

Mylan

Q2 2020 EARNINGS

August 6, 2020



Better Health
for a Better World[®]

Forward-Looking Statements

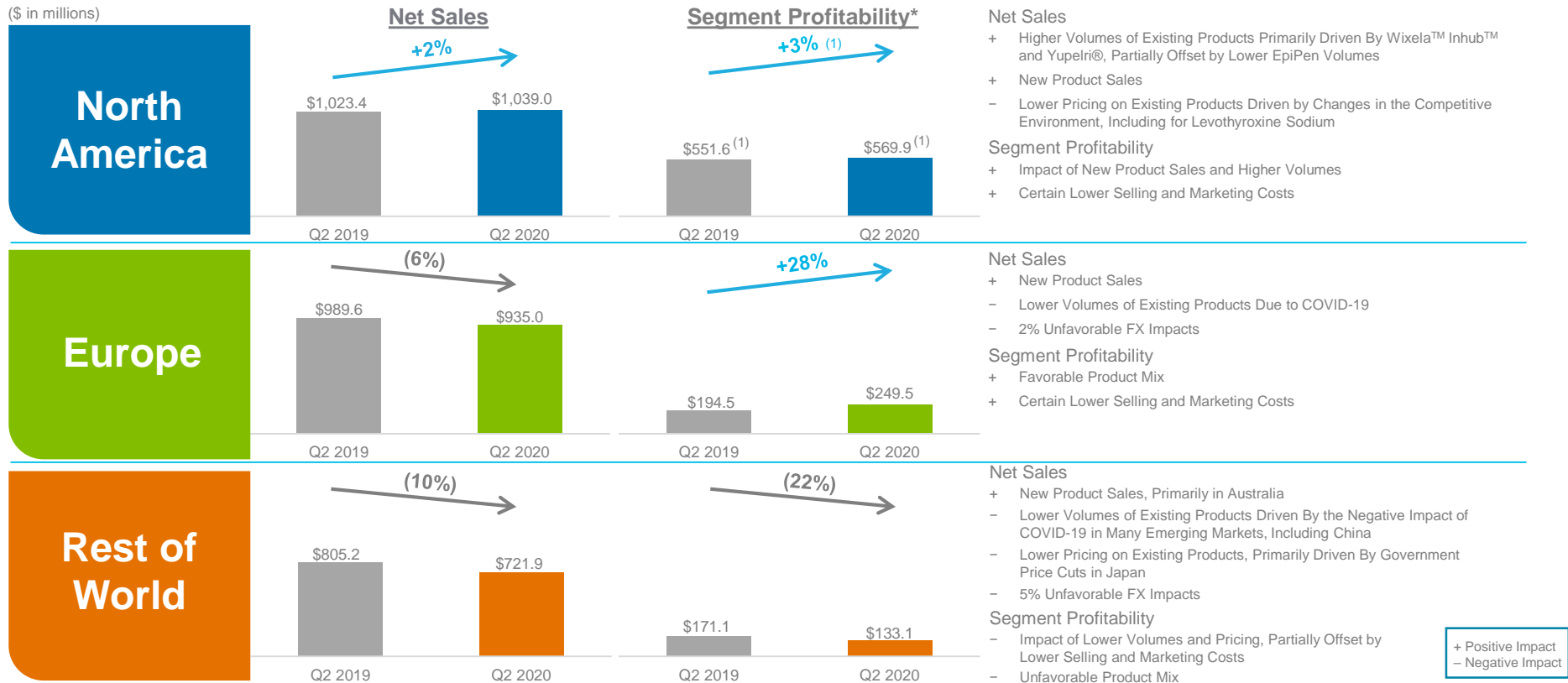
This presentation contains “forward-looking statements.” Such forward-looking statements may include, without limitation, our 2020 financial guidance; and any other statements about the proposed transaction pursuant to which Mylan will combine with Pfizer Inc.’s (“Pfizer”) Upjohn business (the “Upjohn Business”) in a Reverse Morris Trust transaction (the “Combination”), the expected timetable for completing the Combination, the benefits and synergies of the Combination, future opportunities for the combined company and products and any other statements regarding Mylan’s, the Upjohn Business’s or the combined company’s 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 may often be identified by the use of words such as “will,” “may,” “could,” “should,” “would,” “project,” “believe,” “anticipate,” “expect,” “plan,” “estimate,” “forecast,” “potential,” “pipeline,” “intend,” “continue,” “target,” “seek,” and variations of these words or comparable words. Because forward-looking statements inherently involve risks and uncertainties, actual future results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to: with respect to the Combination, the parties’ ability to meet expectations regarding the timing, completion and accounting and tax treatments of the Combination, changes in relevant tax and other laws, the parties’ ability to consummate the Combination, the conditions to the completion of the Combination not being satisfied or waived on the anticipated timeframe or at all, the regulatory approvals required for the Combination not being obtained on the terms expected or on the anticipated schedule or at all, the integration of Mylan and the Upjohn Business being more difficult, time consuming or costly than expected, Mylan’s and the Upjohn Business’s failure to achieve expected or targeted future financial and operating performance and results, the possibility that the combined company may be unable to achieve expected benefits, synergies and operating efficiencies in connection with the Combination within the expected timeframes or at all or to successfully integrate Mylan and the Upjohn Business, customer loss and business disruption being greater than expected following the Combination, the retention of key employees being more difficult following the Combination, changes in third-party relationships and changes in the economic and financial conditions of the business of Mylan or the Upjohn Business; the potential impact of public health outbreaks, epidemics and pandemics, such as the COVID-19 pandemic; actions and decisions of healthcare and pharmaceutical regulators; failure to achieve expected or targeted future financial and operating performance and results; uncertainties regarding future demand, pricing and reimbursement for our or the Upjohn Business’s products; any regulatory, legal or other impediments to Mylan’s or the Upjohn Business’s ability to bring new products to market, including, but not limited to, where Mylan or the Upjohn Business uses its business judgment and decides to manufacture, market and/or sell products, directly or through third parties, notwithstanding the fact that allegations of patent infringement(s) have not been finally resolved by the courts (i.e., an “at-risk launch”); success of clinical trials and Mylan’s or