

Teva Pharmaceutical Industries Ltd.

Q1 2018

May 3, 2018



Cautionary Note Regarding Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which are based on management's current beliefs and expectations and are subject to substantial risks and uncertainties, both known and unknown, that could cause our future results, performance or achievements to differ significantly from that expressed or implied by such forward-looking statements. Important factors that could cause or contribute to such differences include risks relating to:

- our ability to successfully compete in the marketplace, including: that we are substantially dependent on our generic products; competition for our specialty products, especially COPAXONE®, our leading medicine, which faces competition from existing and potential additional generic versions and orally-administered alternatives; competition from companies with greater resources and capabilities; efforts of pharmaceutical companies to limit the use of generics including through legislation and regulations; consolidation of our customer base and commercial alliances among our customers; the increase in the number of competitors targeting generic opportunities and seeking U.S. market exclusivity for generic versions of significant products; price erosion relating to our products, both from competing products and increased regulation; delays in launches of new products and our ability to achieve expected results from investments in our product pipeline; our ability to take advantage of high-value opportunities; the difficulty and expense of obtaining licenses to proprietary technologies; and the effectiveness of our patents and other measures to protect our intellectual property rights;
 - our substantially increased indebtedness and significantly decreased cash on hand, which may limit our ability to incur additional indebtedness, engage in additional transactions or make new investments, and may result in a further downgrade of our credit ratings; and our inability to raise debt or borrow funds in amounts or on terms that are favorable to us;
 - our business and operations in general, including: failure to effectively execute our restructuring plan announced in December 2017; uncertainties related to, and failure to achieve, the potential benefits and success of our new senior management team and organizational structure; harm to our pipeline of future products due to the ongoing review of our R&D programs; our ability to develop and commercialize additional pharmaceutical products; potential additional adverse consequences following our resolution with the U.S. government of our FCPA investigation; compliance with sanctions and other trade control laws; manufacturing or quality control problems, which may damage our reputation for quality production and require costly remediation; interruptions in our supply chain; disruptions of our or third party information technology systems or breaches of our data security; the failure to recruit or retain key personnel; variations in intellectual property laws that may adversely affect our ability to manufacture our products; challenges associated with conducting business globally, including adverse effects of political or economic instability, major hostilities or terrorism; significant sales to a limited number of customers in our U.S. market; our ability to successfully bid for suitable acquisition targets or licensing opportunities, or to consummate and integrate acquisitions; and our prospects and opportunities for growth if we sell assets;
 - compliance, regulatory and litigation matters, including: costs and delays resulting from the extensive governmental regulation to which we are subject; the effects of reforms in healthcare regulation and reductions in pharmaceutical pricing, reimbursement and coverage; governmental investigations into sales and marketing practices; potential liability for patent infringement; product liability claims; increased government scrutiny of our patent settlement agreements; failure to comply with complex Medicare and Medicaid reporting and payment obligations; and environmental risks;
 - other financial and economic risks, including: our exposure to currency fluctuations and restrictions as well as credit risks; potential impairments of our intangible assets; potential significant increases in tax liabilities; and the effect on our overall effective tax rate of the termination or expiration of governmental programs or tax benefits, or of a change in our business;
- and other factors discussed in Item 1A to our Annual Report on Form 10-K for the fiscal year ended December 31, 2017. Forward-looking statements speak only as of the date on which they are made, and we assume no obligation to update or revise any forward-looking statements or other information contained herein, whether as a result of new information, future events or otherwise. You are cautioned not to put undue reliance on these forward-looking statements.

Non-GAAP Financial Measures

This presentation includes certain non-GAAP financial measures as defined by SEC rules. Please see our press release reporting our 2018 first quarter financial results as well as our Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, for a reconciliation of the GAAP results to the adjusted non-GAAP figures. The non-GAAP data presented by Teva are the results used by Teva's management and board of directors to evaluate the operational performance of the company, to compare against the company's work plans and budgets, and ultimately to evaluate the performance of management. Teva provides such non-GAAP data to investors as supplemental data and not in substitution or replacement for GAAP measure, because management believes such data provides useful information to investors. A reconciliation of forward-looking non-GAAP estimates to the corresponding GAAP measures is not being provided, due to the unreasonable efforts required to prepare it.

Kåre Schultz

Chief Executive Officer



Strong Start to 2018

- Q1'18 figures include:
 - Revenues of \$5.1 billion
 - GAAP EPS of \$1.03 and non-GAAP EPS of \$0.94
 - Free cash flow of \$1.9 billion
- Restructuring program on schedule
- Teva Gx approvals and launches on track
- Copaxone[®] maintaining share in the U.S.
- AUSTEDO[®] continues to grow
- Net debt under \$30 Billion

Raising 2018 guidance
Non-GAAP EPS from \$2.25-2.50 to \$2.40-2.65
Free Cash flow from \$2.6 – 2.8 billion to \$3.0-3.2 billion

Q1 2018 Summary

\$ billion, except EPS	Q1 2018	Q1 2017	Q1 2018	Q1 2017
	GAAP		Non-GAAP	
Revenues	5,065	5,650	5,065	5,650
Operating income	1,525	895	1,435	1,621
Net income attributable to Teva	1,120	645	1,019	1,144
Earnings per share (\$)	1.03 1,020M shares	0.57 1,017M shares	0.94 1,020M share	1.06 1,017M shares

\$ billions	Q1 2018	Q1 2017
Free cash flow	1.9	0.3
Total cash generated	2.5	1.3

Restructuring Plan On Track

Cost base

- On track to achieve \$3b in spend base reduction
- More than half in 2018; full amount by end of 2019

Headcount

- FTEs reduced by ~6,200 to ~46K since the start of the restructuring plan
- On track to achieve HC reduction target of 14,000 over next 2 years

Facilities

- Since December 2017, 10 plant closures or divestments have been announced

Consolidation

- Significantly reducing the number of R&D sites, headquarters, and office locations

U.S. Generics Update

Market Share

- U.S. leader in generic market in total prescriptions and new prescriptions, with approximately 583 million total prescriptions, representing 15.2% of total U.S. generic prescriptions

Pipeline

- Largest generic pipeline
- 325 product applications awaiting FDA approval, including 86 tentative approvals; 110 first-to-files (FTFs)

Focus

- Maintaining our position as an industry leader; optimizing portfolio with strong focus on profitability

