

# Mylan

## Q3 2020 Non-GAAP Reconciliations

November 6, 2020



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# 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 adjusted EBITDA and notional debt to Credit Agreement Adjusted EBITDA leverage ratio, are presented in order to supplement investors' and other readers' understanding and assessment of the financial performance of Mylan N.V. ("Mylan" or the "Company"). Mylan has provided reconciliations of such non-GAAP financial measures to the most directly comparable U.S. GAAP financial measures. Investors and other readers are encouraged to review the related U.S. GAAP financial measures and the reconciliations of the non-GAAP measures to their most directly comparable U.S. GAAP measures set forth in this presentation and this appendix, and investors and other readers should consider non-GAAP measures only as supplements to, not as substitutes for or as superior measures to, the measures of financial performance prepared in accordance with U.S. GAAP.

**Mylan N.V. and Subsidiaries**  
**Reconciliation of Non-GAAP Financial Measures**  
(Unaudited; in millions)  
**Net Earnings to Adjusted EBITDA**

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
U.S. GAAP net earnings (loss)	\$ 185.7	\$ 189.8	\$ 245.9	\$ (3.7)
Add / (deduct) adjustments:				
Clean energy investments pre-tax loss	2.9	10.4	37.4	43.6
Income tax provision (benefit)	55.9	(4.0)	46.4	22.9
Interest expense <sup>(a)</sup>	117.3	128.9	353.4	391.3
Depreciation and amortization <sup>(b)</sup>	432.3	469.7	1,263.0	1,471.6
<b>EBITDA</b>	<b>\$ 794.1</b>	<b>\$ 794.8</b>	<b>\$ 1,946.1</b>	<b>\$ 1,925.7</b>
Add / (deduct) adjustments:				
Share-based compensation expense	15.1	16.1	49.8	50.9
Litigation settlements and other contingencies, net	18.9	(51.9)	36.5	(30.3)
Restructuring, acquisition related and other special items <sup>(c)</sup>	181.6	163.8	606.6	534.1
<b>Adjusted EBITDA</b>	<b>\$ 1,009.7</b>	<b>\$ 922.8</b>	<b>\$ 2,639.0</b>	<b>\$ 2,480.4</b>

(a) Includes clean energy investment financing and accretion of contingent consideration.

(b) Includes purchase accounting related amortization.

(c) See items detailed in the Reconciliation of U.S. GAAP Net Earnings to Adjusted Net Earnings.

**Mylan N.V. and Subsidiaries**  
**Reconciliation of Non-GAAP Financial Measures**  
(Unaudited; in millions)  
**Net Earnings to Adjusted EBITDA**

	<b>Three Months Ended</b>			
	<b>December 31, 2019</b>	<b>March 31, 2020</b>	<b>June 30, 2020</b>	<b>September 30, 2020</b>
U.S. GAAP net earnings (loss)	\$ 20.5	\$ 20.8	\$ 39.4	\$ 185.7
Add / (deduct) adjustments:				
Clean energy investments pre-tax loss	18.5	17.3	17.2	2.9
Income tax (benefit) provision	114.7	9.9	(19.4)	55.9
Interest expense	126.0	119.9	116.2	117.3
Depreciation and amortization	547.7	415.0	415.7	432.3
EBITDA	\$ 827.4	\$ 582.9	\$ 569.1	\$ 794.1
Add / (deduct) adjustments:				
Share-based compensation expense	5.9	19.4	15.3	15.1
Litigation settlements and other contingencies, net	8.9	1.8	15.8	18.9
Restructuring, acquisition related and other special items	217.1	146.6	278.4	181.6
Adjusted EBITDA	<u>\$ 1,059.3</u>	<u>\$ 750.7</u>	<u>\$ 878.6</u>	<u>\$ 1,009.7</u>

**Mylan N.V. and Subsidiaries**  
**Reconciliation of Non-GAAP Financial Measures**

(Unaudited; in millions)

**September 30, 2020 Notional Debt to Twelve Months Ended September 30, 2020 Mylan N.V. Adjusted EBITDA as calculated under our Credit Agreement ("Credit Agreement Adjusted EBITDA") Leverage Ratio**

The stated non-GAAP financial measure September 30, 2020 notional debt to twelve months ended September 30, 2020 Credit Agreement Adjusted EBITDA leverage ratio is based on the sum of (i) Mylan's adjusted EBITDA for the quarters ended December 31, 2019, March 31, 2020, June 30, 2020 and September 30, 2020 and (ii) certain adjustments permitted to be included in Credit Agreement Adjusted EBITDA as of September 30, 2020 pursuant to the revolving credit facility dated as of July 27, 2018 (as amended, supplemented or otherwise modified from time to time), among Mylan Inc., as borrower, the Company, as guarantor, certain affiliates and subsidiaries of the Company from time to time party thereto as guarantors, each lender from time to time party thereto and Bank of America, N.A., as administrative agent (the "Credit Agreement") as compared to Mylan's September 30, 2020 total debt and other current obligations at notional amounts.

	Three Months Ended				Twelve Months Ended
	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	September 30, 2020
Mylan N.V. Adjusted EBITDA	\$ 1,059.3	\$ 750.7	\$ 878.6	\$ 1,009.7	\$ 3,698.3
Add: other adjustments including estimated synergies					(4.8)
Credit Agreement Adjusted EBITDA					<u>\$ 3,693.5</u>
Reported debt balances:					
Long-term debt, including current portion					\$ 12,284.1
Short-term borrowings and other current obligations					1.4
Total					<u>\$ 12,285.5</u>
Add / (deduct):					
Net discount on various debt issuances					28.0
Deferred financing fees					52.0
Fair value adjustment for hedged debt					(35.4)
Total debt at notional amounts					<u>\$ 12,330.1</u>
Notional debt to Credit Agreement Adjusted EBITDA Leverage Ratio					3.3

**Long-term average debt to Credit Agreement Adjusted EBITDA leverage ratio target of ~3.0x**

The stated forward-looking non-GAAP financial measure, targeted long term average leverage of ~3.0x debt-to-Credit Agreement Adjusted EBITDA, 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. This target does not reflect Company guidance.



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