the Upjohn Business’s ability to execute on new product opportunities; any changes in or difficulties with our or the Upjohn Business’s manufacturing facilities, including with respect to remediation and restructuring activities, supply chain or inventory or the ability to meet anticipated demand; the scope, timing and outcome of any ongoing legal proceedings, including government investigations, and the impact of any such proceedings on our or the Upjohn Business’s financial condition, results of operations and/or cash flows; the ability to meet expectations regarding the accounting and tax treatments of acquisitions; changes in relevant tax and other laws, including but not limited to changes in the U.S. tax code and healthcare and pharmaceutical laws and regulations in the U.S. and abroad; any significant breach of data security or data privacy or disruptions to our or the Upjohn Business’s information technology systems; the ability to protect intellectual property and preserve intellectual property rights; the effect of any changes in customer and supplier relationships and customer purchasing patterns; the ability to attract and retain key personnel; the impact of competition; identifying, acquiring, and integrating complementary or strategic acquisitions of other companies, products, or assets being more difficult, time-consuming or costly than anticipated; the possibility that Mylan may be unable to achieve expected synergies and operating efficiencies in connection with business transformation initiatives, strategic acquisitions, strategic initiatives or restructuring programs within the expected timeframes or at all; uncertainties and matters beyond the control of management, including but not limited to general political and economic conditions and global exchange rates; and 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. For more detailed information on the risks and uncertainties associated with Mylan’s business activities, see the risks described in Mylan’s Annual Report on Form 10-K for the year ended December 31, 2019, as amended, Mylan’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 and our other filings with the Securities and Exchange Commission (the “SEC”). These risks, as well as other risks associated with Mylan, the Upjohn Business, the combined company and the Combination are also more fully discussed in the Registration Statement on Form S-4, as amended, which includes a proxy statement/prospectus, which was filed by Upjohn Inc. (“Upjohn”), a wholly-owned subsidiary of Pfizer, with the SEC on October 25, 2019 and declared effective by the SEC on February 13, 2020, the Registration 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, a definitive proxy statement, which was filed by Mylan with the SEC on February 13, 2020, and a prospectus, which was filed by Upjohn with the SEC on February 13, 2020. You can access Mylan’s filings with the SEC through the SEC website at www.sec.gov or through our website, and Mylan strongly encourages you to do so. Mylan routinely posts information that may be important to investors on our website at investor.mylan.com, and we use this website address 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). The contents of our website are not incorporated into this presentation. Mylan undertakes no obligation to update any statements herein for revisions or changes after the date of this presentation other than as required by law.

