



# Non-GAAP Financial Measures

This presentation includes the presentation and discussion of certain financial information that differs from what is reported under accounting U.S. GAAP. These non-GAAP financial measures, including, but not limited to, adjusted EBITDA, adjusted EPS, adjusted gross margins, adjusted net earnings, adjusted R&D, adjusted R&D as a % of total revenues, adjusted SG&A as a % of total revenues, adjusted effective tax rate, adjusted net cash provided by operating activities, adjusted free cash flow, ROIC, WACC and 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"). In the Appendix, 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 below, 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.

## 2018 Guidance

Mylan is not providing forward looking guidance for U.S. GAAP reported financial measures or metrics derived therefrom or a quantitative reconciliation 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, 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 guidance period.

**Mylan N.V. and Subsidiaries**  
**Reconciliation of non-GAAP financial measures**  
(Unaudited; in millions)  
**Adjusted EBITDA**

	<b>Year Ended</b>				
	<b>December 31,</b>				
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<i>Amounts may not sum due to rounding</i>					
U.S. GAAP net earnings attributable to Mylan N.V.	\$ 696	\$ 480	\$ 848	\$ 929	\$ 624
Add adjustments:					
Net contribution attributable to the noncontrolling interest and equity method investments	58	113	105	95	38
Income tax (benefit) provision	207	(358)	68	41	121
Interest expense	535	455	339	333	313
Depreciation and amortization	1,806	1,523	1,032	567	516
EBITDA	\$ 3,301	\$ 2,212	\$ 2,392	\$ 1,966	\$ 1,611
Add / (deduct) adjustments:					
Share-based compensation expense	75	89	93	66	47
Litigation settlements and other contingencies, net	(13)	673	(97)	48	(10)
Restructuring & other special items	428	704	625	286	307
Adjusted EBITDA	\$ 3,791	\$ 3,678	\$ 3,012	\$ 2,366	\$ 1,955

**Mylan N.V. and Subsidiaries**  
**Reconciliation of non-GAAP financial measures**  
(Unaudited; in millions, except per share amounts)

	<b>Year Ended</b>											
	<b>December 31,</b>											
	<b>2017</b>		<b>2016</b>		<b>2015</b>							
<i>Amounts may not sum due to rounding</i>												
U.S. GAAP net earnings and U.S. GAAP diluted earnings per share	\$	696	\$	1.30	\$	480	\$	0.92	\$	848	\$	1.70
Purchase accounting related amortization (primarily included in cost of sales)		1,530				1,412				901		
Litigation settlements and other contingencies, net		(13)				673				(97)		
Interest expense (primarily related to clean energy investment financing)		20				23				44		
Interest expense related to the accretion of contingent consideration liabilities		28				43				40		
Clean energy investments pre-tax loss		47				92				93		
Financing related costs (included in other expense, net)		—				—				112		
Acquisition related costs (primarily included in SG&A and cost of sales)		70				335				420		
Acquisition related customer incentive (included in third party net sales)		—				—				17		
Restructuring related costs		188				150				19		
Other special items included in:												
Cost of sales		64				45				36		
Research and development expense		118				121				20		
Selling, general and administrative expense		14				36				48		
Other expense, net		14				(18)				7		
Tax effect of the above items and other income tax related items		(330)				(844)				(370)		
Adjusted earnings and adjusted EPS	\$	<u>2,445</u>	\$	<u>4.56</u>	\$	<u>2,547</u>	\$	<u>4.89</u>	\$	<u>2,137</u>	\$	<u>4.30</u>
Weighted average diluted ordinary shares outstanding		<u>537</u>				<u>521</u>				<u>497</u>		

It is not mathematically possible to calculate the CAGR for U.S. GAAP EPS for the period 2008-2017 since the U.S. GAAP diluted EPS for 2008, the first year in the period, was a negative number. Excluding 2008, when the U.S. GAAP diluted EPS was \$(1.10), the CAGR for U.S. GAAP diluted EPS for the period 2009-2017 is 20%.