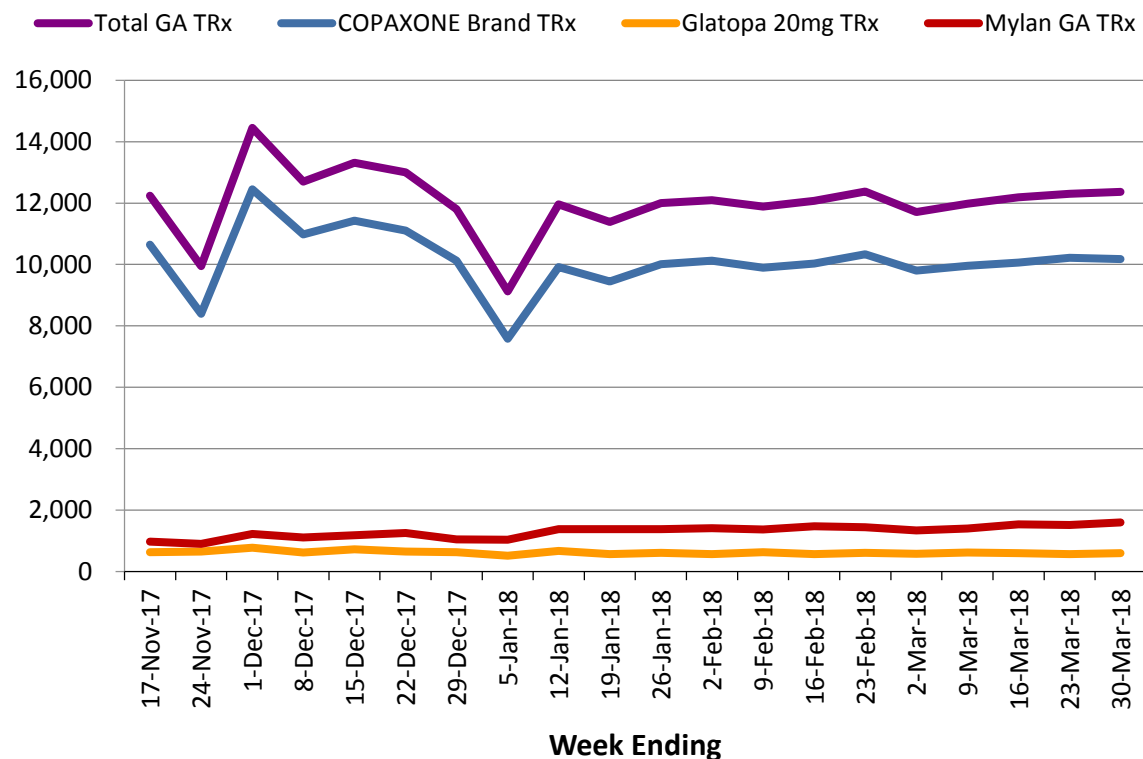
Q1 New Product Launches

Estradiol Vaginal Cream (Estrace®)
 Busulfan Injection (Bulsufex®)
 Methylphenidate ER Capsules (Ritalin LA®)
 Trientine Capsules (Syprine®)
 Hydrocortisone Butyrate Cream (Locoid®)

Minocycline ER Tabs (Solodyn®)
 Lansoprazole ODT (Prevacid®)
 Tiagabine (Gabitril®)
 Palonosetron (Aloxi®)
 Mesalamine (Lialda®)

Copaxone® Maintaining Share in the U.S.

Total Glatiramer Acetate Weekly TRx Volume

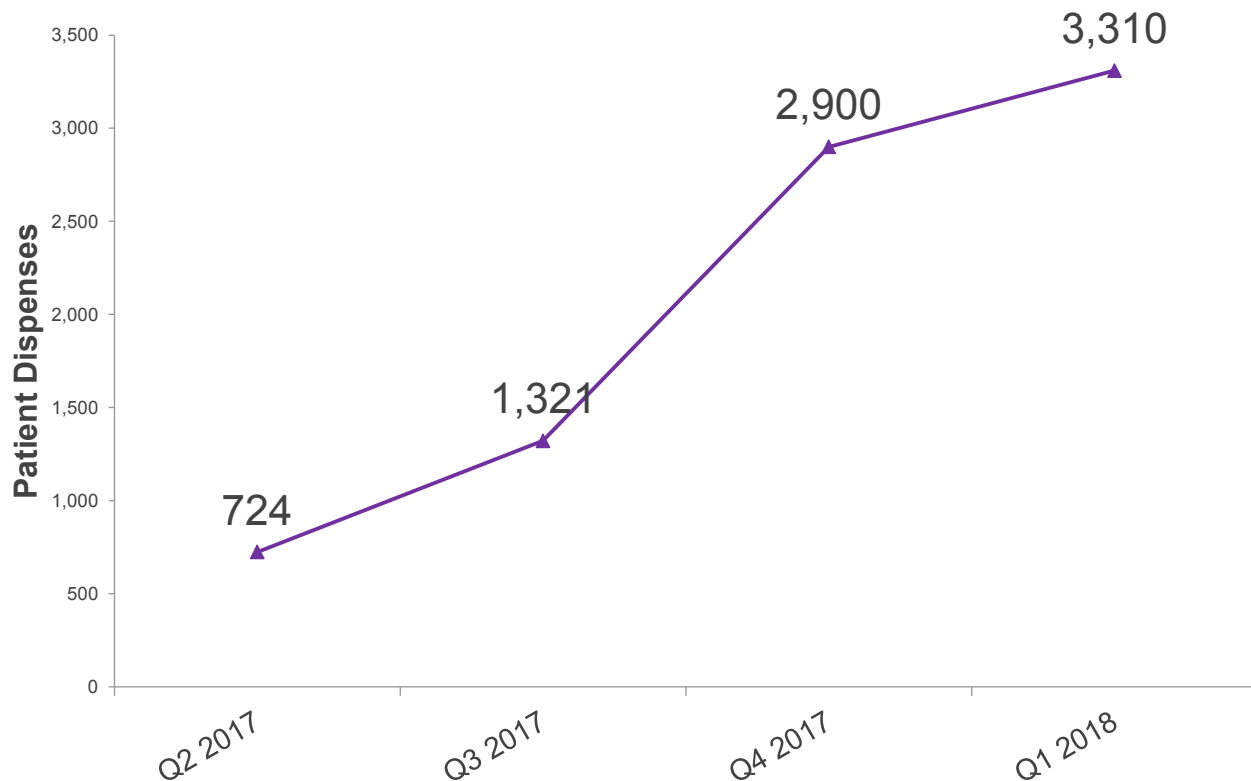


Commentary

- Copaxone 40mg TRx market share 85% vs. Gx 15%
- National formulary access remains stable for Copaxone 40mg ~90%
- Copaxone continues to be a market leader with Q1 TRx exit share of 24.6% of the MS Market
- Copaxone sales expected to be impacted by increased generic competition resulting in higher price reductions and lower volumes

