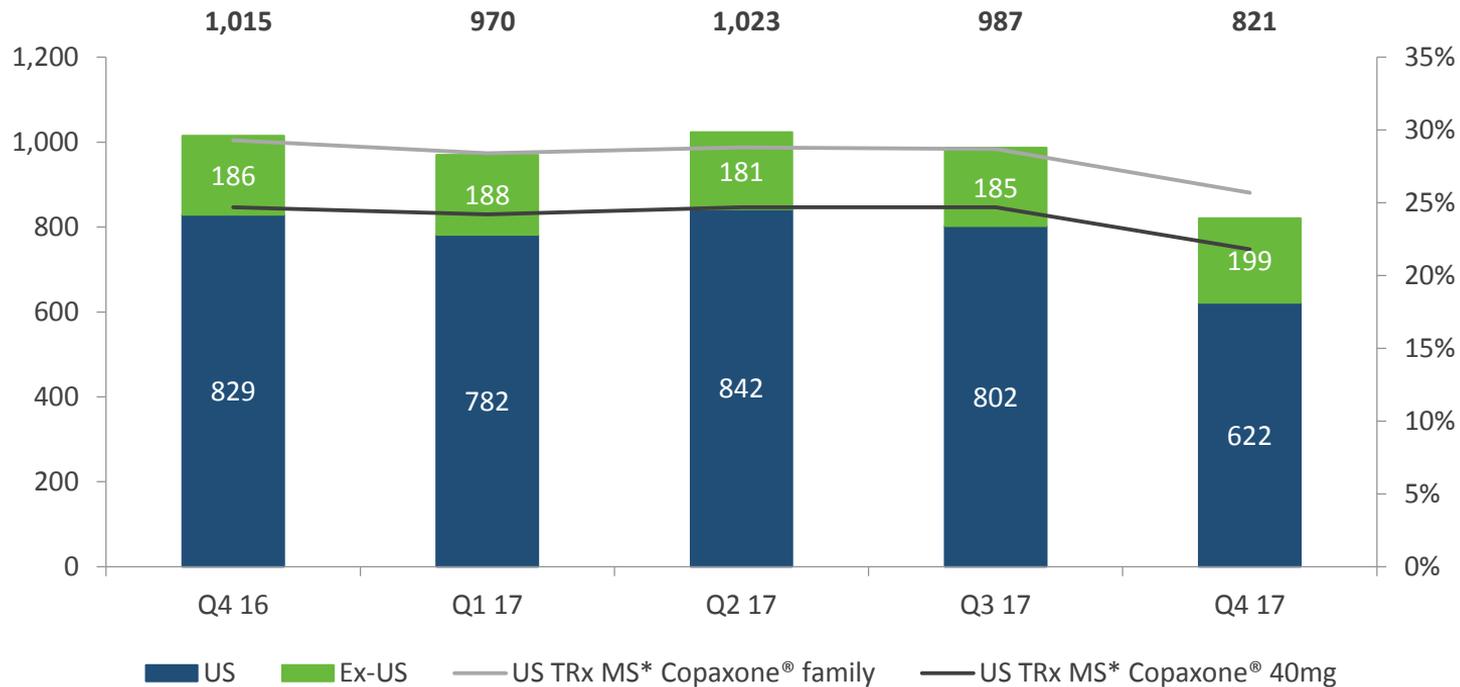
\$ millions



All data, except Fx and VZ, are net of the impact of foreign exchange fluctuations.

