

Q2 2017 Non-GAAP Reconciliations

August 9, 2017

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 net earnings, adjusted EPS, adjusted net cash provided by operating activities, adjusted EBITDA, adjusted free cash flow 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 in the Appendix, 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.

2017 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 including those related to the Meda Transaction, 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

	Three Months Ended June 30,				Six Months Ended June 30,											
	2017		2016		2017		2016									
<i>(In millions, except per share amounts)</i>																
U.S. GAAP net earnings and U.S. GAAP diluted earnings per share	\$	297.0	\$	0.55	\$	168.4	\$	0.33	\$	363.4	\$	0.68	\$	182.3	\$	0.36
Purchase accounting related amortization (primarily included in cost of sales) ^(a)		355.0				255.4				704.2				504.7		
Litigation settlements, net ^(b)		38.2				(0.1)				37.3				(1.6)		
Interest expense		5.3				7.7				12.6				13.4		
Accretion of contingent consideration liability and other fair value adjustments ^(c)		(79.9)				10.3				(62.2)				20.3		
Clean energy investments pre-tax loss		21.7				20.1				44.0				45.6		
Acquisition related costs (primarily included in cost of sales and selling, general and administrative expense) ^(d)		27.0				174.6				58.3				236.2		
Restructuring related costs ^(e)		16.2				7.7				39.3				20.9		
Other special items included in:																
Cost of sales		8.0				8.4				15.1				22.2		
Research and development expense ^(f)		9.7				10.3				74.8				76.4		
Selling, general and administrative expense		2.0				7.2				7.9				2.2		
Other expense, net		(0.8)				0.5				5.3				2.7		
Tax effect of the above items and other income tax related items		(109.5)				(78.1)				(210.3)				(146.6)		
Adjusted net earnings and adjusted EPS	\$	589.9	\$	1.10	\$	592.4	\$	1.16	\$	1,089.7	\$	2.03	\$	978.7	\$	1.92
Weighted average diluted ordinary shares outstanding		537.0				509.7				537.0				509.6		

(a) The increase in purchase accounting related amortization is due to the amortization expense associated with the intangible assets related to the Topicals Business and Meda acquisitions.

(b) Litigation settlements, net increase is due to additional accruals for the modafinil and EpiPen® Auto-Injector litigation matters.

(c) Change to contingent consideration liability is due to a gain recognized for the fair value adjustment of \$88 million for the respiratory delivery platform contingent liability.

(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. These costs primarily related to consulting, professional, and legal costs. Acquisition related costs incurred in 2017 consist primarily of integration activities.

(e) Restructuring related costs includes approximately \$3.4 million recognized in cost of sales, \$0.1 million recognized in R&D, and \$12.7 million recognized in SG&A for the three months ended June 30, 2017. For the six months ended June 30, 2017, approximately \$16.3 million is included in cost of sales, \$1.4 million is included in R&D and \$21.6 million is included in SG&A.

(f) R&D expense for the three months ended June 30, 2017 includes \$8.7 million related to Momenta collaboration expense. For the six months ended June 30, 2017, R&D expense includes an upfront expense of approximately \$50 million related to a joint development and marketing agreement for a respiratory product, \$14.5 million related to Momenta collaboration expense and other similar smaller agreements. For the six months ended June 30, 2016, R&D expense includes a \$45 million upfront payment to Momenta and \$15 million of milestone payments to Theravance Biopharma.

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2017	2016	2017	2016
U.S. GAAP net earnings	\$ 297.0	\$ 168.4	\$ 363.4	\$ 182.3
Add adjustments:				
Net contribution attributable to equity method investments	21.7	24.9	54.9	55.8
Income tax provision	27.7	34.7	32.9	39.8
Interest expense	136.3	90.3	274.5	160.6
Depreciation and amortization	421.2	303.4	836.7	600.5
EBITDA	\$ 903.9	\$ 621.7	\$ 1,562.4	\$ 1,039.0
Add / (deduct) adjustments:				
Share-based compensation expense	18.9	25.4	42.0	51.9
Litigation settlements and other contingencies, net	(50.0)	(0.1)	(41.0)	(1.6)
Restructuring & other special items	58.1	174.4	180.1	315.8
Adjusted EBITDA	\$ 930.9	\$ 821.4	\$ 1,743.5	\$ 1,405.1

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

	Three Months Ended					
	June 30,					
	2017	2016	% Change	2017 Currency Impact ⁽¹⁾	2017 Constant Currency Revenues	Constant Currency % Change ⁽²⁾
Third party net sales						
North America ⁽³⁾	\$ 1,279.6	\$ 1,401.5	-9%	\$ 3.0	\$ 1,282.6	-8%
Europe ⁽³⁾	954.3	600.9	59%	18.8	973.1	62%
Rest of World ⁽³⁾	692.6	537.5	29%	(8.1)	684.5	27%
Total third party net sales ⁽³⁾	<u>2,926.5</u>	<u>2,539.9</u>	15%	13.7	2,940.2	16%
Other third party revenues	<u>35.7</u>	<u>20.8</u>	72%	0.3	36.0	73%
Consolidated total revenues	<u>\$ 2,962.20</u>	<u>\$ 2,560.70</u>	16%	<u>\$ 14.00</u>	<u>\$ 2,976.20</u>	16%

