

Endo International plc

Q2 2019
Earnings Report

August 6, 2019



Forward Looking Statements; Non-GAAP Financial Measures

This presentation contains forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and Canadian securities legislation. Statements including words such as “believes,” “expects,” “anticipates,” “intends,” “estimates,” “plan,” “will,” “may,” “look forward,” “intend,” “guidance,” “future projects” or similar expressions are forward looking statements. Because these statements reflect our current views, expectations and beliefs concerning future events, these forward looking statements involve risks and uncertainties. Although Endo believes that these forward looking statements and information are based upon reasonable assumptions and expectations, readers should not place undue reliance on them, or any other forward looking statements or information in this news release. Investors should note that many factors, as more fully described in the documents filed by Endo with securities regulators in the United States and Canada including under the caption “Risk Factors” in Endo’s Form 10-K, Form 10-Q and Form 8-K filings, as applicable, with the Securities and Exchange Commission and with securities regulators in Canada on System for Electronic Document Analysis and Retrieval (“SEDAR”) and as otherwise enumerated herein or therein, could affect Endo’s future financial results and could cause Endo’s actual results to differ materially from those expressed in any forward looking statements. The forward looking statements in this presentation are qualified by these risk factors. Endo assumes no obligation to publicly update any forward looking statements, whether as a result of new information, future developments or otherwise, except as may be required under applicable securities law.

This presentation may refer to non-GAAP financial measures, including, among others, adjusted diluted EPS, adjusted EBITDA, adjusted income from continuing operations, adjusted gross margin, adjusted operating expenses, adjusted effective tax rate, adjusted revenue and adjusted weighted average diluted shares that are not prepared in accordance with accounting principles generally accepted in the United States and that may be different from non-GAAP financial measures used by other companies. Endo utilizes these financial measures because (i) they are used by Endo, along with financial measures in accordance with GAAP, to evaluate the Endo's operating performance; (ii) Endo believes that they will be used by certain investors to measure Endo's operating results; (iii) the Compensation Committee of Endo's Board of Directors uses adjusted diluted EPS and Adjusted EBITDA, or measures derived from such, in assessing the performance and compensation of substantially all of Endo's employees, including executive officers and (iv) Endo's leverage ratio, as defined by Endo's credit agreement, is calculated based on non-GAAP financial measures. Endo believes that presenting these non-GAAP measures provides useful information about Endo's performance across reporting periods on a consistent basis by excluding certain items, which may be favorable or unfavorable, pursuant to certain specified procedures. These non-GAAP measures should be considered supplemental to and not a substitute for financial information prepared in accordance with GAAP. Endo's definition of these non-GAAP measures may differ from similarly titled measures used by others. Investors are encouraged to review Endo’s current report on Form 8-K furnished to the SEC on Aug 5, 2019, including exhibit 99.1 thereto, for Endo's definition of the non-GAAP financial measures in this presentation as well as a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures.

Today's Agenda



Overview



Q2 2019 Segment Results



Milestones and Pipeline



2019 Financial Guidance



Q&A

Overview

- Continued strong growth in Branded Pharmaceuticals - Specialty portfolio (+17% year-over-year) and Sterile Injectables (+12% year-over-year). This was led by our XIAFLEX[®], VASOSTRICT[®] and ADRENALIN[®] products
- Q2'19 enterprise revenues of \$700 million and adjusted EBITDA of \$307M were in-line with expectations
- Reaffirm full-year 2019 guidance on revenue, adjusted diluted EPS from continuing operations and adjusted EBITDA