Copaxone[®] revenues and US market shares

\$ millions / % market share

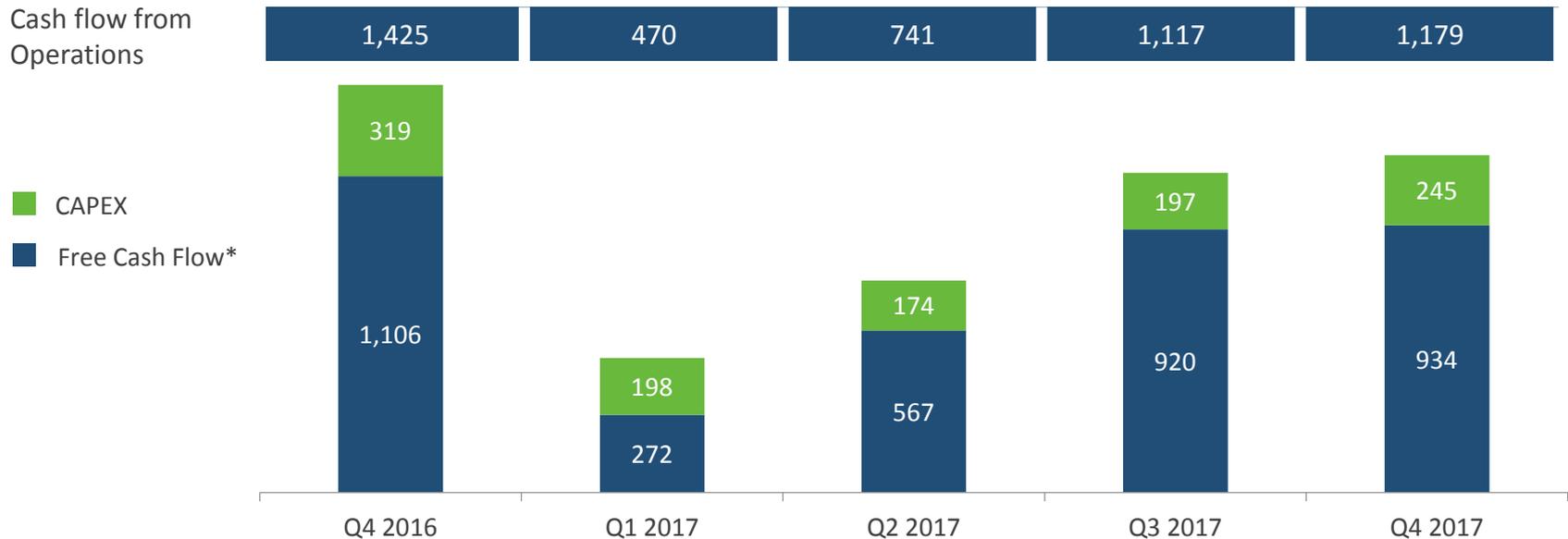


Market share data is provided by IMS.

Cash Flow

\$ millions

Cash flow from Operations



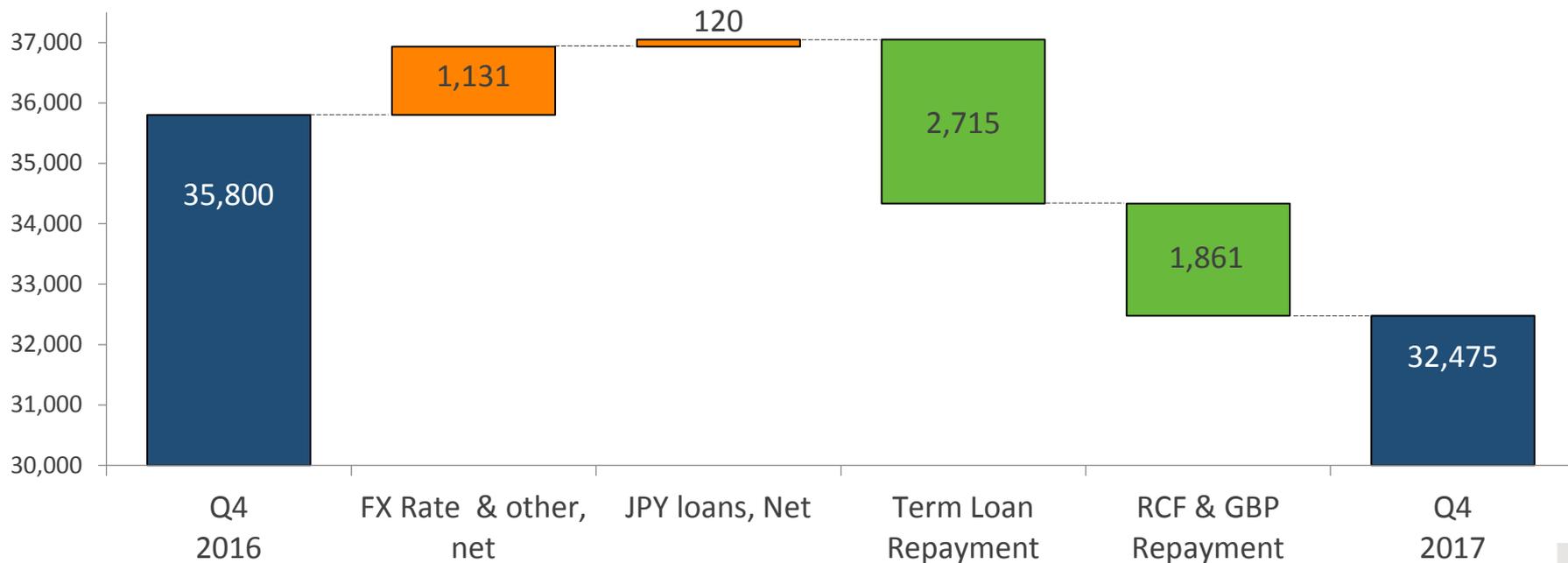
* Free Cash Flow includes cash flow generated from operating activities, net of cash used for capital investments and excludes proceeds from divestitures related to Actavis Generics (\$1.7 billion in Q4 2016 and \$0.7 billion in Q1 2017) and US WH (\$1.8 billion in Q4 2017) as well as proceeds from sale of Mylan share (\$0.7 billion) and other items