AUSTEDO® continues to grow

AUSTEDO® Unique Patients Dispensed



Commentary

- Commercial launch for chorea associated with Huntington disease (HD) in Q2'17 and for Tardive Dyskinesia (TD) in Q3'17
- Q1'18 revenue \$30 million
- ~3,000 patients currently on treatment; expect to double by end of 2018
- National formulary access is strong across Commercial, Medicare Part-D and Medicaid
- Large unmet medical need in the U.S.:
 - HD affects ~40K people
 - TD affects ~500K people
 - Tourette Syndrome affects ~150K

fremanezumab

- We do not expect to receive FDA approval for our BLA for fremanezumab by the June 16th PDUFA date
- We expect the pre-approval inspection to take place within the coming months and expect U.S. FDA approval and launch before the end of 2018
- European Medicines Agency (EMA) accepted the Marketing Authorization Application (MAA) for fremanezumab; expect EMA action on the MAA in the first half of 2019

Michael McClellan

Chief Financial Officer



Q1 2018 Summary

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	GAAP		Non-GAAP	
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Earnings per share (\$)	1.03 1,020M Shares	0.57 1,017M shares	0.94 1,020M shares	1.06 1,017M shares

Q1 2018 Non-GAAP Adjustments

\$ millions	Q1 2018	Highlights
Impairment	706	US intangible assets, Rimsa goodwill impairment, termination of PGT Healthcare JV, production sites slated for closure
Amortization	310	
Restructuring	247	
Financial expenses	68	Early redemption fees
Other items	104	
Acquisition and divestment expenses	(93)	Capital gain from women's health business divestment
Tax items effect	(165)	
Legal settlements	(1,278)	Actavis WC, Rimsa settlement, Reversal of GSK Carvedilol judgment
Total adjustments	(101)	

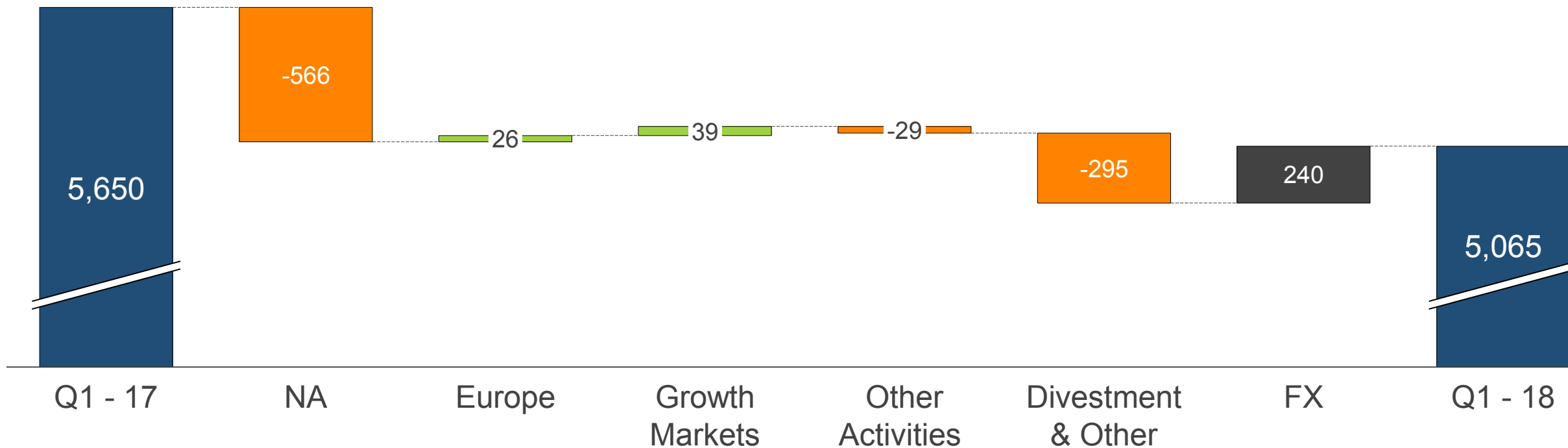
Q1 2018 Non-GAAP Summary

\$ billions, except EPS	Q1 2018	Q1 2017	Change
Revenues	5.1	5.6	(10%)
Gross profit	2.7 52.3%	3.2 56.9%	(18%)
Operating income	1.4 28.3%	1.6 28.7%	(11%)
EBITDA	1.6	1.8	(10%)
Net income	1.0	1.1	(11%)
EPS (\$)	0.94 1,020M shares	1.06 1,017M shares	(12%)
Free cash flow*	1.9	0.3	n/a
Total cash generated**	2.5	1.3	+100%

- * Free Cash Flow includes cash flow generated from operating activities net of capital expenditures and deferred purchase price cash component collected for securitized trade receivables
- ** Cash generated including divestment of WH (\$0.7b of ex-US in Q1 2018) and Actavis assets (\$0.7b in Q1 2017) as well as proceeds from sale of Mylan shares (\$0.7b in Q1 2017)

Quarterly Revenues

\$ millions

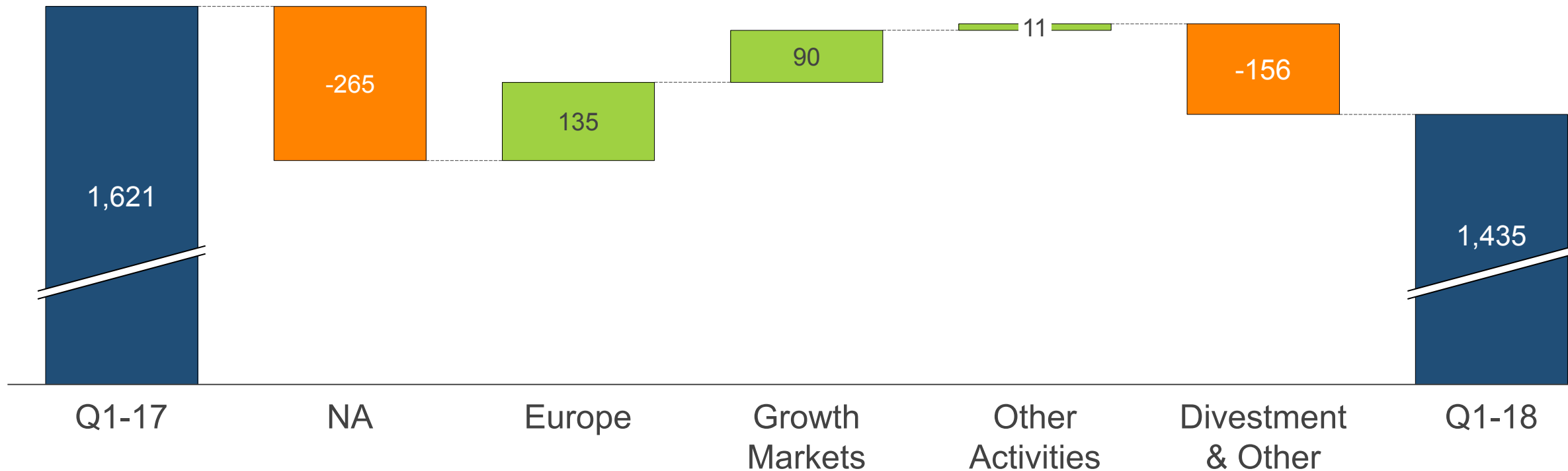


*All data are net of the impact of foreign exchange fluctuations.