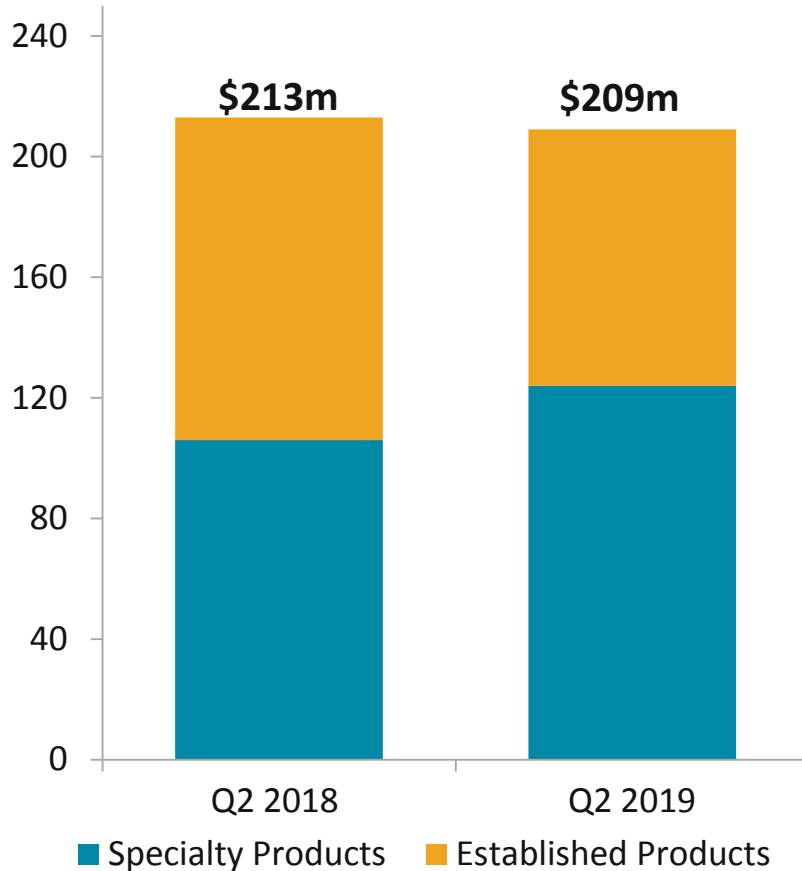
Q2 2019 Snapshot

<i>Revenue (US \$M)</i>	Q2 2019	Q2 2018
Branded Pharmaceuticals	\$209	\$213
Sterile Injectables	\$244	\$218
Generic Pharmaceuticals	\$218	\$241
International Pharmaceuticals	\$ 29	\$ 43
Total	\$700	\$715
Adjusted EBITDA	\$307	\$351

Table may not total due to rounding

Q2 2019 Performance: Branded Pharmaceuticals

Reported Revenues in \$ Millions

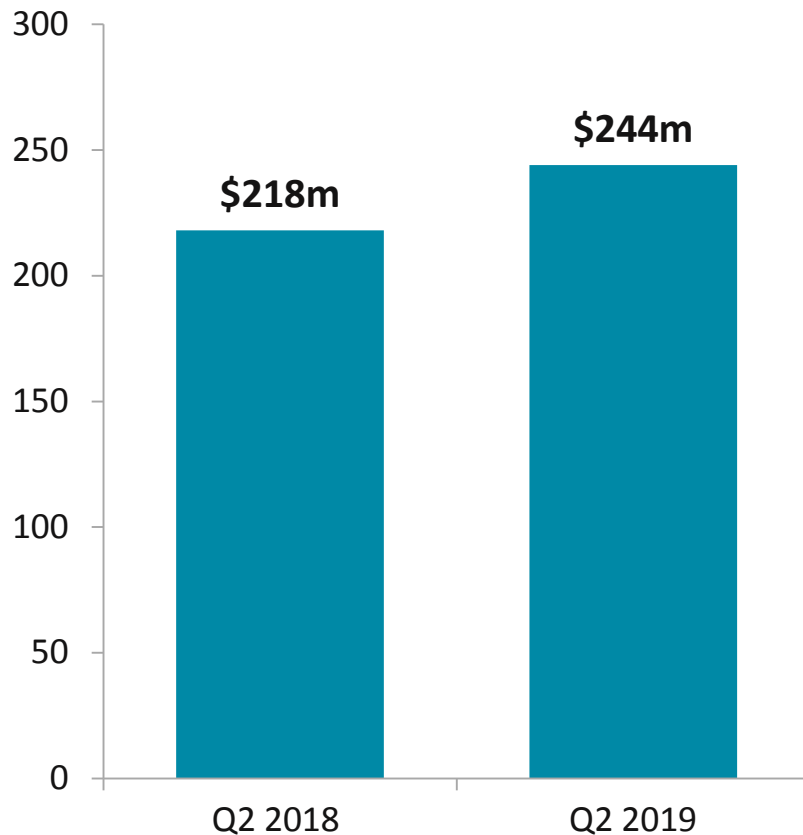


Specialty Products

- 17% Y-o-Y growth in Specialty Products
 - 18% XIAFLEX® Y-o-Y growth
 - 19% SUPPRELIN® LA Y-o-Y growth
 - 26% Aveed Y-o-Y growth
 - 8% Nascobal Y-o-Y growth
- Continue to expect FY'19 Specialty Products revenue growth of low double digit percentage range
- Continue to expect FY'19 XIAFLEX® growth in the mid to high teens percentage range