**Mylan N.V. and Subsidiaries**

**Reconciliation of non-GAAP financial measures**

(Unaudited; in millions, except per share amounts)

	Year Ended December 31,											
	2014		2013		2012							
<i>Amounts may not sum due to rounding</i>												
U.S. GAAP net earnings attributable to Mylan N.V. and U.S. GAAP diluted EPS	\$	929	\$	2.34	\$	624	\$	1.58	\$	641	\$	1.52
Purchase accounting related amortization (primarily included in cost of sales)		419		371		391						
Litigation settlements, net		48		(10)		(3)						
Interest expense (primarily related to clean energy investment financing)		46		38		36						
Accretion of contingent consideration liability and other fair value adjustments		35		35		39						
Clean energy investments pre-tax loss		79		22		17						
Financing related costs (included in other (income) expense, net)		33		73		—						
Acquisition related costs (primarily included in cost of sales and selling, general and administrative expense)		140		50		—						
Restructuring related costs		10		—		—						
Other special items included in:												
Cost of sales		41		49		66						
Research and development expense		18		52		12						
Selling, general and administrative expense		61		71		105						
Other (income) expense, net		(11)		25		(1)						
Tax effect of the above items and other income tax related items		(432)		(260)		(216)						
Adjusted net earnings attributable to Mylan N.V. and adjusted diluted EPS	\$	1,416	\$	3.56	\$	1,140	\$	2.89	\$	1,087	\$	2.59
Weighted average diluted common shares outstanding		398		395		420						

**Mylan N.V. and Subsidiaries**  
**Reconciliation of non-GAAP financial measures**  
(Unaudited; in millions, except per share amounts)

	Year Ended December 31,															
	2011		2010		2009		2008									
<i>Amounts may not sum due to rounding</i>																
U.S. GAAP net earnings (loss) attributable to Mylan N.V. and U.S. GAAP diluted EPS	\$	537	\$	1.22	\$	224	\$	0.68	\$	94	\$	0.30	\$	(335)	\$	(1.10)
Purchase accounting related amortization (primarily included in cost of sales)		365		309		283		489								
Goodwill impairment charges		—		—		—		385								
Bystolic revenue		—		—		—		(468)								
Litigation settlements, net		49		127		226		17								
Interest expense (primarily related to clean energy investment financing)		49		60		43		30								
Financing related costs (included in other (income) expense, net)		34		37		—		—								
Acceleration of deferred revenue		—		—		(29)		—								
Non-controlling interest		—		—		9		—								
Other special items included in:		—		—		—		—								
Cost of sales		8		7		33		53								
Research and development expense		4		10		22		14								
Selling, general and administrative expense		45		63		49		89								
Other (income) expense, net		—		1		(13)		1								
Tax effect of the above items and other income tax related items		(198)		(253)		(273)		(31)								
Preferred dividend		—		122		139		—								
Adjusted net earnings attributable to Mylan N.V. and adjusted diluted EPS	\$	893	\$	2.04	\$	707	\$	1.61	\$	583	\$	1.30	\$	244	\$	0.80
Weighted average diluted common shares outstanding		439		438		450		304								

**Mylan N.V. and Subsidiaries**  
**Reconciliation of non-GAAP financial measures**  
(Unaudited; in millions, except per share amounts)

<i>(Unaudited; USD in millions, except for EPS)</i>	<b>Year Ended</b>					
	<b>December 31,</b>					
	<b>2010</b>		<b>2009</b>		<b>2008</b>	
U.S. GAAP net earnings (loss) attributable to Mylan N.V. and U.S. GAAP diluted EPS	\$ 224	\$ 0.68	\$ 94	\$ 0.30	\$ (335)	\$ (1.10)
Purchase accounting related amortization (primarily included in cost of sales)	309		283		489	
Goodwill impairment charges	—		—		385	
Bystolic revenue	—		—		(468)	
Litigation settlements, net	127		226		17	
Interest expense (primarily related to clean energy investment financing)	60		43		30	
Financing related costs (included in other income (expense), net)	37		—		—	
Acceleration of deferred revenue	—		(29)		—	
Non-controlling interest	—		9		—	
Other special items included in:						
Cost of sales	7		33		53	
Research and development expense	10		22		14	
Selling, general and administrative expense	63		49		89	
Other expense, net	1		(13)		1	
Tax effect of the above items and other income tax related items	(253)		(273)		(31)	
Preferred dividend	122		139		—	
Adjusted net earnings attributable to Mylan N.V. and adjusted diluted EPS	\$ 707	\$ 1.61	\$ 583	\$ 1.30	\$ 244	\$ 0.80
Weighted average diluted ordinary shares outstanding	438		450		304	