Balance Sheet

\$ billions	Dec 31, 2017	Sep 30, 2017	Diff
Cash and Cash Equivalents	1.0	0.7	0.3
Other Financial assets	0.1	0.2	-0.1
AR Trade	7.1	7.4	-0.3
Pre-paid Expenses and Other Current Assets	2.4	3.0	-0.7
Inventory	4.9	5.1	-0.1
Fixed Assets	7.7	8.0	-0.3
Goodwill	28.4	39.4	-11.0
Intangible Assets	17.6	20.9	-3.2
Other Long Term Assets	1.4	1.4	0.0
Total Assets	70.6	86.1	-15.5
AP Trade	2.0	2.3	-0.3
SR&A	7.9	7.7	0.2
AP Other	4.3	4.2	0.1
Total Debt (ST+LT)	32.5	34.7	-2.2
Other Long Term liabilities	5.1	6.9	-1.8
Minority	1.4	1.6	-0.2
Teva Shareholders' Equity	17.4	28.7	-11.3
Total Liabilities & Equity	70.6	86.1	-15.5

2017 Debt Movements

\$ millions





2018 Financial Outlook

2018 Non-GAAP Financial Outlook

	2018 Outlook
Revenues (\$ billions)	18.3-18.8
Non-GAAP Operating income (\$ billions)	4.0-4.3
Non-GAAP EBITDA (\$ billions)	4.7-5.0
Weighted average number of shares (in millions)	1,030
Non-GAAP EPS (\$)	2.25-2.50
Free cash flow (\$ billions)	2.6-2.8

* Free Cash Flow includes cash flow generated from operating activities, net of cash used for capital investments