Q2 2019 Performance: Sterile Injectables

Reported Revenues in \$ Millions

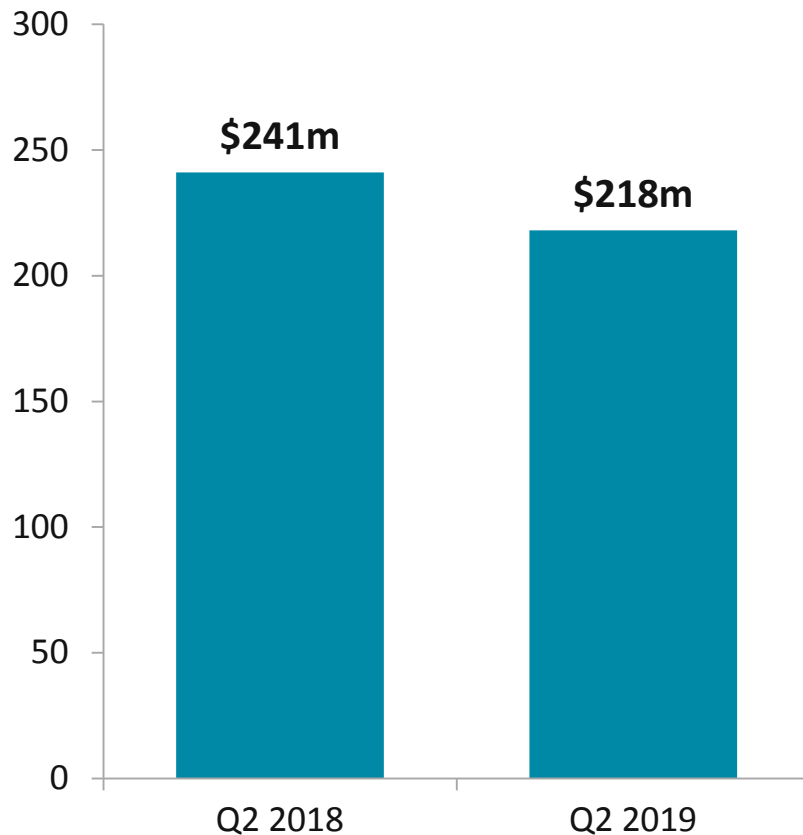


Sterile Products

- 12% Y-o-Y growth reflects impact of Q3'18 launch of ertepenum for injection as well as VASOSTRICT® and ADRENALIN® increases
 - 9% VASOSTRICT® Y-o-Y growth
 - 25% ADRENALIN® Y-o-Y growth
- Continue to expect FY'19 Sterile Injectables revenues to grow in the high single to low double digit percentage range
- Continue to expect FY'19 VASOSTRICT® revenues to grow by low double digit percentage