	Six Months Ended					
	June 30,					
	2017	2016	% Change	2017 Currency Impact ⁽¹⁾	2017 Constant Currency Revenues	Constant Currency % Change ⁽²⁾
Third party net sales						
North America ⁽³⁾	\$ 2,494.5	\$ 2,559.0	-3%	\$ 0.8	\$ 2,495.3	-2%
Europe ⁽³⁾	1,846.3	1,185.2	56%	43.1	1,889.4	59%
Rest of World ⁽³⁾	1,273.1	971.8	31%	(20.8)	1,252.3	29%
Total third party net sales ⁽³⁾	<u>5,613.9</u>	<u>4,716.0</u>	19%	23.1	5,637.0	20%
Other third party revenues	<u>67.8</u>	<u>36.0</u>	88%	0.5	68.3	90%
Consolidated total revenues	<u>\$ 5,681.70</u>	<u>\$ 4,752.00</u>	20%	<u>\$ 23.60</u>	<u>\$ 5,705.30</u>	20%

(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.

(3) Effective October 1, 2016, the Company expanded its reportable segments as follows: North America, Europe and Rest of World. As a result, the amounts previously reported under the Specialty segment have been recast to North America and amounts related to Brazil are included in Rest of World for all periods presented.

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2017	2016	2017	2016
U.S. GAAP cost of sales	\$ 1,736.8	\$ 1,389.0	\$ 3,371.3	\$ 2,673.3
Deduct:				
Purchase accounting amortization and other related items	(350.2)	(249.7)	(693.5)	(493.3)
Acquisition related costs	(7.6)	(12.8)	(13.5)	(31.3)
Restructuring related costs	(3.4)	(2.6)	(16.3)	(4.0)
Other special items	(8.4)	(8.4)	(15.5)	(22.2)
Adjusted cost of sales	<u>\$ 1,367.2</u>	<u>\$ 1,115.5</u>	<u>\$ 2,632.5</u>	<u>\$ 2,122.5</u>
Adjusted gross profit ^(a)	<u>\$ 1,595.0</u>	<u>\$ 1,445.2</u>	<u>\$ 3,049.2</u>	<u>\$ 2,629.5</u>
Adjusted gross margin ^(a)	<u>54%</u>	<u>56%</u>	<u>54%</u>	<u>55%</u>

- (a) U.S. GAAP gross profit is calculated as U.S. GAAP total revenues less U.S. GAAP cost of sales. U.S. GAAP gross margin is calculated as U.S. GAAP gross profit divided by U.S. GAAP 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		Six Months Ended	
	June 30,		June 30,	
	2017	2016	2017	2016
U.S. GAAP R&D	\$ 181.1	\$ 179.5	\$ 398.6	\$ 433.1
Deduct:				
Acquisition related costs	(0.3)	(0.1)	(0.6)	(0.2)
Restructuring related costs	(0.1)	(0.1)	(1.4)	(0.1)
Other special items	(9.7)	(10.3)	(74.8)	(76.4)
Adjusted R&D	<u>\$ 171.0</u>	<u>\$ 169.0</u>	<u>\$ 321.8</u>	<u>\$ 356.4</u>
Adjusted R&D as % of adjusted total revenues	<u>6%</u>	<u>7%</u>	<u>6%</u>	<u>8%</u>

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2017	2016	2017	2016
U.S. GAAP SG&A	\$ 620.9	\$ 581.4	\$ 1,252.2	\$ 1,130.7
Deduct:				
Acquisition related costs	(17.5)	(27.0)	(41.5)	(62.7)
Restructuring related costs	(12.7)	(4.8)	(21.6)	(13.2)
Purchase accounting amortization and other related items	(4.9)	—	(5.1)	—
Other special items	(2.8)	(7.4)	(8.7)	(5.8)
Adjusted SG&A	<u>\$ 583.0</u>	<u>\$ 542.2</u>	<u>\$ 1,175.3</u>	<u>\$ 1,049.0</u>
Adjusted SG&A as % of adjusted total revenues	<u>20%</u>	<u>21%</u>	<u>21%</u>	<u>22%</u>