** Divestment & Other mainly includes Women's Health divestment, closure of Hungary distribution activities, deconsolidation of Venezuela and proceeds from the Ninlaro[®] transaction in 2017.

Quarterly Non-GAAP Operating Income

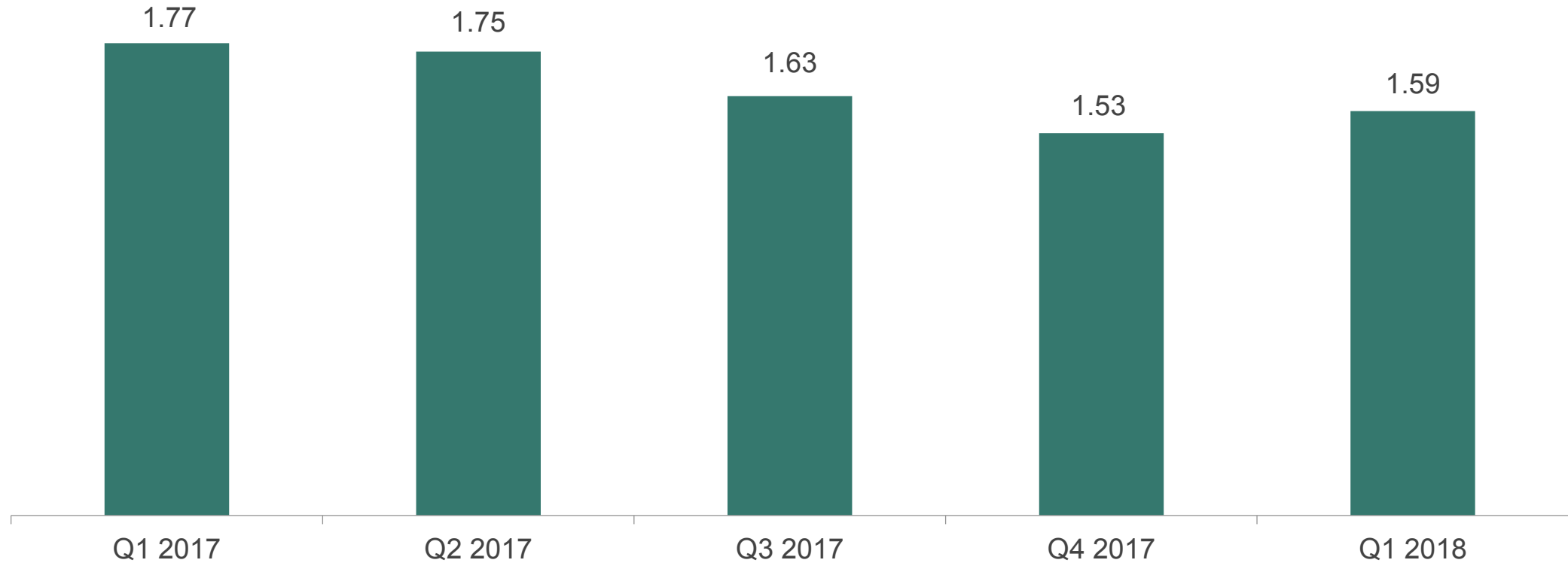
\$ millions



Divestment & Other mainly includes Women's Health divestment., closure of Hungary distribution activities, deconsolidation of Venezuela and proceeds from the Ninlaro[®] transaction in 2017.

Quarterly EBITDA

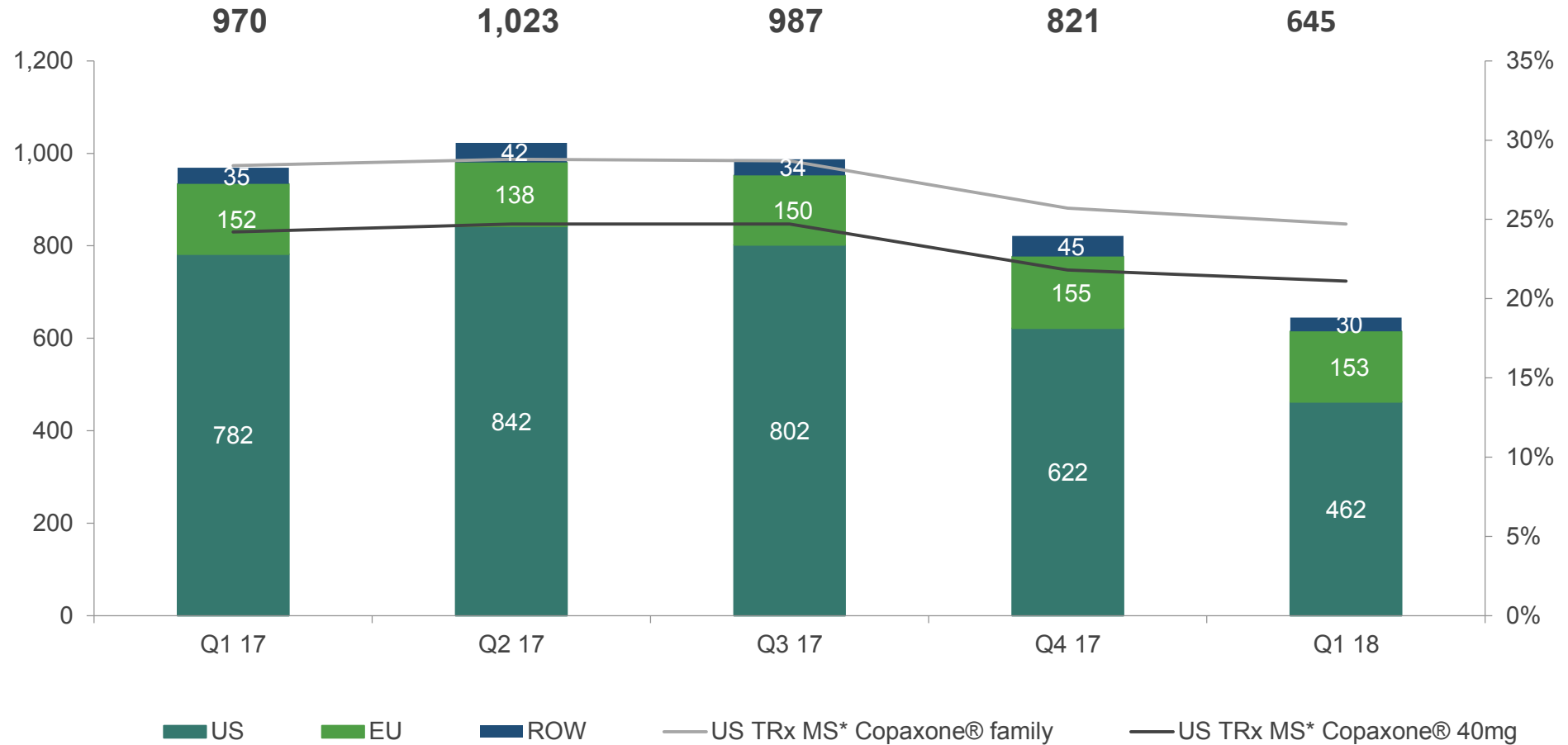
\$ billions



EBITDA is based on non-GAAP operating income (which excludes amortization and certain other items) and excludes depreciation expenses.