**Mylan N.V. and Subsidiaries**  
**Reconciliation of non-GAAP financial measures**  
(Unaudited; in millions)

**Notional Debt to Credit Agreement Adjusted EBITDA Leverage Ratio and Target Leverage Ratio**

**Notional Debt to Credit Agreement Adjusted EBITDA Leverage Ratio**

The stated non-GAAP financial measure notional debt to Credit Agreement Adjusted EBITDA leverage ratio is based on the sum of (i) Mylan's adjusted EBITDA for the specified year and (ii) certain adjustments permitted to be included in Credit Agreement Adjusted EBITDA for the specified year pursuant to the Company's revolving credit facility or term credit facility in place from time to time (together, the "Credit Agreements") as compared to Mylan's total debt at notional amounts.

Adjusted EBITDA for the year ended December 31, 2016 is based on the sum of (i) \$3,678 million of the year ended December 31, 2016 adjusted EBITDA (unaudited) for Mylan, (ii) \$336 million adjusted EBITDA (unaudited) for the period of January 1, 2016 to the date of acquisition (translated from SEK to USD at an average exchange rate of 0.119) for Meda1 and (iii) \$34 million adjusted EBITDA (unaudited) for the period of January 1, 2016 to the date of acquisition for Renaissance. The stated measures represent an aggregation of Mylan figures, Renaissance figures derived from financial information prepared in accordance with U.S. GAAP and Meda figures derived from financial information prepared in accordance with IFRS as issued by the IASB and does not reflect pro forma adjustments (including the elimination of transactions between Mylan and Meda and Mylan and Renaissance). For the years ended December 31, 2017, 2016, 2015, 2014 and 2013, all amounts presented below are derived from Mylan's historical financial statements.

	Year Ended December 31,				
	2017	2016	2015	2014	2013
<i>Amounts may not sum due to rounding</i>					
<b>Mylan N.V. Adjusted EBITDA</b>	\$ 3,791	\$ 3,678	\$ 3,012	\$ 2,366	\$ 1,955
Add:					
Other adjustments including estimated synergies	118	—	—	—	—
Pro-forma impact of acquisitions	—	370	—	—	—
Credit Agreement Adjusted EBITDA	<u>3,909</u>	<u>4,048</u>	<u>3,012</u>	<u>2,366</u>	<u>1,955</u>
Reported debt balances:					
Long-term debt, including current portion	14,615	15,426	7,294	8,104	7,587
Short-term borrowings	47	46	—	331	440
Total reported debt balances	<u>14,661</u>	<u>15,473</u>	<u>7,294</u>	<u>8,435</u>	<u>8,026</u>
Add / (deduct):					
Net discount on various debt issuances	37	41	8	19	55
Deferred financing fees	75	92	38	34	—
Conversion feature of cash convertible notes	—	—	—	(1,854)	(1,303)
Fair value of hedged debt	(15)	(26)	(36)	(30)	(4)
Total debt at notional amounts	<u>\$ 14,758</u>	<u>\$ 15,579</u>	<u>\$ 7,304</u>	<u>\$ 6,604</u>	<u>\$ 6,774</u>
Notional debt to Credit Agreement Adjusted EBITDA Leverage Ratio	3.8x	3.8x	2.4x	2.8x	3.5x

**Long-term average debt-to-adjusted EBITDA leverage 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 net earnings and EBITDA over time in order to generally maintain the target. This target does not reflect Company guidance.



