

Q4 and Full Year 2017 Non-GAAP Reconciliations

February 28, 2018

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 gross margins, adjusted R&D as % of total revenues, adjusted SG&A as % of total revenues, adjusted earnings from operations, adjusted EBITDA, adjusted net earnings, adjusted EPS, adjusted net cash provided by operating activities, adjusted free cash flow, capital expenditures, net of proceeds from sale of certain property, plant and equipment and adjusted effective tax rate are presented in order to supplement investors' and other readers' understanding and assessment of the financial performance of Mylan. 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. As discussed below, Mylan is not providing forward looking guidance for U.S. GAAP reported financial measures 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.

2018 Guidance

Mylan is not providing forward looking guidance for U.S. GAAP reported financial measures 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 Net Earnings

<i>(in millions, except per share amounts)</i>	Three Months Ended December 31,				Year Ended December 31,			
	2017		2016		2017		2016	
	\$	\$	\$	\$	\$	\$	\$	\$
U.S. GAAP net earnings and U.S. GAAP diluted earnings per share	244.3	0.46	417.5	0.78	696.0	1.30	480.0	0.92
Purchase accounting related amortization (primarily included in cost of sales) ^(a)	454.8		480.5		1,529.7		1,412.3	
Litigation settlements and other contingencies, net ^(b)	12.7		116.2		(13.1)		672.5	
Interest expense (primarily related to clean energy investment financing)	4.7		5.1		19.5		22.9	
Interest expense related to the accretion of contingent consideration liabilities	5.4		11.0		27.6		42.8	
Clean energy investments pre-tax (income) loss ^(c)	(19.2)		22.9		47.1		92.3	
Acquisition related costs (primarily included in SG&A and cost of sales) ^(d)	9.7		5.5		70.1		335.3	
Restructuring related costs ^(e)	75.2		110.1		188.0		149.7	
Other special items included in:								
Cost of sales	25.2		10.6		64.4		44.6	
Research and development expense ^(f)	27.7		22.8		117.7		121.3	
Selling, general and administrative expense	1.1		12.8		13.7		35.5	
Other expense, net	8.9		(19.8)		13.8		(18.4)	
Tax effect of the above items and other income tax related items	(85.2)		(353.0)		(329.7)		(843.5)	
Adjusted net earnings and adjusted EPS	<u>\$ 765.3</u>	<u>\$ 1.43</u>	<u>\$ 842.2</u>	<u>\$ 1.57</u>	<u>\$ 2,444.8</u>	<u>\$ 4.56</u>	<u>\$ 2,547.3</u>	<u>\$ 4.89</u>
Weighted average diluted ordinary shares outstanding	<u>535.7</u>		<u>536.5</u>		<u>536.7</u>		<u>520.5</u>	

- (a) The increase in purchase accounting related amortization for the current year is due to the incremental amortization expense associated with the intangible assets related to the Topicals Business and Meda acquisitions. The fourth quarter of 2017 includes intangible asset impairment charges of approximately \$61.6 million. The fourth quarter of 2016 includes amortization of the purchase accounting inventory fair value adjustments for Meda and the Topicals Business totaling approximately \$121.3 million, and intangible asset impairment charges of approximately \$68.3 million.
- (b) The net gain for the current year is the result of a net gain of \$64.2 million for contingent consideration fair value adjustments offset by a charge of \$51.1 million related to litigation matters.
- (c) The fourth quarter 2017 includes a gain of \$42.2 million for the reduction of long-term obligations as a result of a decline in production levels at certain of the related clean energy facilities.
- (d) Acquisition related costs incurred in 2016 primarily relate to the acquisition of the Topicals Business (June 2016) and costs related to the Meda acquisition (August 2016). These costs primarily related to consulting, professional, and legal costs. Acquisition related costs incurred in 2017 consist primarily of integration activities.
- (e) For the year ended December 31, 2017, approximately \$46.0 million is included in cost of sales, \$8.4 million is included in R&D and \$133.6 million is included in SG&A.
- (f) R&D expense for the year ended December 31, 2017 includes \$31.9 million related to Momenta collaboration expense. The remaining activity for the year relates to upfront expense of \$50.2 million related to a joint development and marketing agreement for a respiratory product and also related to several smaller collaboration agreements.