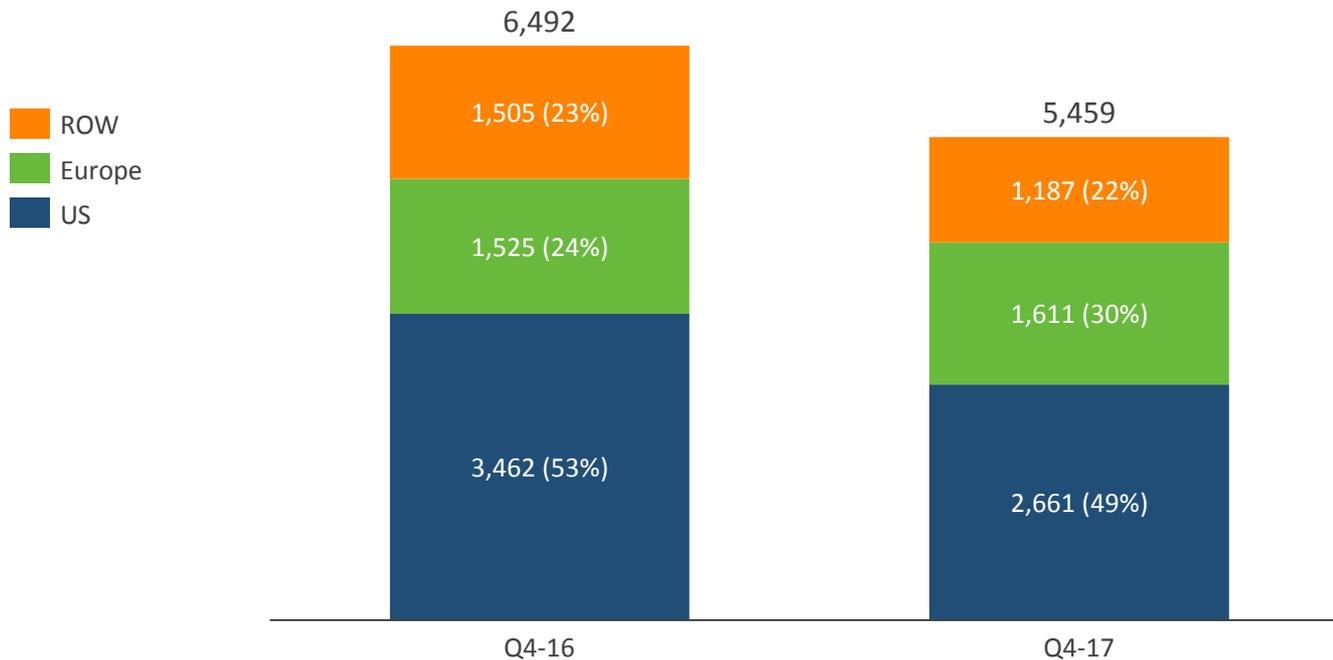
Q&A

Additional Information

Q4 2017 Results

Quarterly Revenue Breakdown by Region

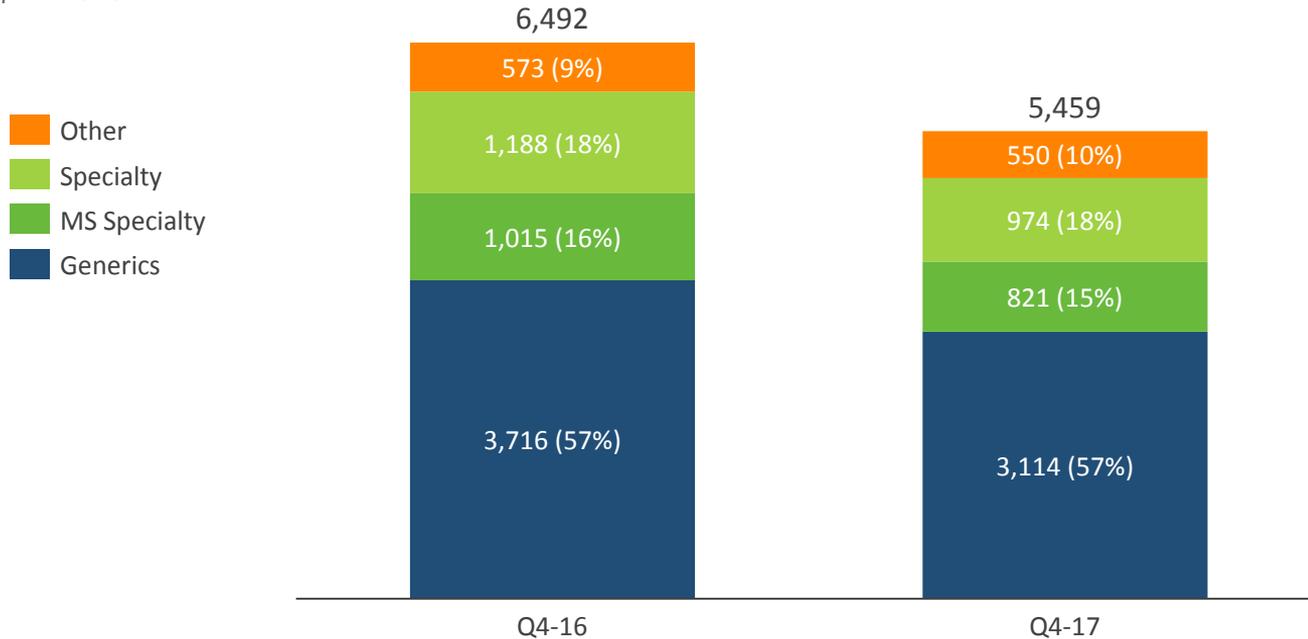
\$ millions



Percentages may not add up to 100% due to rounding.

Quarterly Revenue Breakdown by Business Line

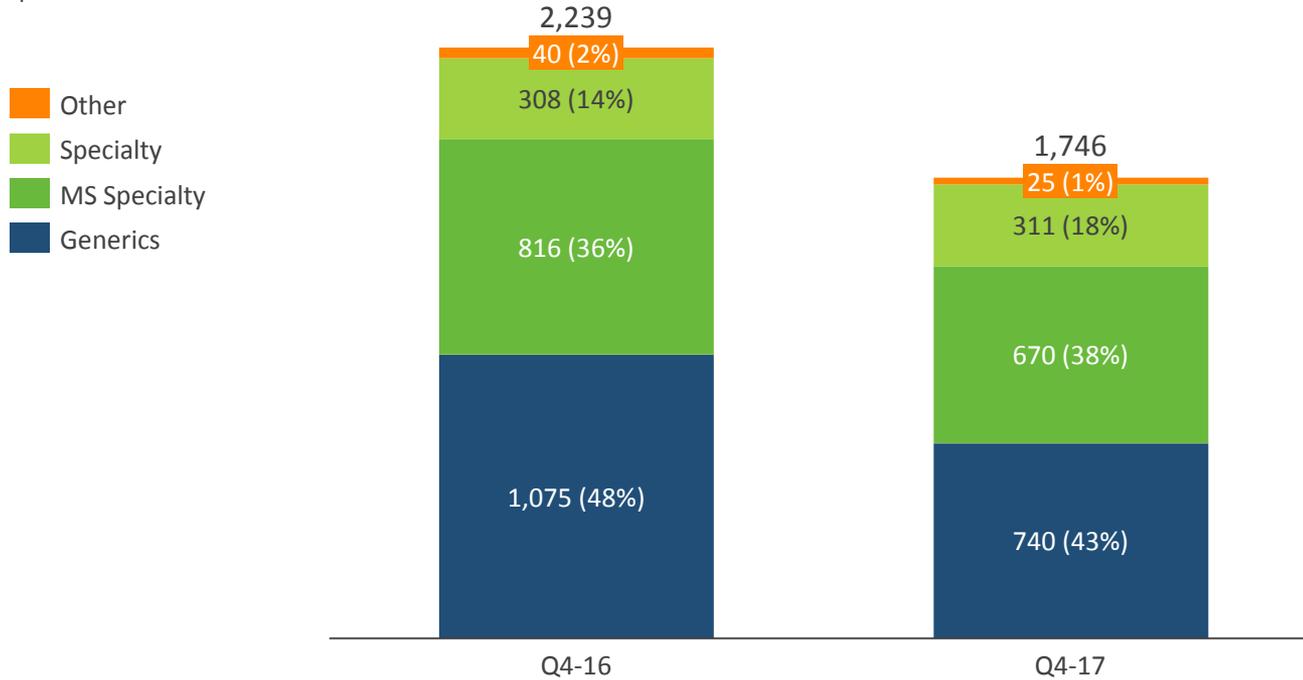
\$ millions



Percentages may not add up to 100% due to rounding.

Quarterly Business Line Profit

\$ millions



Profit is presented on a non-GAAP basis. Segment and business line profit consists of gross profit, less S&M and R&D expenses related to the segment or business line, but excludes G&A expenses, amortization and certain other items.

