Viatris Inc. Launches as a New Kind of Healthcare Company, Positioned to Meet the World's Evolving Healthcare Needs

November 16, 2020

Combination of Mylan and Pfizer's Upjohn Business Focused on Access and Improved Patient Health

PITTSBURGH, Nov. 16, 2020 /PRNewswire/ -- Viatris Inc. (NASDAQ: VTRS) launched today following the successful combination of Mylan N.V. and Pfizer's Upjohn business. By combining these two complementary legacy companies, Viatris has the scientific, manufacturing and distribution expertise with proven regulatory, medical and global commercial capabilities to deliver high-quality medicines to patients in more than 165 countries and territories.

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Viatris is a new kind of global healthcare company whose mission is to empower people worldwide to live healthier at every stage of life by expanding access to medicines regardless of geography or circumstance; advancing responsible, sustainable operations and targeted innovation to improve patient health; and leveraging its collective expertise to connect more people to more products and services.

Viatris Executive Chairman Robert J. Coury said: "Today, we celebrate the launch of Viatris, the culmination of more than a decade of strategic, thoughtful work to build a global company with the breadth and depth to provide more efficient access to high-quality medicines to patients and healthcare systems around the world. I am extremely confident about the opportunities ahead for Viatris and the value we expect our company will create for all stakeholders – from our patients and employees, to customers and shareholders."

Viatris remains committed to returning capital to shareholders with an expected dividend of at least 25% of free cash flows, based upon GAAP operating cash flow less capital expenditures, beginning after the first full quarter of Viatris' operations, with the expectation to grow the dividend thereafter. The company also stands behind its commitment to deleverage towards a target leverage ratio of 2.5x over time and is committed to maintaining an investment grade rating.

With a workforce of approximately 45,000 colleagues, Viatris is headquartered in the U.S. and has global centers in Pittsburgh, Shanghai and Hyderabad, India. Its global portfolio comprises more than 1,400 approved molecules across a wide range of therapeutic areas, spanning both non-communicable and infectious diseases, including globally recognized iconic brands, generic, complex generic and branded medicines, a growing portfolio of biosimilars, and a variety of over-the-counter consumer products.

Viatris CEO Michael Goettler said: "We commence our journey armed with an experienced and diverse management team, a strong financial profile and an enviable global infrastructure. Together, we are building a performance-driven, highly engaging and inclusive culture with colleagues united by a shared purpose in Viatris' mission to help empower people worldwide to live healthier at every stage of life. Our global infrastructure and reach are built for broadening access to medicine for people around the world. Through our Global Healthcare Gateway™ we offer potential partners ready access to markets, customers and patients worldwide, making Viatris a true Partner of Choice™. As we come together to form Viatris, we will begin immediately to ensure the new company is optimally structured and efficiently resourced to deliver sustainable value to patients, shareholders, customers and other stakeholders."

Viatris provides trusted, high-quality medicines that treat nine out of 10 of the World Health Organization's (WHO) leading causes of death. Viatris is a leading provider of antiretrovirals to treat HIV/AIDS and other infectious diseases. Roughly 40% of the more than 23 million people receiving treatment for HIV use our products, including 60% of the world's HIV-positive children receiving treatment.

Viatris President Rajiv Malik said: "Our unique position to increase access to healthcare and address unmet needs is grounded in our best-in-class scientific, regulatory, manufacturing and supply chain capabilities along with our commercial reach across markets and channels. At the heart of our operations is an enduring and steadfast commitment to quality in everything we do, a hallmark characteristic of our legacy companies. We believe our combined commercial capabilities and diverse portfolio across geographies will enable us to strengthen our ability to reach more customers and patients. We expect to leverage these enhanced strengths to build strategic partnerships that are critical in helping reduce barriers to access and good health and have the potential to leave a lasting, positive impact on patients, families and communities worldwide."