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

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2017	2016	2017	2016
U.S. GAAP net earnings attributable to Mylan N.V.	\$ 244.3	\$ 417.5	\$ 696.0	\$ 480.0
Add adjustments:				
Net contribution attributable to the noncontrolling interest and equity method investments	(19.2)	27.2	58.0	112.8
Income tax (benefit) provision	82.8	(192.6)	207.0	(358.3)
Interest expense	128.3	149.8	534.6	454.8
Depreciation and amortization	526.0	476.6	1,805.8	1,523.0
EBITDA	<u>\$ 962.2</u>	<u>\$ 878.5</u>	<u>\$ 3,301.4</u>	<u>\$ 2,212.3</u>
Add / (deduct) adjustments:				
Share-based compensation expense	10.5	17.8	74.7	88.9
Litigation settlements and other contingencies, net	12.7	116.1	(13.1)	672.5
Restructuring & other special items	138.2	199.5	428.0	704.4
Adjusted EBITDA	<u>\$ 1,123.6</u>	<u>\$ 1,211.9</u>	<u>\$ 3,791.0</u>	<u>\$ 3,678.1</u>

Mylan N.V. and Subsidiaries
Reconciliation of Non-GAAP Financial Measures
(Unaudited; in millions)
Total Revenues by Segment

Three Months Ended December 31,						
<i>(In millions)</i>	2017	2016	% Change	2017 Currency Impact ⁽¹⁾	2017 Constant Currency Revenues	Constant Currency % Change ⁽²⁾
Third party net sales						
North America	\$ 1,302.9	\$ 1,565.0	(17)%	\$ (4.5)	\$ 1,298.4	(17)%
Europe	1,071.2	927.4	16 %	(87.4)	983.8	6 %
Rest of World	<u>815.7</u>	<u>729.2</u>	12 %	<u>(25.1)</u>	<u>790.6</u>	8 %
Total third party net sales	3,189.8	3,221.6	(1)%	(117.0)	3,072.8	(5)%
Other third party revenues	<u>49.1</u>	<u>46.2</u>	6 %	<u>(0.7)</u>	<u>48.4</u>	5 %
Consolidated total revenues	<u>\$ 3,238.9</u>	<u>\$ 3,267.8</u>	(1)%	<u>\$ (117.7)</u>	<u>\$ 3,121.2</u>	(4)%
Year Ended December 31,						
<i>(In millions)</i>	2017	2016	% Change	2017 Currency Impact ⁽¹⁾	2017 Constant Currency Revenues	Constant Currency % Change ⁽²⁾
Third party net sales						
North America	\$ 4,969.6	\$ 5,629.5	(12)%	\$ (6.8)	\$ 4,962.8	(12)%
Europe	3,958.3	2,953.8	34 %	(89.7)	3,868.6	31 %
Rest of World	<u>2,832.1</u>	<u>2,383.8</u>	19 %	<u>(52.2)</u>	<u>2,779.9</u>	17 %
Total third party net sales	11,760.0	10,967.1	7 %	(148.7)	11,611.3	6 %
Other third party revenues	<u>147.7</u>	<u>109.8</u>	35 %	<u>(0.8)</u>	<u>146.9</u>	34 %
Consolidated total revenues	<u>\$ 11,907.7</u>	<u>\$ 11,076.9</u>	8 %	<u>\$ (149.5)</u>	<u>\$ 11,758.2</u>	6 %

(1) Currency impact is shown as unfavorable (favorable).

(2) The constant currency percentage change is derived by translating third party net sales or revenues for the current period at prior year comparative period exchange rates, and in doing so shows the percentage change from 2017 constant currency third party net sales or revenues to the corresponding amount in the prior year.

Mylan N.V. and Subsidiaries
Reconciliation of Non-GAAP Financial Measures
(Unaudited; in millions)
Cost of Sales

<i>(In millions)</i>	Three Months December 31,		Year Ended December 31,	
	2017	2016	2017	2016
U.S. GAAP cost of sales	\$ 1,944.3	\$ 1,932.8	\$ 7,124.6	\$ 6,379.9
Deduct:				
Purchase accounting amortization and other related items	(468.9)	(474.5)	(1,523.8)	(1,389.3)
Acquisition related items	—	(12.9)	(1.9)	(52.7)
Restructuring related costs	(8.8)	(15.1)	(46.0)	(28.9)
Other special items	(25.2)	(10.6)	(64.4)	(44.6)
Adjusted cost of sales	\$ 1,441.4	\$ 1,419.7	\$ 5,488.5	\$ 4,864.4
Adjusted gross profit ^(a)	\$ 1,797.5	\$ 1,848.1	\$ 6,419.2	\$ 6,212.5
Adjusted gross margin ^(a)	55 %	57 %	54 %	56 %

(a) U.S. GAAP gross profit is calculated as total revenues less U.S. GAAP cost of sales. U.S. GAAP gross margin is calculated as U.S. GAAP gross profit divided by total revenues. Adjusted gross profit is calculated as total revenues less adjusted cost of sales. Adjusted gross margin is calculated as adjusted gross profit divided by total revenues.