Percentages may not add up to 100% due to rounding.

Quarterly GAAP Income Statement

\$ millions, except EPS	Q4-17	Q4-17 Margins	Q4-16	Q4-16 Margins	Change
Revenues	5,459		6,492		(16%)
COGS	2,917	53.4%	3,102	47.8%	(6%)
Gross profit	2,542	46.6%	3,390	52.2%	(25%)
R&D	360	6.6%	684	10.5%	(47%)
S&M	865	15.8%	1,129	17.4%	(23%)
G&A	492	9.0%	360	5.5%	+37%
Legal settlements and loss contingencies	176	3.2%	225	3.5%	(22%)
Impairments, restructuring and others	14,865	272.3%	1,898	29.2%	n/a
Other income	(1,199)	(22.0%)	(769)	(11.8%)	56%
Operating income (loss)	(13,017)	(238.5%)	(137)	(2.1%)	n/a
Finance exp.	191	3.5%	777	12.0%	(75%)
Tax	(1,471)	11.1%	57	(6.2%)	n/a
Minority and share in profit (loss)	(202)	(3.7%)	2	0.0%	n/a
Net income (loss) attributable to Teva	(11,535)	(211.3%)	(973)	(15.0%)	n/a
Dividends on preferred shares	65		65		
Net income (loss) attributable to ordinary shareholders	(11,600)		(1,038)		
# of shares (diluted, millions)	1,017		1,015		
Earnings (loss) per share (\$)	(11.41)		(1.10)		n/a

Quarterly Non-GAAP Income Statement

\$ millions, except EPS	Q4-17	Q4-17 Margins	Q4-16	Q4-16 Margins	Change
Revenues	5,459		6,492		(16%)
COGS	2,612	47.8%	2,633	40.6%	(1%)
Gross profit	2,847	52.2%	3,859	59.4%	(26%)
R&D	310	5.7%	514	7.9%	(40%)
S&M	791	14.5%	1,106	17.0%	(28%)
G&A	361	6.6%	295	4.5%	+22%
Operating income	1,385	25.4%	1,944	29.9%	(29%)
Finance exp.	209	3.8%	233	3.6%	(11%)
Tax	183	15.6%	218	12.7%	(16%)
Minority and share in profit (loss)	(21)	(-0.4)	13	0.2%	n/a
Net income attributable to Teva	1,014	18.6%	1,480	22.8%	(31%)
Dividends on preferred shares	65		65		
Net income attributable to ordinary shareholders	949		1,415		
Net income attributable to ordinary shareholders for diluted EPS*	949		1,480		
# of shares (diluted, millions)	1,018		1,076		
EPS (\$)	0.93		1.38		(33%)

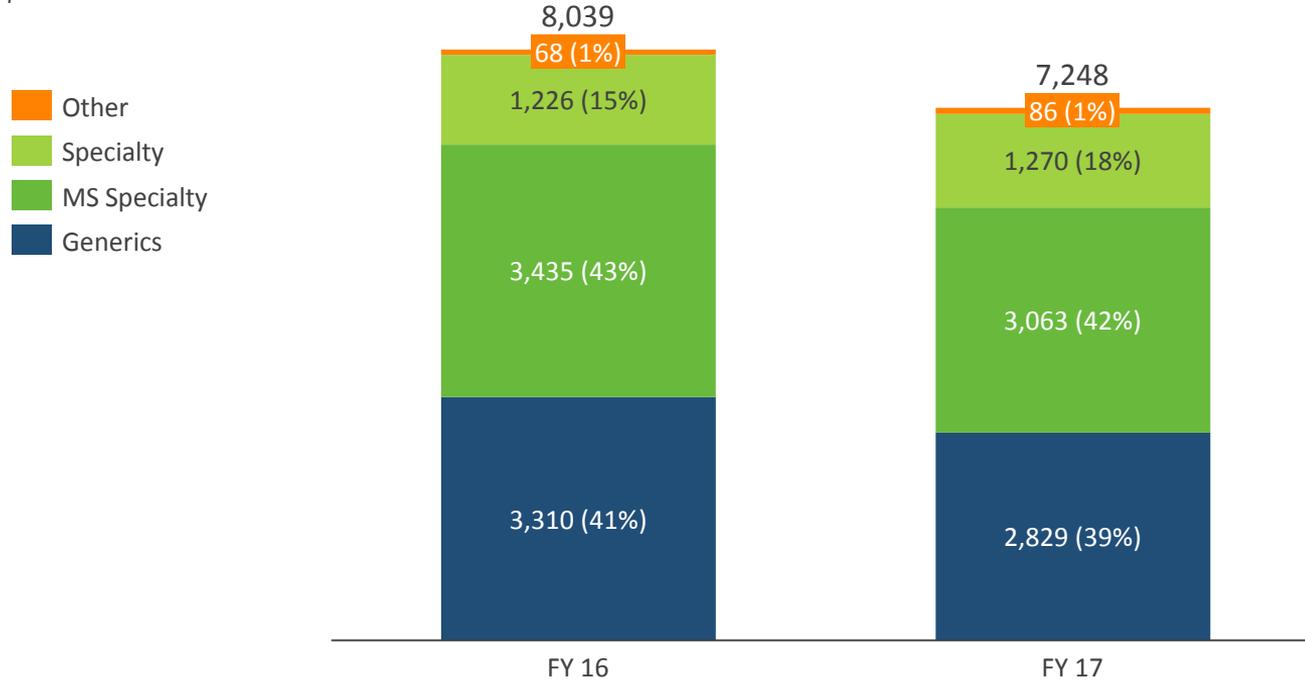
* Dividends on the mandatory convertible preferred shares of \$65 million in Q4 2016 were added back to non-GAAP net income attributable to ordinary shareholders, since such preferred shares had a dilutive effect on non-GAAP earnings per share.