Q2 2019 Performance: Generic Pharmaceuticals

Reported Revenues in \$ Millions

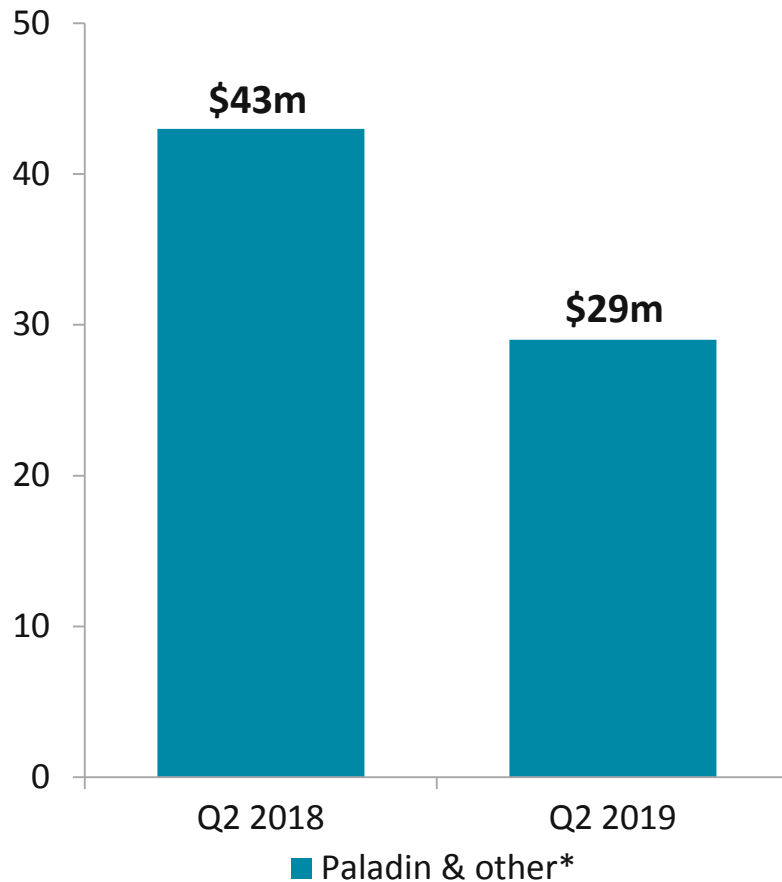


Generics

- Decrease in revenue primarily attributable to anticipated competitive pressures on certain limited competition generic products
- Partially offsetting the decrease was the benefit of product launches including, among others, colchicine tablets
 - Colchicine 2Q'19 revenue of \$49m
- Continue to expect FY'19 Generic Pharmaceuticals revenues to decline by mid to high teens percentage range

Q2 2019 Performance: International Pharmaceuticals

Reported Revenues in \$ Millions



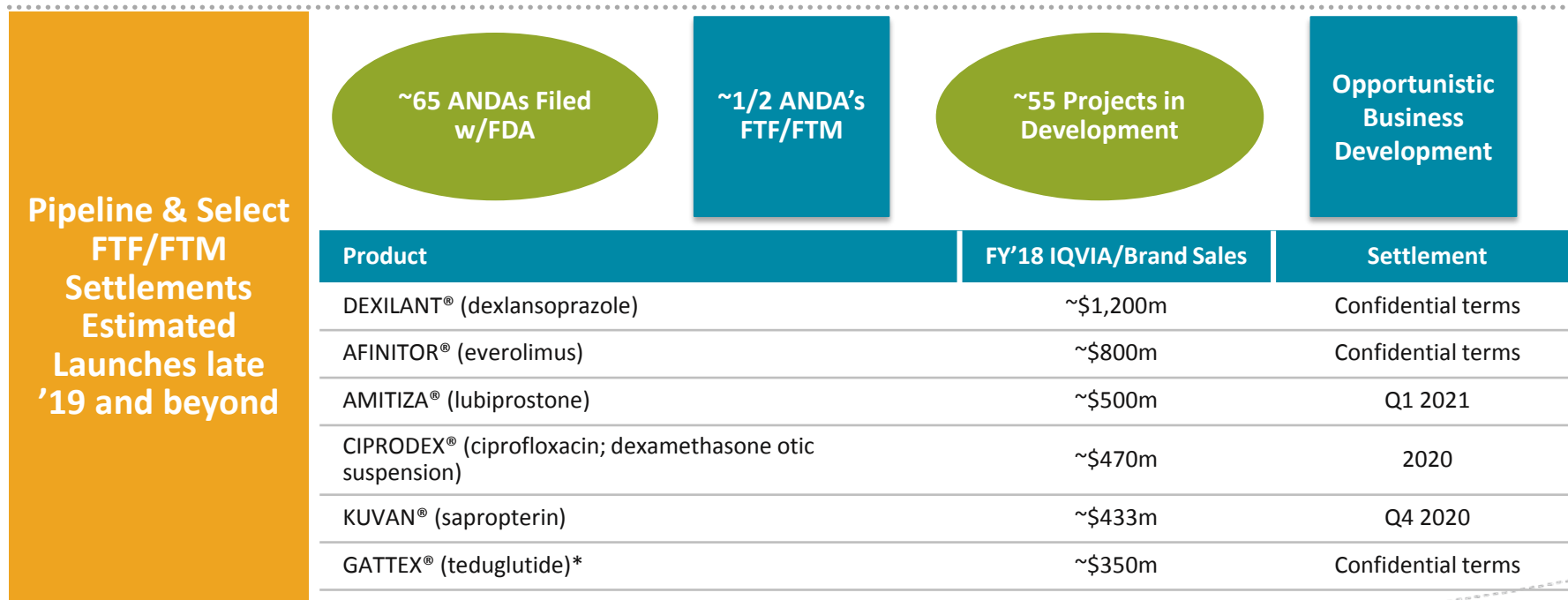
International

- Q2'19 performance impacted by ongoing generic competition
- Continue to expect FY'19 International Pharmaceuticals revenues to decline by ~20%