Mylan N.V. and Subsidiaries
Reconciliation of Non-GAAP Financial Measures
(Unaudited; in millions)
R&D

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2017	2016	2017	2016
U.S. GAAP R&D	\$ 202.4	\$ 194.6	\$ 783.3	\$ 826.8
Deduct:				
Acquisition related costs	(0.4)	(1.4)	(1.9)	(1.8)
Restructuring related costs	(5.9)	(7.4)	(8.4)	(7.7)
Other special items	(27.7)	(22.8)	(117.7)	(121.3)
Adjusted R&D	<u>\$ 168.4</u>	<u>\$ 163.0</u>	<u>\$ 655.3</u>	<u>\$ 696.0</u>
Adjusted R&D as % of total revenues	<u>5 %</u>	<u>5 %</u>	<u>6 %</u>	<u>6 %</u>

Mylan N.V. and Subsidiaries
Reconciliation of Non-GAAP Financial Measures
(Unaudited; in millions)
SG&A

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2017	2016	2017	2016
U.S. GAAP SG&A	\$ 659.0	\$ 708.5	\$ 2,575.8	\$ 2,496.1
Add/(deduct):				
Acquisition related costs	(9.4)	(20.7)	(65.5)	(106.1)
Restructuring related costs	(60.6)	(87.5)	(133.6)	(113.1)
Purchase accounting amortization and other related items	—	(0.3)	—	(0.3)
Other special items and reclassifications	13.1	(12.8)	(13.7)	(35.5)
Adjusted SG&A	\$ 602.1	\$ 587.2	\$ 2,363.0	\$ 2,241.1
 Adjusted SG&A as % of total revenues	 19 %	 18 %	 20 %	 20 %

Mylan N.V. and Subsidiaries
Reconciliation of Non-GAAP Financial Measures
(Unaudited; in millions)
Total Operating Expenses

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2017	2016	2017	2016
U.S. GAAP total operating expenses	\$ 874.1	\$ 1,019.2	\$ 3,346.0	\$ 3,995.4
Add/(deduct):				
Litigation settlements and other contingencies, net	(12.7)	(116.2)	13.1	(672.6)
R&D adjustments	(34.0)	(31.6)	(128.0)	(130.8)
SG&A adjustments	(56.9)	(121.3)	(212.8)	(255.0)
Adjusted total operating expenses	<u>\$ 770.5</u>	<u>\$ 750.1</u>	<u>\$ 3,018.3</u>	<u>\$ 2,937.0</u>
Adjusted earnings from operations ^(a)	<u>\$ 1,027.0</u>	<u>\$ 1,098.0</u>	<u>\$ 3,400.9</u>	<u>\$ 3,275.5</u>

(a) U.S. GAAP earnings from operations is calculated as U.S. GAAP gross profit less U.S. GAAP total operating expenses. Adjusted earnings from operations is calculated as adjusted gross profit less adjusted total operating expenses.

Mylan N.V. and Subsidiaries
Reconciliation of Non-GAAP Financial Measures
(Unaudited; in millions)
Interest Expense

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2017	2016	2017	2016
U.S. GAAP interest expense	\$ 128.3	\$ 149.8	\$ 534.6	\$ 454.8
Deduct:				
Interest expense related to clean energy investments	(2.9)	(3.4)	(12.2)	(14.4)
Accretion of contingent consideration liability	(5.4)	(10.6)	(27.6)	(41.3)
Acquisition related costs	—	(0.5)	(0.2)	(46.1)
Other special items	(1.8)	(2.0)	(7.3)	(10.0)
Adjusted interest expense	\$ 118.2	\$ 133.3	\$ 487.3	\$ 343.0

Mylan N.V. and Subsidiaries
Reconciliation of Non-GAAP Financial Measures
(Unaudited; in millions)
Other Expense