Copaxone® revenues and US market shares

\$ millions / % market share

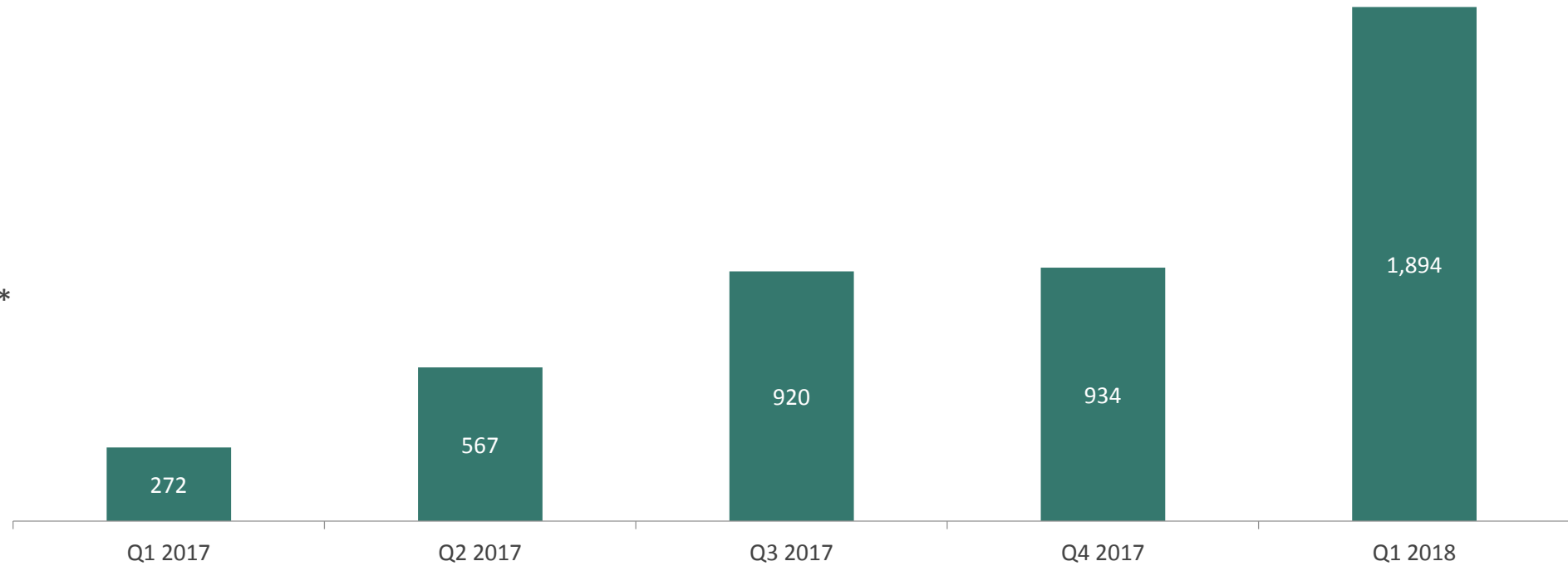


Market share data is provided by IQVIA.

Free Cash Flow

\$ millions

Free Cash Flow*



CAPEX, Net

(198)

(174)

(197)

(245)

(46)

Securitization re-class

334

306

322

320

444

Operating cash flow

136

435

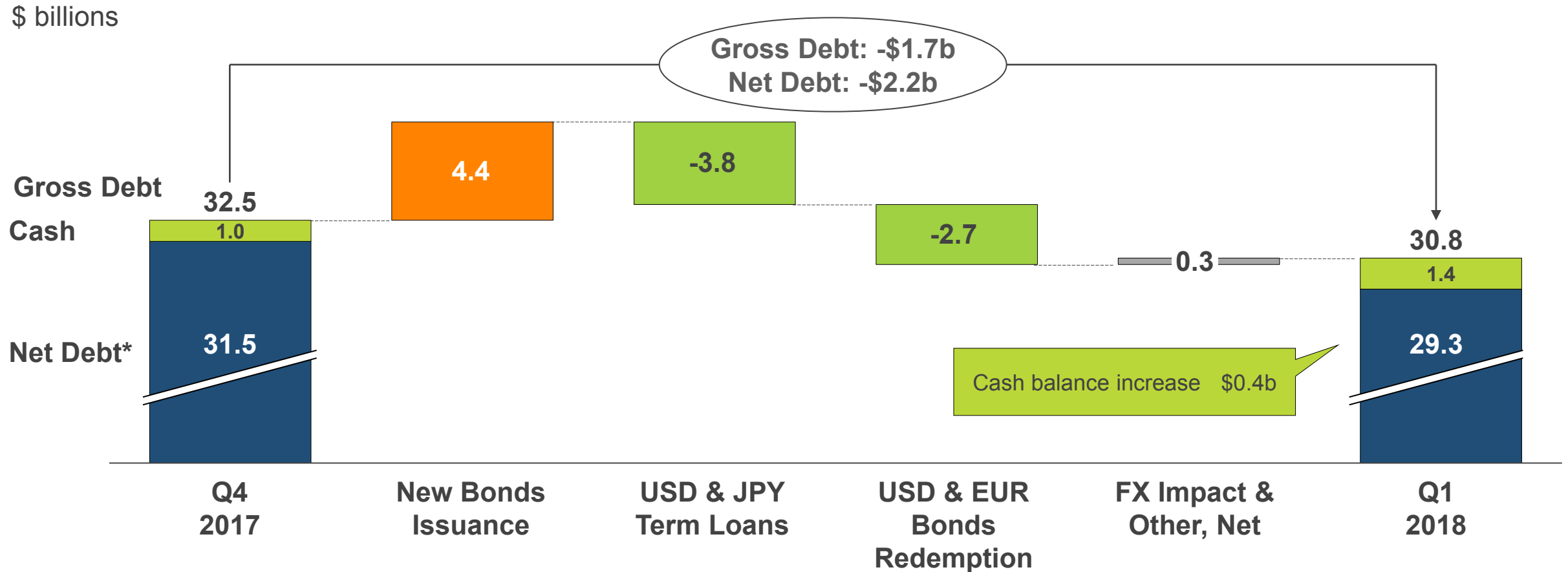
795

859

1,496

* Free Cash Flow includes cash flow generated from operating activities net of capital expenditures and deferred purchase price cash component collected for securitized trade receivables.