2017 Results

2017 Business Line Profit

\$ millions

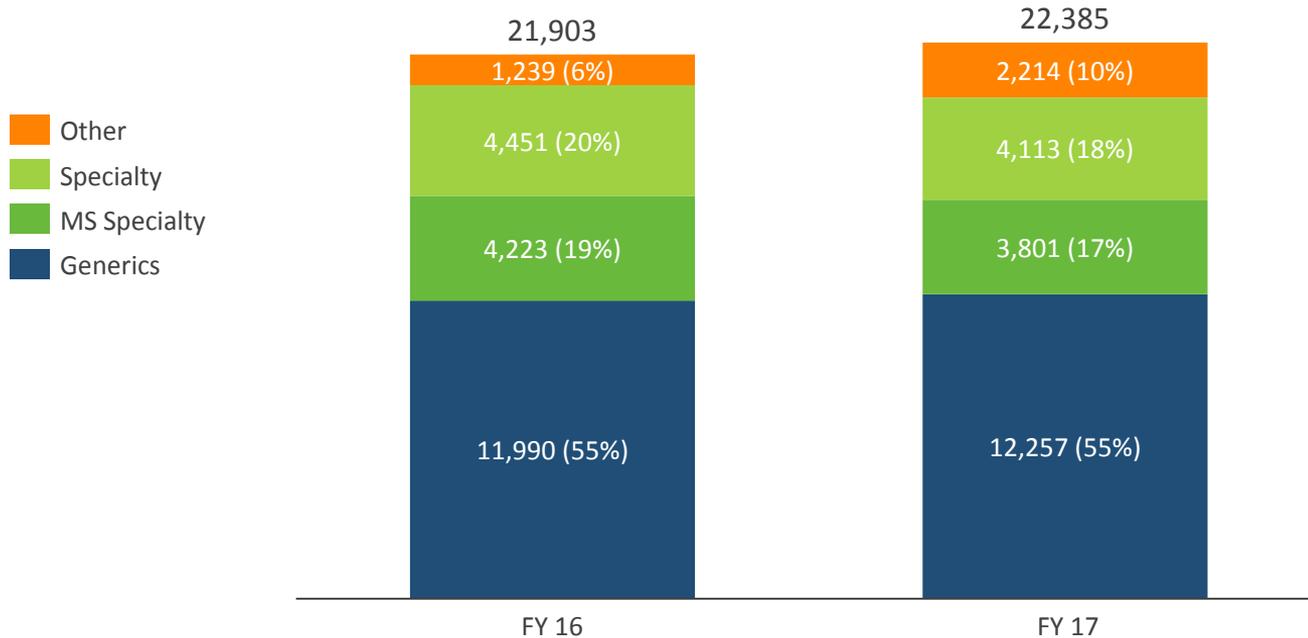


Profit is presented on a non-GAAP basis. Segment and business line profit consists of gross profit, less S&M and R&D expenses related to the segment or business line, but excludes G&A expenses, amortization and certain other items.

Percentages may not add up to 100% due to rounding.

2017 Revenues Breakdown by Business Line

\$ millions



Percentages may not add up to 100% due to rounding.

2017 GAAP Income Statement

\$ millions, except EPS	2017	2017 Margins	2016	2016 Margins	Change
Revenues	22,385		21,903		+2%
COGS	11,560	51.6%	10,044	45.9%	+15%
Gross profit	10,825	48.4%	11,859	54.1%	(9%)
R&D	1,848	8.3%	2,111	9.6%	(12%)
S&M	3,656	16.3%	3,860	17.6%	(5%)
G&A	1,330	5.9%	1,285	5.9%	-
Legal settlements and loss contingencies	500	2.2%	899	4.1%	(44%)
Impairments, restructuring and others	22,174	99.1%	2,319	10.6%	n/a
Other income	(1,199)	(5.4%)	(769)	(3.5%)	56%
Operating income (loss)	(17,484)	(78.1%)	2,154	9.8%	n/a
Finance exp.	895	4.0%	1,330	6.1%	(33%)
Tax	(1,933)	10.5%	521	63.2%	n/a
Minority and share in profit (loss)	(182)	(0.8%)	(26)	(0.1%)	n/a
Net income (loss) attributable to Teva	(16,265)	(72.7%)	329	1.5%	n/a
Dividends on preferred shares	260		261		
Net income (loss) attributable to ordinary shareholders	(16,525)		68		
# of shares (diluted, millions)	1,016		961		
Earnings (loss) per share (\$)	(16.26)		0.07		n/a