Viatris Chief Financial Officer Sanjeev Narula said: "Through financial discipline, we expect to add to the strength, capability and flexibility of our new enterprise and open doors to new opportunities to help people live longer, healthier lives. We look forward to our Investor Day in the late February/early March timeframe where we will outline how Viatris can deliver on its stated commitments and our roadmap to maximize value creation, including our expectation to generate strong and accelerating free cash flows."

Viatris is embarking on a significant global restructuring program in order to achieve synergies of $1 billion and ensure the new company is optimally structured and efficiently resourced to deliver sustainable value to patients, shareholders, customers and other stakeholders. The company is currently in the process of defining the specific parameters of the program, including workforce actions and other restructuring activities. Further details for this program are expected to be disclosed by the end of this year as plans are finalized. Key activities of the expanded program are expected to reduce the company's cost base through the rationalization of its global manufacturing and supply network, and the optimization of the company's functional and commercial capabilities.

The combination of Mylan and Upjohn was announced on July 29, 2019 and received the final regulatory clearance on Oct. 30, 2020. Viatris will begin regular way trading on Nasdaq, under the ticker symbol VTRS, at the beginning of the trading day on Nov. 17, 2020, the first full trading day after closing.

About Viatris

Viatris Inc. (NASDAQ: VTRS) is a new kind of healthcare company, empowering people worldwide to live healthier at every stage of life. We provide access to medicines, advance sustainable operations, develop innovative solutions and leverage our collective expertise to connect more people to more products and services through our one-of-a-kind Global Healthcare Gateway™. Formed in November 2020 through the combination of Mylan and Pfizer's Upjohn business, Viatris brings together scientific, manufacturing and distribution expertise with proven regulatory, medical and commercial capabilities to deliver high-quality medicines to patients in more than 165 countries and territories. Viatris' portfolio comprises more than 1,400 approved molecules across a wide range of therapeutic areas, spanning both non-communicable and infectious diseases, including globally recognized brands, complex generic and branded medicines, a growing portfolio of biosimilars and a variety of over-the-counter consumer products. With a global workforce of approximately 45,000, Viatris is headquartered in the U.S., with global centers in Pittsburgh, Shanghai and Hyderabad, India. Learn more at viatris.com and investor.viatris.com, and connect with us on Twitter at @ViatrisInc, LinkedIn and YouTube.