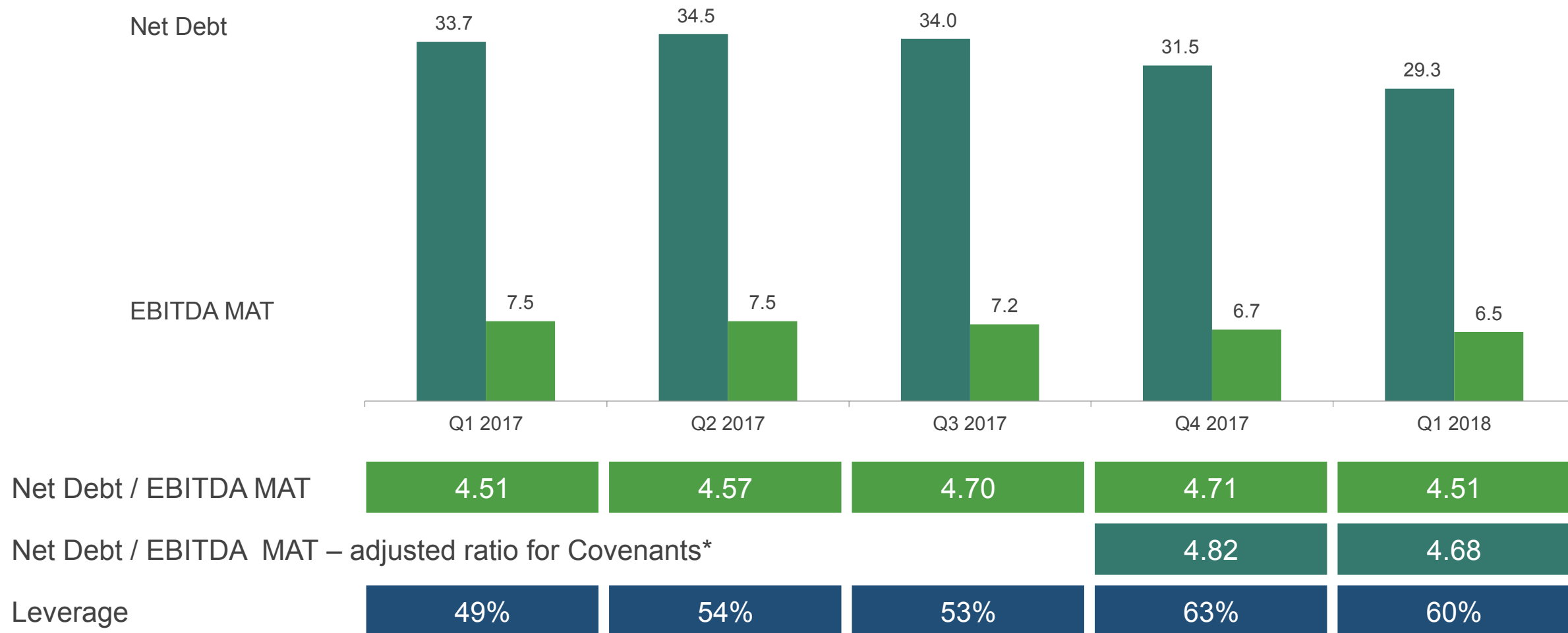
Q1 2018 Debt Movement



* Net Debt = Gross Debt – cash balance

Liquidity

\$ billions



* According to Teva's credit agreement covenant ratio - adjusted ratio excludes EBITDA contribution of the divested WH business for the relevant test period; Teva's Net Debt/EBITDA covenants were amended to 5.50x, 5.75x, 5.90x and 5.90x for Q1-Q4 2018, respectively.

2018 Financial Outlook

2018 Non-GAAP Financial Outlook

	2018 Outlook – May 2018 Update	2018 Outlook – Original (Feb 2018)
Revenues (\$ billions)	18.5-19.0	18.3-18.8
Non-GAAP Operating income (\$ billions)	4.2-4.5	4.0-4.3
Non-GAAP EBITDA (\$ billions)	4.9-5.2	4.7-5.0
Weighted average number of shares (in millions)	1,030	1,030
Non-GAAP EPS (\$)	2.40-2.65	2.25-2.50
Free cash flow (\$ billions)	3.0-3.2	2.6-2.8

Q&A

Additional Information

Revenues by Activity and Geographical Area

	Q1-16	Q2-16	Q3-16	Q4-16	Q1-17	Q2-17	Q3-17	Q4-17	Q1-18
North America segment									
Generic Medicines	978	931	1,316	1,429	1,415	1,331	1,233	1,224	1,088
Copaxone	837	968	892	846	797	859	819	641	476
Treanda and Bendeka	155	207	148	150	156	163	179	158	181
ProAir	173	135	118	139	121	123	155	102	130
QVAR	121	102	84	102	84	98	83	48	107
Austedo	0	0	0	0	0	1	6	17	30
Distribution	0	0	0	301	295	275	294	289	331
Europe Segment									
Generic Medicines	696	682	828	949	850	821	871	928	997
Copaxone	145	149	151	140	152	138	150	155	153
Respiratory products	58	59	57	64	84	84	90	110	113
Growth Markets segment									
Generic Medicines	552	698	832	1,047	486	604	629	651	488
Copaxone	23	24	19	29	21	26	18	26	16
Distribution	108	119	119	112	125	134	146	144	153
API	197	208	191	181	197	204	171	181	179

Quarterly GAAP Income Statement

\$ millions, except EPS	Q1-18	Q1-18 Margins	Q1-17	Q1-17 Margins	Change
Revenues	5,065		5,650		(10%)
COGS	2,717	53.6%	2,811	49.8%	(3%)
Gross profit	2,348	46.4%	2,839	50.2%	(17%)
R&D	317	6.3%	432	7.6%	(27%)
S&M	771	15.2%	958	17.0%	(20%)
G&A	329	6.5%	366	6.5%	(10%)
Legal settlements and loss contingencies	(1,278)	(25.2%)	20	0.4%	n/a
Impairments, restructuring and others	887	17.6%	240	4.2%	+270%
Other income	(203)	(4.0%)	(72)	(1.3%)	+182%
Operating income	1,525	30.0%	895	15.8%	+70%
Finance exp.	271	5.4%	207	3.7%	+31%
Tax	46	3.7%	54	7.8%	(15%)
Minority and share in profit (loss)	88	1.8%	(11)	(0.1%)	n/a
Net income attributable to Teva	1,120	22.0%	645	11.3%	+74%
Dividends on preferred shares	65		65		
Net income attributable to ordinary shareholders	1,055		580		
# of shares (diluted, millions)	1,020		1,017		
Earnings per share (\$)	1.03		0.57		+81%