Q2 2020 Financial Highlights

(\$ in millions)	Q2 2020	Q2 2019	Change
Total Revenues	\$2,731.2	\$2,851.5	(4%)
Adjusted Gross Margins*	54.3%	53.8%	+50 bps
Adjusted R&D* as % of Total Revenues	4.2%	4.2%	Flat
Adjusted SG&A* as % of Total Revenues	20.3%	22.0%	(170 bps)
Adjusted Net Earnings*	\$574.3	\$532.8	+8%
Adjusted EBITDA*	\$878.6	\$847.4	+4%
Adjusted Net Cash Provided by Operating Activities*	\$565.1	\$767.8	(26%)
Capital Expenditures	\$43.6 ⁽¹⁾ *	\$44.1	(1%)
Adjusted Free Cash Flow*	\$521.5	\$723.7	(28%)

(1) Q2 2020 amount includes \$0.9 million of proceeds from sale of certain property, plant and equipment.

Q2 2020 Segment Performance



4 Q2 2020 Earnings – All Results are Unaudited

• Segment Profitability represents segment gross profit less direct R&D expenses and direct SG&A expenses. See Mylan's Form 10-K for the year ended December 31, 2019 for more information.
 (1) Adjusted segment profitability for North America is a non-GAAP financial measure. Please see the Appendix or investor.mylan.com for the most directly comparable U.S. GAAP financial measures and reconciliations of such non-GAAP financial measures to those GAAP measures



Better Health
for a Better World™

1H 2020 Financial Highlights

(\$ in millions)	1H 2020	1H 2019	Change
Total Revenues	\$5,350.4	\$5,347.0	Flat
Adjusted Gross Margins*	53.5%	53.7%	(20 bps)
Adjusted R&D* as % of Total Revenues	4.2%	4.8%	(60 bps)
Adjusted SG&A* as % of Total Revenues	20.9%	22.3%	(140 bps)
Adjusted Net Earnings*	\$1,041.5	\$954.7	+9%
Adjusted EBITDA*	\$1,629.3	\$1,557.6	+5%
Adjusted Net Cash Provided by Operating Activities*	\$965.2	\$848.0	+14%
Capital Expenditures	\$86.6 ^{(1)*}	\$97.2	(11%)
Adjusted Free Cash Flow*	\$878.6	\$750.8	+17%

(1) 1H 2020 amount includes \$1.3 million of proceeds from sale of certain property, plant and equipment.

2020 Guidance

Updated 2020 Financial Guidance

	<u>Previous</u>	<u>Updated</u>
Total Revenues	\$11.5B – \$12.5B	\$11.5B – \$12.0B
Adjusted EBITDA*	\$3.2B – \$3.9B	\$3.3B – \$3.7B

The extent to which COVID-19 will impact our business, operations and financial results in future periods will depend on numerous evolving factors that are beyond our control and that we may not be able to accurately predict.
*Adjusted metrics are non-GAAP financial measures. Please see the Appendix or investor.mylan.com for more information.

Appendix

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 profit, adjusted gross margins, adjusted net earnings, EBITDA, adjusted EBITDA, adjusted R&D and as a % of total revenues, adjusted SG&A and as a % of total revenues, adjusted earnings from operations, adjusted interest expense, adjusted other (income) expense, adjusted effective tax rate, notional debt to Credit Agreement Adjusted EBITDA leverage ratio, long-term average debt to Credit Agreement Adjusted EBITDA leverage ratio target, adjusted net cash provided by operating activities, adjusted free cash flow, adjusted capital expenditures, constant currency total revenues, constant currency net sales and adjusted segment profitability for North America 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.

2020 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 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 guidance period.