Forward-Looking Statements

This press release includes statements that constitute "forward-looking statements," including with regard to the launch of Viatris™; the transaction pursuant to which Mylan N.V. ("Mylan") combined with Pfizer Inc.'s ("Pfizer") Upjohn business (the "Upjohn Business") in a Reverse Morris Trust transaction (the "Combination") and Upjohn Inc. ("Upjohn") became the parent entity of the combined Upjohn Business and Mylan business and was renamed "Viatris Inc." ("Viatris") effective as of the closing of the Combination; an expected dividend of 25% of free cash flows, based on GAAP operating cash flow less capital expenditures, beginning after the first full quarter of Viatris' operations, with the expectation to grow the dividend thereafter; the company standing behind its commitment to deleverage towards a target leverage ratio of 2.5x over time and is committed to maintaining an investment grade rating; Viatris embarking on a significant global restructuring program in order to achieve synergies of $1 billion and ensure the new company is optimally structured and efficiently resourced to deliver sustainable value to patients, shareholders, customers, and other stakeholders; the company is currently in the process of defining the specific parameters of the program, including workforce actions and other restructuring activities; further details for this program are expected to be disclosed by the end of this year as plans are finalized, key activities of the expanded program are expected to reduce the company's cost base through the rationalization of its global manufacturing and supply network, and the optimization of the company's functional and commercial capabilities; and other statements about the benefits and synergies of the Combination, future opportunities for Viatris and its products, future operations, financial or operating results, capital allocation, dividend policy, debt ratio, anticipated business levels, future earnings, planned activities, anticipated growth, market opportunities, strategies, competitions, and other expectations and targets for future periods. These statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Because forward-looking statements inherently involve risks and uncertainties, actual future results may differ materially from those expressed or implied by such statements. Factors that could cause or contribute to such differences include, but are not limited to: the potential impact of public health outbreaks, epidemics and pandemics, including the ongoing challenges and uncertainties posed by the COVID-19 pandemic; the integration of Mylan and the Upjohn Business being more difficult, time consuming or costly than expected; the possibility that Viatris may be unable to achieve expected benefits, synergies and operating efficiencies in connection with the Combination within the expected timeframe or at all or to successfully integrate Mylan and the Upjohn Business; actions and decisions of healthcare and pharmaceutical regulators; changes in healthcare and pharmaceutical laws and regulations in the U.S. and abroad; any regulatory, legal or other impediments to Viatris' ability to bring new products to market; success of clinical trials and Viatris' or its partners' ability to execute on new product opportunities and develop, manufacture and commercialize products; the scope, timing and outcome of any ongoing legal proceedings and the impact of any such proceedings on Viatris' financial condition, results of operations and/or cash flows; any significant breach of data security or data privacy or disruptions to our information technology systems; risks associated with international operations, including our operations in China; the ability to protect intellectual property and preserve intellectual property rights; changes in third-party relationships; the effect of any changes in Viatris' or its partners' customer and supplier relationships and customer purchasing patterns; the impacts of competition; changes in the economic and financial conditions of Viatris or its partners; uncertainties and matters beyond the control of management; inherent uncertainties involved in the estimates and judgments used in the preparation of financial statements, and the providing of estimates of financial measures, in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and related standards or on an adjusted basis; and the other risks in the Registration Statement on Form S-4, as amended, which includes a proxy statement/prospectus, which was filed by Upjohn with the SEC on October 25, 2019 and declared effective by the Securities and Exchange Commission ("SEC") on February 13, 2020, the Registrant Statement on Form 10, which includes an information statement, which was filed by Upjohn with the SEC on June 12, 2020 and declared effective by the SEC on June 30, 2020 and the final information statement, dated August 6, 2020, which is attached as Exhibit 99.1 to Upjohn's Current Report on Form 8-K filed on August 6, 2020. Viatris routinely posts information that may be important to investors on its website at investor.viatris.com and uses that website as a means of disclosing material information to the public in a broad, non-exclusionary manner for purposes of the SEC's Regulation Fair Disclosure (Reg FD). Viatris undertakes no obligation to update these statements for revisions or changes after the date of this release other than as required by law.

Non-GAAP Financial Measures

This presentation includes the presentation and discussion of certain financial information that differs from what is reported under U.S. GAAP. These non-GAAP financial measures, including, but not limited to, leverage target and free cash flow are presented in order to supplement investors' and other readers' understanding and assessment of the financial performance of Viatris. Viatris is not providing forward looking information for U.S. GAAP reported financial measures or quantitative reconciliations of forward-looking non-GAAP financial measures to the most directly comparable U.S. GAAP measure because it is unable to predict with reasonable certainty the ultimate outcome of certain significant items without unreasonable effort. These items include, but are not limited to, acquisition-related expenses, including integration, restructuring expenses, asset impairments, litigation settlements and other contingencies, including changes to contingent consideration and certain other gains or losses. These items are uncertain, depend on various factors, and could have a material impact on U.S. GAAP reported results for the relevant period.

The stated forward-looking non-GAAP financial measures, Viatris ≤ 2.5x sustained leverage target is based on the ratio of (i) targeted long-term average debt, and (ii) targeted long-term Credit Agreement Adjusted EBITDA. However, the Company has not quantified future amounts to develop the target but has stated its goal to manage long-term average debt and adjusted earnings and EBITDA over time in order to generally maintain the target. These targets do not reflect Company guidance. References to Viatris free cash flows are to U.S. GAAP net cash provided by operating activities minus capital expenditures.

See Viatris' website at investor.viatris.com for more information about Non-GAAP financial measures.

SOURCE Viatris Inc.