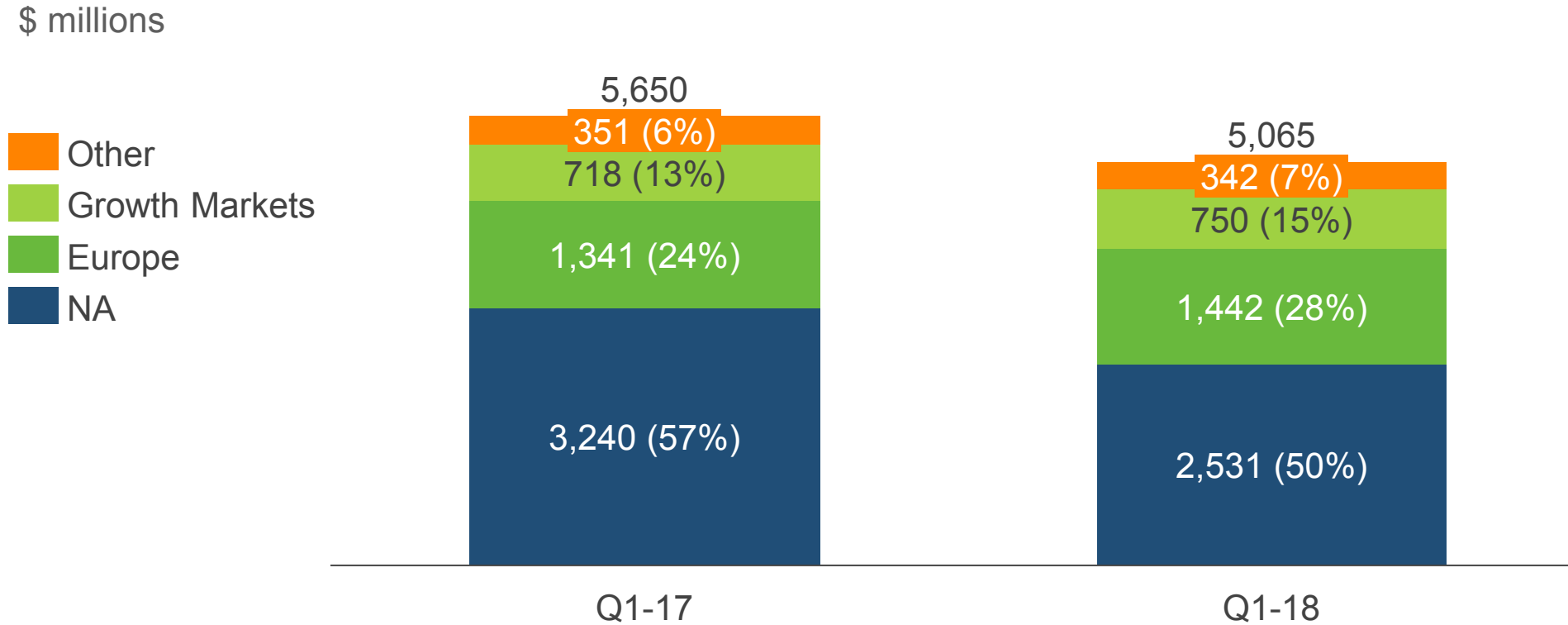
Quarterly Non-GAAP Income Statement

\$ millions, except EPS	Q1-18	Q1-18 Margins	Q1-17	Q1-17 Margins	Change
Revenues	5,065		5,650		(10%)
COGS	2,414	47.7%	2,434	43.1%	(1%)
Gross profit	2,651	52.3%	3,216	56.9%	(18%)
R&D	289	5.7%	420	7.4%	(31%)
S&M	715	14.1%	894	15.8%	(20%)
G&A	322	6.4%	353	6.2%	(9%)
Other income	(110)	(2.2%)	(72)	(1.3%)	+53%
Operating income	1,435	28.3%	1,621	28.7%	(11%)
Finance exp.	203	4.0%	235	4.2%	(14%)
Tax	211	17.1%	240	17.3%	(12%)
Minority and share in profit (loss)	2		2		+15%
Net income attributable to Teva	1,019	20.1%	1,144	20.2%	(11%)
Dividends on preferred shares	65		65		
Net income attributable to ordinary shareholders	954		1,079		
# of shares (diluted, millions)	1,020		1,017		
Earnings per share (\$)	0.94		1.06		(12%)

Q1 2018 Foreign Exchange Impact

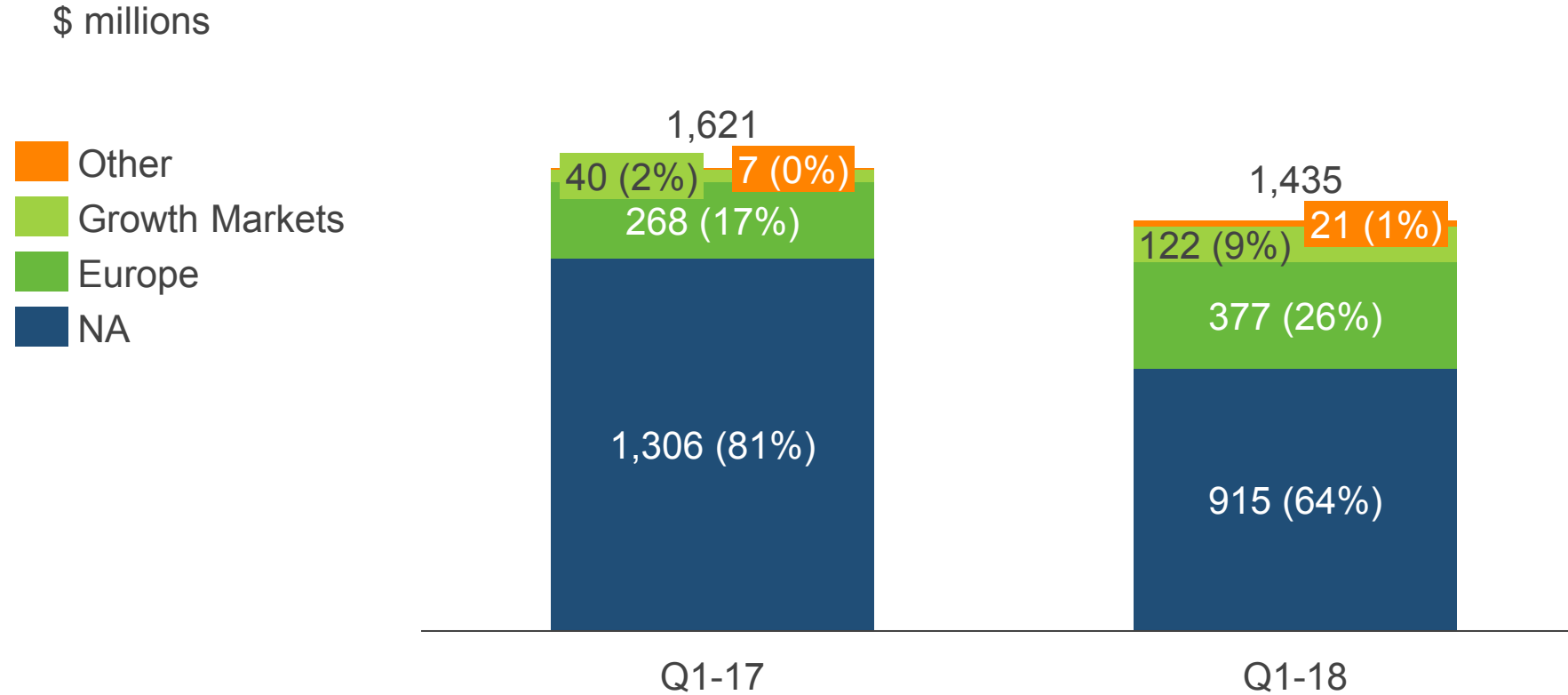
\$ millions	Q1 2018	Q1 2017	Diff	FX Effect	Diff net FX
Revenues	5,065	5,650	(585)	240	(825)
Operating income GAAP	1,525	895	630	37	593
Operating income Non-GAAP	1,435	1,621	(185)	46	(232)