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2017	2016	2017	2016
U.S. GAAP other expense, net	\$ (34.9)	\$ (58.9)	\$ (0.5)	\$ 125.1
(Add) / deduct:				
Clean energy investments pre-tax income (loss) ^(a)	19.2	(22.9)	(47.1)	(92.3)
Purchase accounting related amortization	—	(5.7)	(5.7)	(22.6)
Acquisition related costs	—	30.0	(0.8)	(128.6)
Other items	(8.9)	19.8	(13.8)	18.5
Adjusted other income	\$ (24.6)	\$ (37.7)	\$ (67.9)	\$ (99.9)

(a) Adjustment represents exclusion of activity related to Mylan's clean energy investments, the activities of which qualify for income tax credits under section 45 of the Code

Mylan N.V. and Subsidiaries
Reconciliation of Non-GAAP Financial Measures
(Unaudited; in millions)
Earnings Before Income Taxes and Income Tax Provision

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2017	2016	2017	2016
U.S. GAAP earnings before income taxes	\$327.1	\$224.9	\$903.0	\$121.7
Total pre tax non-GAAP adjustments	606.2	777.7	2,078.5	2,910.8
Adjusted earnings before income taxes	<u>\$933.3</u>	<u>\$1,002.6</u>	<u>\$2,981.5</u>	<u>\$3,032.5</u>
U.S. GAAP income tax provision	\$82.8	(\$192.6)	\$207.0	(\$358.3)
Tax expense on Non-GAAP adjustments	85.2	353.0	329.7	843.5
Adjusted income tax provision	<u>\$168.0</u>	<u>\$160.4</u>	<u>\$536.7</u>	<u>\$485.2</u>
Adjusted effective tax rate	<u>18.0%</u>	<u>16.0%</u>	<u>18.0%</u>	<u>16.0%</u>

Mylan N.V. and Subsidiaries
Reconciliation of Non-GAAP Financial Measures
(Unaudited; in millions)
Adjusted Net Cash Provided by Operating Activities

	Year Ended	
	December 31,	
	2017	2016
U.S. GAAP net cash provided by operating activities	\$ 2,064.8	\$ 2,047.2
Add:		
Payment of litigation settlements	532.5	68.5
Restructuring related costs	152.4	—
Financing related expense	—	66.9
Contingent Consideration	49.7	—
Acquisition related costs	29.5	244.4
R&D expense	54.6	123.2
Income tax items	—	(25.8)
Adjusted net cash provided by operating activities	\$ 2,883.5	\$ 2,524.4
 Add / (deduct):		
Capital expenditures	(275.9)	(390.4)
Proceeds from sale of certain property, plant and equipment	19.3	—
Adjusted free cash flow	\$ 2,626.9	\$ 2,134.0

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

(Unaudited; in millions)

Notional Debt to Credit Agreement Adjusted EBITDA Leverage Ratio

The stated non-GAAP financial measure December 31, 2017 notional debt to year ended December 31, 2017 Credit Agreement Adjusted EBITDA leverage ratio is based on the sum of (i) Mylan's adjusted EBITDA for the year ended December 31, 2017 and (ii) certain adjustments permitted to be included in Credit Agreement Adjusted EBITDA as of December 31, 2017 pursuant to the Company's revolving credit facility dated as of November 22, 2016 (as amended, supplemented or otherwise modified from time to time), among the Company, 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 and the Company's term loan credit facility dated as of November 22, 2016 (as amended, supplemented or otherwise modified from time to time), among the Company, certain affiliates and subsidiaries of the Company from time to time party thereto as guarantors, each lender from time to time party thereto and Goldman Sachs Bank USA, as administrative agent (together, the "Credit Agreements") as compared to Mylan's December 31, 2017 total debt at notional amounts.

	Year Ended December 2017
Mylan N.V. Adjusted EBITDA	\$ 3,791.0
Add: other adjustments including estimated synergies	117.6
Credit Agreement Adjusted EBITDA	3,908.6
Reported debt balances:	
Long-term debt, including current portion	14,614.5
Short-term borrowings	46.5
Total reported debt balances	14,661.0
Add / (deduct):	
Net discount on various debt issuances	37.3
Deferred financing fees	75.0
Fair value of hedged debt	(15.4)
Total debt at notional amounts	\$ 14,757.9
 Notional debt to Credit Agreement Adjusted EBITDA Leverage Ratio	 3.8