**Mylan N.V. and Subsidiaries**  
**Reconciliation of non-GAAP financial measures**  
(Unaudited; in millions)  
**Adjusted R&D**

	<b>Year Ended</b>				
	<b>December 31,</b>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>U.S. GAAP R&amp;D</b>	\$ 783	\$ 827	\$ 672	\$ 582	\$ 508
Deduct:					
Acquisition related costs	(2)	(2)	(2)	(3)	—
Restructuring and other special items	(126)	(129)	(20)	(18)	(52)
<b>Adjusted R&amp;D</b>	<u>\$ 655</u>	<u>\$ 696</u>	<u>\$ 650</u>	<u>\$ 561</u>	<u>\$ 456</u>

	<b>Year Ended</b>				
	<b>December 31,</b>				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b>U.S. GAAP R&amp;D</b>	\$ 401	\$ 295	\$ 282	\$ 275	\$ 317
Deduct:					
Acquisition related costs	—	—	—	—	—
Restructuring and other special items	(12)	(4)	(10)	(23)	(14)
<b>Adjusted R&amp;D</b>	<u>\$ 389</u>	<u>\$ 291</u>	<u>\$ 272</u>	<u>\$ 252</u>	<u>\$ 303</u>

**Mylan N.V. and Subsidiaries**  
**Reconciliation of non-GAAP financial measures**  
(Unaudited; in millions)  
**Adjusted Free Cash Flow**

	<b>Year Ended</b>				
	<b>December 31,</b>				
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<i>Amounts may not sum due to rounding</i>					
<b>U.S. GAAP net cash provided by operating activities</b>	\$ 2,065	\$ 2,047	\$ 2,009	\$ 1,015	\$ 1,107
Add:					
Payment of litigation settlements	533	69	(113)	96	(2)
Restructuring related costs	152	—	—	—	—
Financing related expense	—	67	137	24	61
Contingent consideration	50	—	—	—	—
Acquisition related costs	30	244	191	64	13
R&D expense	55	123	12	21	46
Income tax items	—	(26)	(22)	(13)	(22)
Other	—	—	4	3	2
Adjusted net cash provided by operating activities	<u>\$ 2,884</u>	<u>\$ 2,524</u>	<u>\$ 2,217</u>	<u>\$ 1,210</u>	<u>\$ 1,205</u>
Add / (deduct):					
Capital expenditures	(276)	(390)	(363)	(325)	(335)
Proceeds from sale of certain property, plant and equipment	19	—	—	9	25
Adjusted free cash flow	<u>\$ 2,627</u>	<u>\$ 2,134</u>	<u>\$ 1,854</u>	<u>\$ 894</u>	<u>\$ 895</u>

**Mylan N.V. and Subsidiaries**  
**Reconciliation of non-GAAP financial measures**  
(Unaudited; in millions)  
**Adjusted Free Cash Flow**

	Year Ended December 31,				
	2012	2011	2010	2009	2008
<i>Amounts may not sum due to rounding</i>					
<b>U.S. GAAP net cash provided by operating activities</b>	\$ 949	\$ 720	\$ 931	\$ 605	\$ 384
Add:					
Payment of litigation settlements	109	81	78	52	—
Sale of product rights	—	—	—	—	(219)
Payment to Merck KGaA related to income tax benefits on indemnified litigation	—	60	(51)	—	—
Payment of interest rate swap settlement	—	14	33	—	—
Adjustments for timing of cash receipts deducted in prior periods	62	7	(90)	—	—
Income tax items	(14)	—	(99)	—	—
Other	18	—	(21)	—	—
Adjusted net cash provided by operating activities	<u>\$ 1,124</u>	<u>\$ 882</u>	<u>\$ 781</u>	<u>\$ 657</u>	<u>\$ 165</u>
Add / (deduct):					
Capital expenditures	(305)	(280)	(193)	(154)	(165)
Proceeds from sale of certain property, plant and equipment	16	—	—	—	—
Other	(6)	—	—	—	—
Preferred dividend	—	—	(121)	(139)	—
Adjusted free cash flow	<u>\$ 829</u>	<u>\$ 602</u>	<u>\$ 467</u>	<u>\$ 364</u>	<u>\$ —*</u>

\* 2008 Adjusted free cash flow was \$0.3 million.