Quarterly Revenue Breakdown by Segment



Percentages may not add up to 100% due to rounding.

Quarterly Non-GAAP Operating Income



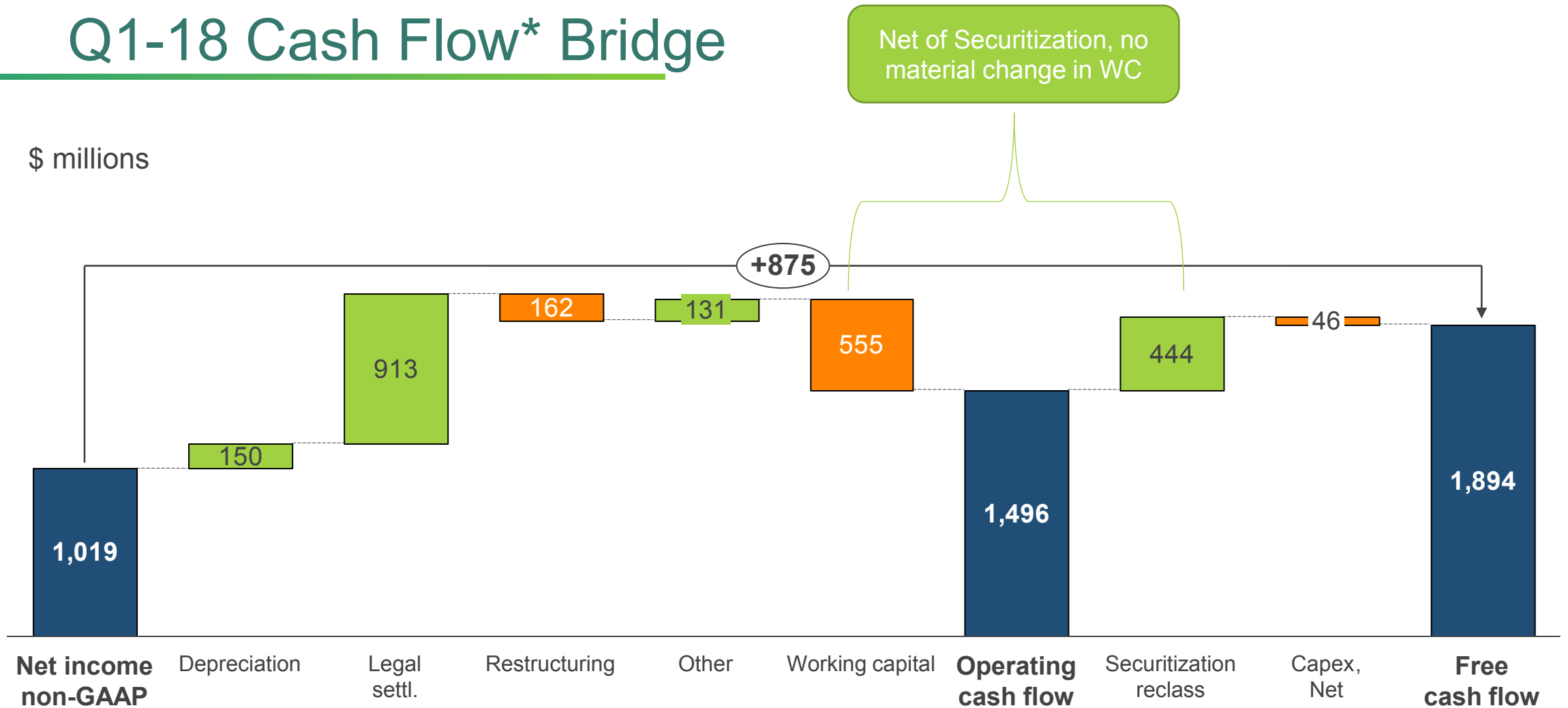
Profit is presented on a non-GAAP basis. Percentages may not add up to 100% due to rounding.

Balance Sheet

\$ billions	Mar 31, 2018	Dec 31, 2017	Diff
Cash and Cash Equivalents	1.4	1.0	0.5
Other Financial assets	0.1	0.1	0.0
AR Trade	6.3	7.1	-0.8
Pre-paid Expenses and Other Current Assets	1.9	2.4	-0.5
Inventory	5.1	4.9	0.2
Fixed Assets	7.4	7.7	-0.3
Goodwill	28.5	28.4	0.1
Intangible Assets	17.3	17.6	-0.3
Other Long Term Assets	1.2	1.4	-0.2
Total Assets	69.2	70.6	-1.4
AP Trade	1.9	2.0	-0.1
SR&A	7.4	7.9	-0.5
AP Other	4.2	4.3	-0.2
Total Debt (ST+LT)	30.8	32.5	-1.7
Other Long Term liabilities	4.9	5.1	-0.2
Minority	1.5	1.4	0.1
Teva Shareholders' Equity	18.6	17.4	1.3
Total Liabilities & Equity	69.2	70.6	-1.4

Q1-18 Cash Flow* Bridge

\$ millions



*Free Cash Flow includes cash flow generated from operating activities net of capital expenditures and deferred purchase price cash component collected for securitized trade receivables.

Updated Debt Maturities

\$ millions