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

<i>(in millions)</i>	Three Months Ended June 30,		Six months Ended June 30,	
	2020	2019	2020	2019
U.S. GAAP net earnings (loss)	\$ 39.4	\$(168.5)	\$ 60.2	\$(193.5)
Purchase accounting related amortization (primarily included in cost of sales)	351.8	440.0	704.0	875.4
Litigation settlements and other contingencies, net	15.8	20.9	17.6	21.6
Interest expense (primarily clean energy investment financing and accretion of contingent consideration)	5.5	6.9	11.3	14.2
Clean energy investments pre-tax loss	17.2	16.2	34.5	33.2
Acquisition related costs (primarily included in SG&A) ^(a)	122.7	5.5	145.9	13.6
Restructuring related costs ^(b)	23.6	57.6	32.5	77.5
Share-based compensation expense	15.3	16.8	34.7	34.8
Other special items included in:				
Cost of sales ^(c)	99.5	112.1	215.7	197.2
Research and development expense ^(d)	40.4	27.1	42.1	60.2
Selling, general and administrative expense	9.1	10.8	5.4	24.7
Other expense, net	(16.1)	—	(16.4)	—
Tax effect of the above items and other income tax related items	(149.9)	(12.6)	(246.0)	(204.2)
Adjusted net earnings	\$574.3	\$ 532.8	\$1,041.5	\$ 954.7

- (a) Acquisition related costs consist primarily of transaction costs including legal and consulting fees and integration activities. The increase for the three and six months ended June 30, 2020 relates to transaction costs for the pending Combination, including approximately \$85.0 million related to the Company's obligation to reimburse Pfizer for certain financing costs under the Combination Agreements.
- (b) For the three months ended June 30, 2020, charges of approximately \$4.1 million are included in cost of sales, approximately \$0.2 million is included in R&D, and approximately \$19.3 million is included in SG&A. For the six months ended June 30, 2020, charges of approximately \$8.9 million are included in cost of sales, approximately \$0.4 million is included in R&D, and approximately \$23.2 million is included in SG&A. Refer to Note 15 Restructuring included in Part I, Item 1 of our Form 10-Q for the six months ended June 30, 2020 for additional information.
- (c) Costs incurred during the three and six months ended June 30, 2020 include incremental manufacturing variances and site remediation activities as a result of the activities at the Company's Morgantown plant of approximately \$63.0 million and \$121.8 million, respectively. In addition, the three and six months ended June 30, 2020 includes incremental manufacturing variances incurred as a result of the COVID-19 pandemic of approximately \$15.0 million and \$22.0 million, respectively. Also, the six months ended June 30, 2020 includes \$25.0 million related to a special bonus for plant employees as a result of the COVID-19 pandemic. The three months ended June 30, 2019 includes costs related to the Valsartan product recall, the termination of a contract and certain other inventory write-offs. Charges for the six months ended June 30, 2019 primarily related to certain incremental manufacturing variances and site remediation activities as a result of the activities at the Company's Morgantown plant and the items also impacting the change for the three-month period.
- (d) R&D expense for the three and six months ended June 30, 2020 consists primarily of amounts for product development arrangements, including with Revance Therapeutics Inc., of approximately \$39.4 million and \$41.0 million, respectively. R&D expense for the three months ended June 30, 2019 consists primarily of payments for product development arrangements of approximately \$23.4 million, which includes \$18.4 million related to the expansion of the Yupelri® agreement with Theravance Biopharma Inc., and the remaining expense relates to on-going collaboration agreements. R&D expense for the six months ended June 30, 2019 consists primarily of payments for product development arrangements of approximately \$46.7 million, including \$18.4 million for the expansion of the Yupelri® agreement and \$23.3 million related to non-refundable upfront licensing amounts for a product in development. The remaining expense relates to on-going development collaborations.