* Includes sales from Endo Ventures Limited and Par UK

Milestones and Pipeline

- On CCH for Cellulite, continuing with regulatory and pre-commercialization activities; expect to submit BLA in 2H19
- Expect ~15 Sterile, Generic and International launches in 2019
- Launched six products year to date
- Expect 1st Nevakar launch in late 2020



*GATTEX® LTM brand sales as of 6/30/18

Q2 2019: Financial Results (Continuing Operations*)

<i>(USD, \$, and Shares in millions)</i>	US GAAP		Non-GAAP	
	Q2 '19	Q2 '18	Q2 '19	Q2 '18
Revenues	\$700	\$715	\$700	\$715
Gross Margin	44.5%	46.6%	64.7%	71.9%
Operating Income	\$40	\$55	\$277	\$322
Net (Loss) Income	(\$98)	(\$52)	\$120	\$172
Effective Tax Rate	(3.7%)	(13.5%)	15.6%	10.7%
Diluted (Loss) Income per share	(\$0.43)	(\$0.23)	\$0.52	\$0.76
Weighted Average Diluted Shares Outstanding	226	224	233	227

* Continuing Operations excludes ASTORA (formerly known as AMS Women's Health)

2019 Financial Guidance Reaffirmed (Continuing Operations*)

Measure	Prior (May'19)	Current (Aug'19)
Revenues	\$2.76B – \$2.96B	\$2.76B – \$2.96B
Adjusted EBITDA	\$1.24B – \$1.34B	\$1.24B – \$1.34B
Adjusted Diluted EPS	\$2.00 – \$2.25	\$2.00 – \$2.25

The Company's 2019 Financial Guidance is Based on the Following Assumptions:

- Adjusted gross margin of approximately 65.0% to 66.0%
- Adjusted operating expenses as a percentage of revenue to be approximately 24.5% to 25.0%
- Adjusted interest expense of approximately \$550 to \$560 million
- Adjusted effective tax rate of approximately 17.5% to 18.5%
- Full-year adjusted diluted shares outstanding of approximately 234 million

* Continuing Operations excludes ASTORA (formerly known as AMS Women's Health)

2019 Segment Guidance Reaffirmed

Segment	YOY % Change in Revenues	Adjusted Gross Margin %
Branded Pharmaceuticals	Flat to Low single digit growth	Low 80's
Sterile Injectables	High single to low double digit growth	High 70's
Generic Pharmaceuticals	Mid to High teens decline	Low to mid 30's
International Pharmaceuticals	~ 20% decline	Low 50's

The Company's 2019 Segment Guidance is Based on the Following Assumptions:

- Branded Specialty Product Portfolio revenues expected to grow low double digit percentage
- XIAFLEX[®] revenues expected to grow in the mid to high teens percentage
- VASOSTRICT[®] revenues expected to grow low double digit percentage

Unrestricted Cash Flow Prior to Debt Payments

US \$M	YTD Q2'19	FY 2019 Guidance		FY 2019 - Prior Guidance	
	Actual	Low	High	Low	High
Adjusted EBITDA Range	\$642	\$1,240	\$1,340	\$1,240	\$1,340
Cash Interest	(\$284)	~(\$560)		~(\$560)	
Changes in Net Working Capital ^[1]	(\$33)	~(\$70)		~(\$70)	
Changes in Other Assets and Liabilities	(\$2)	~(\$20)		~(\$20)	
Contingent Consideration	(\$13)	~(\$25)		~(\$25)	
Cash Taxes, net refund (payments)	\$1	~(\$10)		~(\$10)	
Milestone/Commercial Payments	(\$2)	~(\$25)		~(\$25)	
Restructuring and Other ^[5]	(\$14)	~(\$20)		~(\$20)	
Cash Flow from Operations – Pre-Mesh and Other Settlements	\$292	~\$510	~\$610	~\$510	~\$610
Non-Mesh Settlement Payments, net ^[2]	(\$33)	~(\$120)		~(\$120)	
Cash Distributions to Settle Mesh Claims ^[3]	(\$175)	~(\$500)		~(\$500)	
Cash Flow from Operations	\$87	~(\$110)	~(\$10)	~(\$110)	~(\$10)
Change in Restricted Cash - Mesh Related	(\$6)	~\$40		~\$40	
Capital Expenditures	(\$26)	~(\$95)		~(\$95)	
Other ^[4]	(\$21)	~(\$35)		~(\$35)	
Borrowings from Revolving Credit Facility	\$300	~\$300		\$0	
Unrestricted Cash Flow Prior to Debt Payments	\$334	~\$100	~\$200	~(\$200)	~(\$100)

Cash into the mesh QSF and paid mesh legal expenses:
YTD Q2'19: (~\$181M)
FY'19: (~\$460M)

[1] "Changes in Net Working Capital" defined as changes in Accounts Receivable adjusted for non-cash items, plus changes in Inventory adjusted for long-term and non-cash items, less changes in Accounts Payable adjusted for Royalties and Rebates (additional detail available in earnings release issued August 5, 2019).