2017 Non-GAAP Income Statement

\$ millions, except EPS	2017	2017 Margins	2016	2016 Margins	Change
Revenues	22,385		21,903		+2%
COGS	10,141	45.3%	8,485	38.7%	+20%
Gross profit	12,244	54.7%	13,418	61.3%	(9%)
R&D	1,587	7.1%	1,665	7.6%	(5%)
S&M	3,409	15.2%	3,714	17.0%	(8%)
G&A	1,175	5.2%	1,192	5.4%	(1%)
Operating income	6,073	27.1%	6,847	31.3%	(11%)
Finance exp.	908		442		+105%
Tax	788	15.3%	1,114	17.4%	(29%)
Minority and share in profit (loss)	42	0.2%	47	0.2%	(11%)
Net income attributable to Teva	4,335	19.4%	5,244	23.9%	(17%)
Dividends on preferred shares	260		261		
Net income attributable to ordinary shareholders	4,075		4,983		
Net income attributable to ordinary shareholders for diluted EPS*	4,075		5,244		
# of shares (diluted, millions)	1,018		1,020		
EPS (\$)	4.01		5.14		(22%)

* Dividends on the mandatory convertible preferred shares of \$261 million in 2016 were added back to non-GAAP net income attributable to ordinary shareholders, since such preferred shares had a dilutive effect on non-GAAP earnings per share.

2017 Summary

\$ millions, except EPS	2017	2016	2017	2016
	GAAP		Non-GAAP	
Revenues	22,385	21,903	22,385	21,903
Operating income (loss)	(17,484) (78.1%)	2,154 9.8%	6,073 27.1%	6,847 31.3%
Net income (loss) attributable to Teva	(16,265)	329	4,335	5,244
Earnings (loss) per share (\$)	(16.26) 1,016M shares	0.07 961M shares	4.01 1,018M shares	5.14 1,020M shares

2017 Non-GAAP Summary

\$ billions, except EPS	2017	2016	Change
Revenues	22.4	21.9	+2%
Operating income	6.1 27.1%	6.8 31.3%	(11%)
EBITDA	6.7	7.3	(9%)
Net income	4.3	5.2	(17%)
EPS (\$)	4.01 1,018M shares	5.14 1,020M shares	(22%)
Cash flow from operations	3.5	5.2	(33%)
Free cash flow*	2.7	4.4	(38%)

* Free Cash Flow includes cash flow generated from operating activities, net of cash used for capital investments

Operating income, EBITDA, net income and EPS are presented on a non-GAAP basis.

2017 Non-GAAP Adjustments

\$ millions	2017	Details
Goodwill impairment	17,100	US generics
Impairment	3,829	US intangible assets, Japan LLPs and Gx
Amortization	1,444	
Restructuring, acquisition and integration expenses	640	
Legal settlements	500	Carvedilol patent litigation reserve (\$235m), Lidoderm (\$157m)
Contingent consideration	154	Bendeka® (\$179m), Laba/Lama® (-\$98m)
Other R&D expenses	221	
Regulatory actions	47	
Other adjustments	(614)	Venezuela deconsolidation and devaluation (\$420m), Gain from sale of WH US (-\$1,084m)
Related tax effect	(2,721)	Including the effect of a one-time tax benefit associated with the U.S. new tax legislation and utilization of Actavis Generics historic capital losses
Total adjustments	20,600	

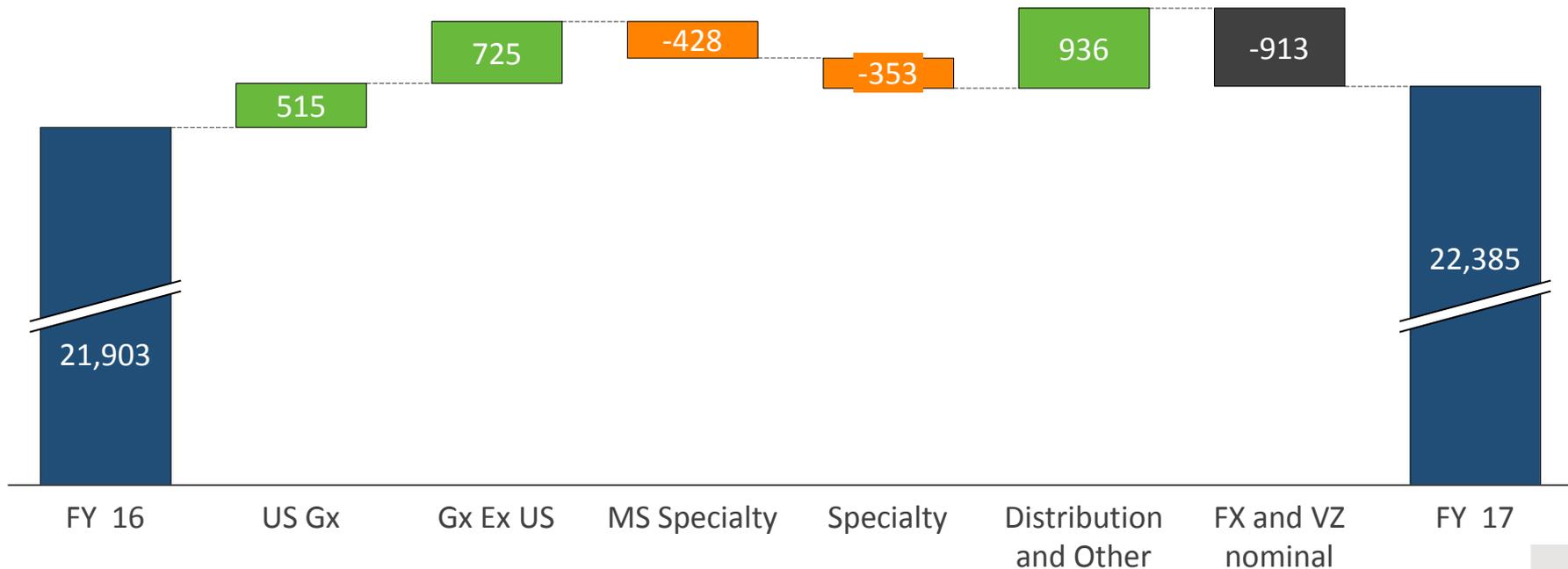
2017 Foreign Exchange & Venezuela Impact