**Mylan N.V. and Subsidiaries**  
**Reconciliation of non-GAAP financial measures**  
(Unaudited; in millions)  
**Adjusted Pre-tax Income and Adjusted Interest Expense**

**Year Ended  
December 31,**

	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<i>Amounts may not sum due to rounding</i>				
<b>Adjusted net earnings attributable to Mylan N.V.</b>	\$ 2,445	\$ 2,547	\$ 2,137	\$ 1,416
Add / (Deduct):				
Tax effect of non-GAAP adjustments and other income tax related items	330	844	370	432
U.S. GAAP reported income tax (benefit) provision	207	(358)	68	45
<b>Adjusted pre-tax income</b>	<b>\$ 2,982</b>	<b>\$ 3,033</b>	<b>\$ 2,575</b>	<b>\$ 1,893</b>

**Year Ended  
December 31,**

	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<i>Amounts may not sum due to rounding</i>				
<b>U.S. GAAP interest expense</b>	\$ 535	\$ 455	\$ 339	\$ 333
Deduct:				
Interest expense related to clean energy investments	(12)	(14)	(16)	(16)
Accretion of contingent consideration liability	(28)	(41)	(38)	(35)
Acquisition related costs	(0)	(46)	(57)	-
Non-cash interest	-	-	(29)	(30)
Other special items	(7)	(10)	-	-
<b>Adjusted interest expense</b>	<b>\$ 487</b>	<b>\$ 343</b>	<b>\$ 199</b>	<b>\$ 252</b>

**Mylan N.V. and Subsidiaries**  
**Reconciliation of non-GAAP financial measures**  
(Unaudited; in millions)  
**Return on Invested Capital**

(Unaudited; in millions, except %)

	Year Ended December 31,			
	2017	2016	2015	2014
Adjusted pre-tax income	\$ 2,982	\$ 3,033	\$ 2,575	\$ 1,893
Adjusted interest expense	487	343	199	252
Adjusted income before interest and tax	3,469	3,376	2,774	2,145
Estimated adjusted income tax expense (1)	(624)	(540)	(472)	(536)
<b>Adjusted net operating profit after tax</b>	<b>\$ 2,845</b>	<b>\$ 2,835</b>	<b>\$ 2,302</b>	<b>\$ 1,609</b>

	As of December 31,			
	2016	2015	2014	2013
<b>Total assets</b>	<b>\$ 34,726</b>	<b>\$ 29,003</b>	<b>\$ 20,878</b>	<b>\$ 15,295</b>
Cash and near cash items	(999)	(2,211)	(553)	(291)
Short-term investments	(113)	(98)	(71)	(44)
Deferred income taxes	(633)	(460)	(470)	(328)
Cash Convertible Note hedge	-	-	(1,105)	(1,303)
Forward starting swaps	-	40	45	(164)
Clean energy investments	(333)	(363)	(422)	(415)
Agila CEV escrow	-	-	-	(100)
Restricted cash	(148)	(215)	(124)	(130)
<b>Total invested assets</b>	<b>\$ 32,500</b>	<b>\$ 25,697</b>	<b>\$ 18,178</b>	<b>\$ 12,520</b>
Accounts payable	(1,348)	(1,161)	(1,070)	(953)
Other current liabilities	(3,259)	(2,472)	(1,615)	(1,146)
Income taxes payable	(98)	(104)	(98)	(50)
<b>Total invested capital</b>	<b>\$ 27,796</b>	<b>\$ 21,959</b>	<b>\$ 15,395</b>	<b>\$ 10,370</b>

					Avg.
Cash Return on Total Invested Capital (2)	10%	13%	15%	16%	14%
Weighted Average Cost of Capital (3)	8%	7%	8%	9%	8%

(1) Estimated adjusted income tax expense is the adjusted income tax rate multiplied by adjusted income before interest and tax.

(2) Calculated using adjusted net operating profit after tax / total invested capital.

(3) Calculated as the company's weighted average cost of debt and equity, using end of period notional debt and market capitalization for respective weights. Cost of debt is based on the estimated cost of the company's long term unsecured debt, net of tax benefit, as determined by third party pricing. Cost of equity is calculated as the risk free rate (10 Year U.S. treasury bond) plus the company's modified beta multiplied by the market risk premium (expected U.S. market return - risk free rate).