[2] "Non-Mesh Settlement Payments" represent legal settlements that Endo paid YTD Q2 2019 and expects to be paid during in remainder of 2019.

[3] "Cash Distributions to Settle Mesh Claims" represents expected direct payments and payments from Qualified Settlement Funds to settle mesh product liabilities, as well as mesh related legal expenses.

[4] "Other" includes contingent consideration for certain products, financing fees, and certain other items.

[5] "Restructuring and Other" includes restructuring and other non-recurring projects.

Table may not total due to rounding

Our Strategic Priorities

1

Reshape our Organization for Success

- **Simplify** our business through process and technology enhancements
- **Drive** productivity improvements
- **Leverage** the new Endo Culture to develop, retain and attract top talent

2

Build Our Portfolio and Capabilities for the Future

- **Expand** the breadth of our Sterile Injectables portfolio
- **Invest** in the continued growth of our highly focused Specialty portfolio
- **Strengthen** our Generics business portfolio and profile for the future
- **Execute** to flawlessly bring the first injectable treatment for cellulite to market

3

Drive Margin Expansion and De-Lever

- **Drive** EBITDA margin improvements through operational execution and continuous improvements
- **De-lever** 3-4x range over time; committed to a highly disciplined capital allocation approach
- **Accelerate** return to EBITDA dollar growth through smart business development

Q&A



Appendix



Cash Conversion Cycle

We use days sales outstanding (DSO), days inventory outstanding (DIO) and days payable outstanding (DPO), the sum of which is the cash conversion cycle, to evaluate our working capital performance. The following table summarizes the details of the financial metrics used to calculate these working capital performance statistics for the quarters ended June 30, 2019, March 31, 2019, December 31, 2018, September 30, 2018, and June 30, 2018 (in thousands except for ratios):

		Jun 30, 2019	Mar 31, 2019	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018
	Total Revenue	\$ 699,727	\$ 720,411	\$ 786,389	\$ 745,466	\$ 714,696
DSO	•Accounts Receivable, net of allowance	\$ 442,078	\$ 487,974	\$ 470,570	\$ 467,156	\$ 451,240
	•Less: Returns and allowances	\$(217,902)	\$(223,156)	\$(236,946)	\$(250,637)	\$(276,677)
	Accounts Receivable, adjusted for non-cash items	\$ 224,176	\$ 264,818	\$ 233,624	\$ 216,519	\$ 174,563
	<i>Total revenues per day</i>	\$ 7,689	\$ 8,005	\$ 8,548	\$ 8,103	\$ 7,854
	DSO	29	33	27	27	22
DIO	•Inventories, net	\$ 335,890	\$ 331,391	\$ 322,179	\$ 332,787	\$ 343,318
	•Plus: Long-term inventory	\$ 22,877	\$ 9,853	\$ 8,114	\$ 13,306	\$ 11,258
	•Less: Inventory step-up	\$ -	\$ -	\$ -	\$ (71)	\$ (124)
	Inventory, adjusted for long-term and non-cash items	\$ 358,767	\$ 341,244	\$ 330,293	\$ 346,022	\$ 354,452
	<i>Total revenues per day</i>	\$ 7,689	\$ 8,005	\$ 8,548	\$ 8,103	\$ 7,854
DIO	47	43	39	43	45	
DPO	•Trade Accounts Payable	\$ 120,366	\$ 97,592	\$ 96,024	\$ 106,321	\$ 95,195
	•Plus: Accrued Royalties and Partner Payables	\$ 106,305	\$ 103,649	\$ 122,028	\$ 103,673	\$ 148,326
	•Plus: Accrued Rebates and Chargebacks paid in cash	\$ 125,752	\$ 121,139	\$ 147,831	\$ 154,319	\$ 52,515
	Trade Accounts Payable, adjusted for royalties and rebates	\$ 352,423	\$ 322,380	\$ 365,883	\$ 364,313	\$ 296,036
	<i>Total revenues per day</i>	\$ 7,689	\$ 8,005	\$ 8,548	\$ 8,103	\$ 7,854
DPO	46	40	43	45	38	
Cash Conversion Cycle		30	35	23	24	30

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