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,	
	2020	2019	2020	2019
U.S. GAAP net earnings (loss)	\$ 39.4	\$ (168.5)	\$ 60.2	\$ (193.5)
Add / (deduct) adjustments:				
Clean energy investments pre-tax loss	17.2	16.2	34.5	33.2
Income tax (benefit) provision	(19.4)	116.4	(9.5)	26.9
Interest expense ^(a)	116.2	131.2	236.1	262.4
Depreciation and amortization ^(b)	415.7	501.4	830.7	1,001.9
EBITDA	\$ 569.1	\$ 596.7	\$ 1,152.0	\$ 1,130.9
Add / (deduct) adjustments:				
Share-based compensation expense	15.3	16.8	34.7	34.8
Litigation settlements and other contingencies, net	15.8	20.9	17.6	21.6
Restructuring, acquisition related and other special items ^(c)	278.4	213.0	425.0	370.3
Adjusted EBITDA	<u>\$ 878.6</u>	<u>\$ 847.4</u>	<u>\$ 1,629.3</u>	<u>\$ 1,557.6</u>

(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)
Summary of Total Revenues by Segment

	Three Months Ended June 30,					
	2020	2019	% Change	2020 Currency Impact ⁽¹⁾	2020 Constant Currency Revenues	Constant Currency % Change ⁽²⁾
Net sales						
North America	\$1,039.0	\$1,023.4	2 %	\$ 2.2	\$1,041.2	2 %
Europe	935.0	989.6	(6)%	21.3	956.3	(3)%
Rest of World	721.9	805.2	(10)%	44.1	766.0	(5)%
Total net sales	2,695.9	2,818.2	(4)%	67.6	2,763.5	(2)%
Other revenues ⁽³⁾	35.3	33.3	6 %	(0.1)	35.2	6 %
Consolidated total revenues ⁽⁴⁾	\$2,731.2	\$2,851.5	(4)%	\$ 67.5	\$2,798.7	(2)%
	Six Months Ended June 30,					
	2020	2019	% Change	2020 Currency Impact ⁽¹⁾	2020 Constant Currency Revenues	Constant Currency % Change ⁽²⁾
Net sales						
North America	\$1,994.5	\$1,946.3	2 %	\$ 3.3	\$1,997.8	3 %
Europe	1,956.9	1,884.9	4 %	54.6	2,011.5	7 %
Rest of World	1,332.7	1,447.6	(8)%	74.0	1,406.7	(3)%
Total net sales	5,284.1	5,278.8	—%	131.9	5,416.0	3 %
Other revenues ⁽³⁾	66.3	68.2	(3)%	0.2	66.5	(2)%
Consolidated total revenues ⁽⁴⁾	\$5,350.4	\$5,347.0	—%	\$ 132.1	\$5,482.5	3 %

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

(2) The constant currency percentage change is derived by translating net sales or revenues for the current period at prior year comparative period exchange rates, and in doing so shows the percentage change from 2020 constant currency net sales or revenues to the corresponding amount in the prior year.

(3) For the three months ended June 30, 2020, other revenues in North America, Europe, and Rest of World were approximately \$14.9 million, \$3.5 million, and \$16.9 million, respectively. For the six months ended June 30, 2020, other revenues in North America, Europe, and Rest of World were approximately \$34.4 million, \$7.7 million, and \$24.2 million, respectively. For the three months ended June 30, 2019, other revenues in North America, Europe, and Rest of World were approximately \$19.1 million, \$3.8 million, and \$10.4 million, respectively. For the six months ended June 30, 2019, other revenues in North America, Europe, and Rest of World were approximately \$41.2 million, \$8.5 million, and \$18.5 million, respectively.

(4) Amounts exclude intersegment revenue that eliminates on a consolidated basis.

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,	
	2020	2019	2020	2019
U.S. GAAP cost of sales	\$1,705.5	\$1,918.9	\$3,418.6	\$3,609.2
Deduct:				
Purchase accounting amortization and other related items	(351.8)	(440.0)	(704.0)	(875.4)
Acquisition related items	(1.3)	(1.6)	(2.1)	(2.1)
Restructuring and related costs	(4.1)	(46.3)	(8.9)	(60.8)
Share-based compensation expense	(0.4)	(0.5)	(0.7)	(0.5)
Other special items	(99.5)	(112.1)	(215.7)	(197.2)
Adjusted cost of sales	<u>\$1,248.4</u>	<u>\$1,318.4</u>	<u>\$2,487.2</u>	<u>\$2,473.2</u>
Adjusted gross profit ^(a)	<u>\$1,482.8</u>	<u>\$1,533.1</u>	<u>\$2,863.2</u>	<u>\$2,873.8</u>
Adjusted gross margin ^(a)	<u>54 %</u>	<u>54 %</u>	<u>54 %</u>	<u>54 %</u>