\$ millions	2017	2016	Diff	FX Effect	Venezuela
Revenues	22,385	21,903	482	148	(1,062)
Operating income (loss) GAAP	(17,484)	2,154	(19,638)	(40)	(249)
Operating income Non-GAAP	6,073	6,847	(774)	(12)	(323)

In light of the political and economic conditions in Venezuela, we exclude the quarterly changes in revenues and operating profit in Venezuela from any discussion of local currency results.

Annual Revenues

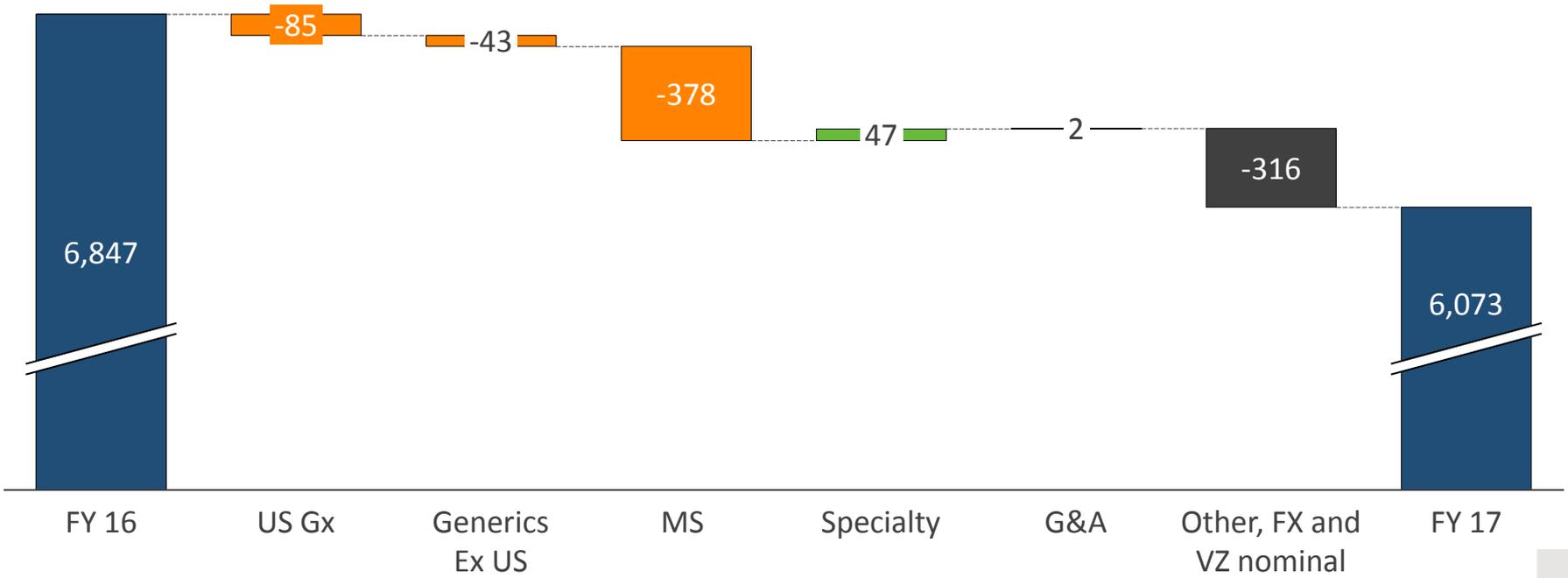
\$ millions



All data, except FX and VZ nominal, are net of the impact of foreign exchange fluctuations.

Annual Non-GAAP Operating Profit

\$ millions



All data, except FX and VZ, are net of the impact of foreign exchange fluctuations.