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2017	2016	2017	2016
U.S. GAAP total operating expenses	\$ 752.0	\$ 760.8	\$ 1,609.8	\$ 1,562.2
(Deduct) / Add:				
Litigation settlements and other contingencies, net	50.0	0.1	41.0	1.6
R&D adjustments	(10.1)	(10.5)	(76.9)	(76.7)
SG&A adjustments	(37.9)	(39.2)	(77.0)	(81.7)
Adjusted total operating expenses	<u>\$ 754.0</u>	<u>\$ 711.2</u>	<u>\$ 1,496.9</u>	<u>\$ 1,405.4</u>
Adjusted earnings from operations ^(a)	<u>\$ 841.0</u>	<u>\$ 734.0</u>	<u>\$ 1,552.3</u>	<u>\$ 1,224.1</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		Six Months Ended	
	June 30,		June 30,	
	2017	2016	2017	2016
U.S. GAAP interest expense	\$ 136.3	\$ 90.3	\$ 274.5	\$ 160.6
Deduct:				
Interest expense related to clean energy investments	(3.1)	(3.6)	(6.4)	(7.4)
Accretion of contingent consideration liability	(8.3)	(10.3)	(16.1)	(20.3)
Acquisition related costs	—	(4.0)	(0.2)	(5.9)
Other special items	(2.1)	(21.6)	(4.2)	(25.9)
Adjusted interest expense	\$ 122.8	\$ 50.8	\$ 247.6	\$ 101.1

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2017	2016	2017	2016
U.S. GAAP other expense, net	\$ 12.4	\$ 117.5	\$ 29.8	\$ 133.8
Add:				
Clean energy investments pre-tax loss	(21.7)	(20.1)	(44.0)	(45.6)
Purchase accounting related amortization	—	(5.6)	—	(11.3)
Financing related costs	(1.1)	(30.2)	(3.1)	(33.2)
Acquisition related costs	—	(84.2)	(0.8)	(84.2)
Other items	1.3	0.6	0.8	(1.6)
Adjusted other income	<u>\$ (9.1)</u>	<u>\$ (22.0)</u>	<u>\$ (17.3)</u>	<u>\$ (42.1)</u>

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		Six Months Ended	
	June 30,		June 30,	
	2017	2016	2017	2016
U.S. GAAP earnings before income taxes	\$ 324.7	\$ 203.1	\$ 396.3	\$ 222.1
Total pre tax non-GAAP adjustments	402.4	502.1	936.6	943.0
Adjusted earnings before income taxes	<u>\$ 727.1</u>	<u>\$ 705.2</u>	<u>\$ 1,332.9</u>	<u>\$ 1,165.1</u>
U.S. GAAP income tax provision	\$ 27.7	\$ 34.7	\$ 32.9	\$ 39.8
Adjusted tax expense	109.5	78.1	210.3	146.6
Adjusted income tax provision	<u>\$ 137.2</u>	<u>\$ 112.8</u>	<u>\$ 243.2</u>	<u>\$ 186.4</u>
Adjusted effective tax rate	<u>18.9%</u>	<u>16.0%</u>	<u>18.2%</u>	<u>16.0%</u>

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2017	2016	2017	2016
U.S. GAAP net cash provided by operating activities	\$ 567.8	\$ 416.6	\$ 1,020.7	\$ 497.1
Add:				
Restructuring related costs	34.3	66.9	89.5	66.9
Corporate contingencies	32.5	—	32.5	—
Acquisition related costs	29.4	26.8	52.3	88.3
R&D expense	—	—	5.0	60.0
Income tax items	—	(25.8)	—	(25.8)
Adjusted net cash provided by operating activities	<u>\$ 664.0</u>	<u>\$ 484.5</u>	<u>\$ 1,200.0</u>	<u>\$ 686.5</u>
Deduct:				
Capital expenditures	(50.9)	(69.2)	(109.3)	(121.0)
Adjusted free cash flow	<u>\$ 613.1</u>	<u>\$ 415.3</u>	<u>\$ 1,090.7</u>	<u>\$ 565.5</u>

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

	Three Months Ended				Twelve Months Ended
	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017	June 30, 2017
Mylan N.V. adjusted EBITDA, as reported	\$ 1,060.9	\$ 1,211.9	\$ 812.7	\$ 930.9	\$ 4,016.4
Notional debt					\$ 15,069.3
Short-term borrowings and capital leases					16.4
Total debt					\$ 15,085.7
Less: cash and cash equivalents					612.8
Total net debt					\$ 14,472.9
Debt-to-adjusted EBITDA leverage ratio					3.76
Net debt-to-adjusted EBITDA leverage ratio					3.60

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

	Three Months Ended		
	September 30,	December 31,	March 31, 2017
	2016	2016	
U.S. GAAP net earnings	\$ (119.8)	\$ 417.5	\$ 66.4
Add adjustments:			
Net contribution attributable to equity method investments	29.7	27.2	33.2
Income tax provision	(205.5)	(192.6)	5.2
Interest expense	144.4	149.8	138.2
Depreciation and amortization	445.9	476.6	415.5
EBITDA	<u>\$ 294.7</u>	<u>\$ 878.5</u>	<u>\$ 658.5</u>
Add / (deduct) adjustments:			
Share-based compensation expense	19.2	17.8	23.1
Litigation settlements and other contingencies, net	558.0	116.1	9.0
Restructuring & other special items	189.0	199.5	122.1
Adjusted EBITDA	<u>\$ 1,060.9</u>	<u>\$ 1,211.9</u>	<u>\$ 812.7</u>