(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		Six Months Ended	
	June 30,		June 30,	
	2020	2019	2020	2019
U.S. GAAP R&D	\$ 156.3	\$ 147.6	\$ 270.5	\$ 320.2
Deduct:				
Acquisition related costs	(0.2)	—	(0.2)	(0.3)
Restructuring and related costs	(0.2)	—	(0.4)	(0.1)
Share-based compensation expense	(0.7)	(0.9)	(1.1)	(1.0)
Other special items	(40.4)	(27.1)	(42.1)	(60.2)
Adjusted R&D	<u>\$ 114.8</u>	<u>\$ 119.6</u>	<u>\$ 226.7</u>	<u>\$ 258.6</u>
Adjusted R&D as % of total revenues	<u>4 %</u>	<u>4 %</u>	<u>4 %</u>	<u>5 %</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,	
	2020	2019	2020	2019
U.S. GAAP SG&A	\$ 719.4	\$ 668.6	\$ 1,324.8	\$ 1,276.5
Add / (deduct):				
Acquisition related costs	(121.4)	(3.9)	(143.6)	(11.2)
Restructuring and related costs	(19.4)	(11.3)	(23.3)	(16.6)
Share-based compensation expense	(14.3)	(15.4)	(32.9)	(33.3)
Other special items and reclassifications	(9.1)	(10.8)	(5.4)	(24.7)
Adjusted SG&A	\$ 555.2	\$ 627.2	\$ 1,119.6	\$ 1,190.7
 Adjusted SG&A as % of total revenues	 <u>20 %</u>	 <u>22 %</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,	
	2020	2019	2020	2019
U.S. GAAP total operating expenses	\$ 891.5	\$ 837.1	\$ 1,612.9	\$ 1,618.3
Add / (deduct):				
Litigation settlements and other contingencies, net	(15.8)	(20.9)	(17.6)	(21.6)
R&D adjustments	(41.5)	(28.0)	(43.8)	(61.6)
SG&A adjustments	(164.2)	(41.4)	(205.2)	(85.8)
Adjusted total operating expenses	\$ 670.0	\$ 746.8	\$ 1,346.3	\$ 1,449.3
 Adjusted earnings from operations ^(a)	 \$ 812.8	 \$ 786.3	 \$ 1,516.9	 \$ 1,424.5

(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,	
	2020	2019	2019	2018
U.S. GAAP interest expense	\$ 116.2	\$ 131.2	\$ 236.1	\$ 262.4
Deduct:				
Interest expense related to clean energy investments	(1.0)	(1.5)	(2.1)	(3.2)
Accretion of contingent consideration liability	(3.1)	(3.9)	(6.4)	(8.2)
Other special items	(1.4)	(1.5)	(2.8)	(2.8)
Adjusted interest expense	\$ 110.7	\$ 124.3	\$ 224.8	\$ 248.2

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
U.S. GAAP other (income) expense, net	\$ (2.0)	\$ 16.4	\$ 32.1	\$ 23.7
Add / (Deduct):				
Clean energy investments pre-tax loss ^(a)	(17.2)	(16.2)	(34.5)	(33.2)
Other items	16.1	—	16.4	—
Adjusted other (income) expense, net	\$ (3.1)	\$ 0.2	\$ 14.0	\$ (9.5)

- (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 U.S. Internal Revenue Code of 1986, as amended.

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 Month Ended	
	June 30,		June 30,	
	2020	2019	2020	2019
U.S. GAAP earnings (loss) before income taxes	\$ 20.0	\$ (52.1)	\$ 50.7	\$ (166.6)
Total pre tax non-GAAP adjustments	684.7	714.1	1,227.2	1,352.6
Adjusted earnings before income taxes	<u>\$ 704.7</u>	<u>\$ 662.0</u>	<u>\$ 1,277.9</u>	<u>\$ 1,186.0</u>
U.S. GAAP income tax (benefit) provision	\$ (19.4)	\$ 116.4	\$ (9.5)	\$ 26.9
Adjusted tax expense	149.8	12.7	245.9	204.4
Adjusted income tax provision	<u>\$ 130.4</u>	<u>\$ 129.1</u>	<u>\$ 236.4</u>	<u>\$ 231.3</u>
Adjusted effective tax rate	<u>18.5 %</u>	<u>19.5 %</u>	<u>18.5 %</u>	<u>19.5 %</u>

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
U.S. GAAP net cash provided by operating activities	\$ 379.5	\$ 668.9	\$ 670.6	\$ 629.2
Add / (deduct):				
Restructuring and related costs ^(a)	68.2	56.5	130.7	140.2
Corporate contingencies	16.6	(6.6)	15.2	(6.6)
Acquisition related costs	29.5	—	53.7	—
R&D expense	35.2	29.8	50.2	66.0
Other	36.1	19.2	44.8	19.2
Adjusted net cash provided by operating activities	<u>\$ 565.1</u>	<u>\$ 767.8</u>	<u>\$ 965.2</u>	<u>\$ 848.0</u>
Deduct:				
Capital expenditures	(44.5)	(44.1)	(87.9)	(97.2)
Proceeds from sale of property, plant and equipment	0.9	—	1.3	—
Adjusted free cash flow	<u>\$ 521.5</u>	<u>\$ 723.7</u>	<u>\$ 878.6</u>	<u>\$ 750.8</u>

(a) For the three and six months ended June 30, 2020 includes approximately \$61.2 million and \$116.8 million, respectively, of certain incremental manufacturing variances and site remediation expenses as a result of the activities at the Company's Morgantown plant.

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

	Three Months Ended			
	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020
U.S. GAAP net earnings (loss)	\$ 189.8	\$ 20.5	\$ 20.8	\$ 39.4
Add / (deduct) adjustments:				
Clean energy investments pre-tax loss	10.4	18.5	17.3	17.2
Income tax (benefit) provision	(4.0)	114.7	9.9	(19.4)
Interest expense	128.9	126.0	119.9	116.2
Depreciation and amortization	469.7	547.7	415.0	415.7
EBITDA	\$ 794.8	\$ 827.4	\$ 582.9	\$ 569.1
Add / (deduct) adjustments:				
Share-based compensation expense	16.1	5.9	19.4	15.3
Litigation settlements and other contingencies, net	(51.9)	8.9	1.8	15.8
Restructuring, acquisition related and other special items	163.8	217.1	146.6	278.4
Adjusted EBITDA	\$ 922.8	\$ 1,059.3	\$ 750.7	\$ 878.6

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

(Unaudited; in millions)

June 30, 2020 Notional Debt to Twelve Months Ended June 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 June 30, 2020 notional debt to twelve months ended June 30, 2020 Credit Agreement Adjusted EBITDA leverage ratio is based on the sum of (i) Mylan's adjusted EBITDA for the quarters ended September 30, 2019, December 31, 2019, March 31, 2020 and June 30, 2020 and (ii) certain adjustments permitted to be included in Credit Agreement Adjusted EBITDA as of June 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 June 30, 2020 total debt and other current obligations at notional amounts.

	Three Months Ended				Twelve Months Ended
	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020	June 30, 2020
Mylan N.V. Adjusted EBITDA	\$ 922.8	\$ 1,059.3	\$ 750.7	\$ 878.6	\$ 3,611.4
Add: other adjustments including estimated synergies					(3.3)
Credit Agreement Adjusted EBITDA					<u>\$ 3,608.1</u>
Reported debt balances:					
Long-term debt, including current portion					\$ 12,138.8
Short-term borrowings and other current obligations					137.8
Total					<u>\$ 12,276.6</u>
Add / (deduct):					
Net discount on various debt issuances					28.9
Deferred financing fees					54.7
Fair value adjustment for hedged debt					(39.3)
Total debt at notional amounts					<u>\$ 12,320.9</u>
Notional debt to Credit Agreement Adjusted EBITDA Leverage Ratio					3.4

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.

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

(Unaudited; in millions)

North America Segment Profitability to Adjusted North America Segment Profitability

	Three Months Ended June 30,	
	2020	2019
North America Segment Profitability	\$ 504.7	\$ 457.9
Add:		
Morgantown Restructuring & Remediation Expenses	65.2	93.7
Adjusted North America Segment Profitability	\$ 569.9	\$ 551.6



Better Health
for a Better World[®]