
endo™

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 net income per share from continuing operations, 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 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 net income per share from continuing operations 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, 2020, 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

- Business Performance
- Strategic Priorities Update
- Pipeline Update
- Financial Results & Guidance
- Q&A

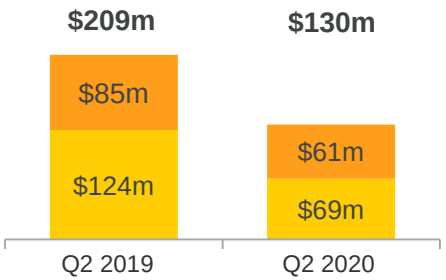
Q2 2020 Snapshot

Revenues (US $M)	Q2 2020	Q2 2019
Branded Pharmaceuticals	$130	$209
Sterile Injectables	$319	$244
Generic Pharmaceuticals	$216	$218
International Pharmaceuticals	$ 23	$ 29
Total Revenues	**$688**	**$700**
Adjusted EBITDA	**$336**	**$326**

Table may not total due to rounding

Q2 2020 Performance (Reported Revenues in $ Millions)

Branded Pharmaceuticals

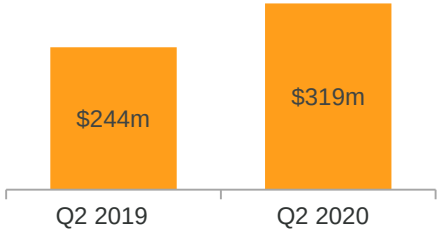


	Y-o-Y Change
Branded Pharm.	-38%
Specialty Products	-45%
XIAFLEX®	-55%
Established Products	-28%

Established Products Specialty Products

- Decrease in Specialty products, including XIAFLEX, primarily a result of physician office closures and a decline in patients electing to be treated due to the COVID-19 pandemic
- Decrease in Established products due to competitive pressures and a temporary product supply disruption

Sterile Injectables

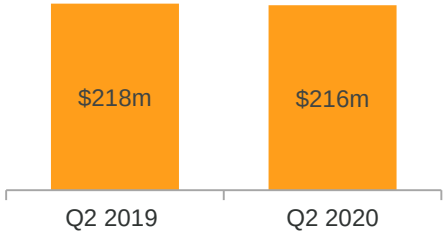


	Y-o-Y Change
Sterile Injectables	31%
VASOSTRICT®	85%
ADRENALIN®	-28%

- Increase in VASOSTRICT due to channel inventory stocking in anticipation of potential treatment needs for certain patients infected with COVID-19
- Decrease in ADRENALIN primarily due to combination of destocking, impact of competitive entry, and contract mix

Q2 2020 Performance (Reported Revenues in $ Millions)

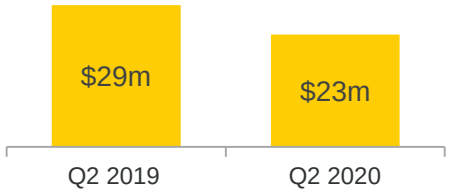
Generic Pharmaceuticals



	Y-o-Y Change
Generic Pharmaceuticals	-1%

- Decrease due to competitive pressure on certain generic products, partially offset by recent product launches

International Pharmaceuticals



	Y-o-Y Change
International Pharmaceuticals*	-20%

- Decrease primarily due to ongoing generic competition

* Includes sales from Endo Ventures Limited

Strategic priorities to create long-term sustainable value for our stakeholders

Expand & Enhance Our Portfolio

We are **investing to build a more differentiated and durable portfolio** that benefits our customers and creates sustainable long-term value.

Reinvent How We Work

We are **embracing the future by accelerating new ways of working** to better serve our customers, promote innovation, and improve productivity.

Be A Force For Good

We are **committed to the adoption of more sustainable practices** that positively impact our stakeholders, including the promotion of diversity & inclusion in all we do.

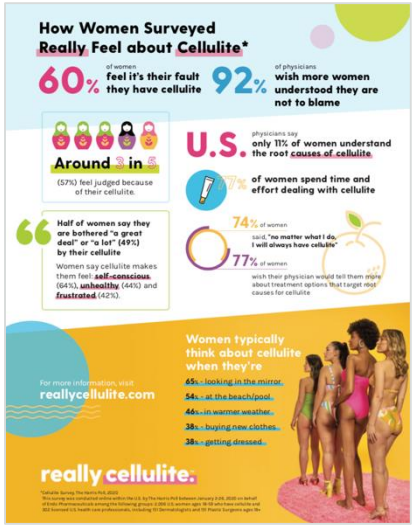
QWO™ approved
The 1st & only FDA approved injectable for the treatment of cellulite

Integrated plan to address a high unmet need in a large US market

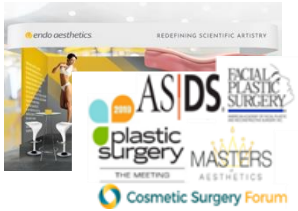
Market opportunity

6-11 Million

~36% aesthetically experienced



Conferences



Social influencer campaign

Aesthetic practitioner training

Q3 2020 | **Q4** | **Q1 2021** | **Q2**

Salesforce recruitment

Unbranded consumer condition awareness

QWO launch

Ongoing Clinical Trials & Data Generation Studies

Product/Area	Study #	Pre-Clinical	Phase I/IB	Phase II/IIB	Phase III/IIIB	Filed	Updates
XIAFLEX®	105	Plantar Fibromatosis					First patient dosed in Jun-2020
	210	Adhesive Capsulitis					First patient dosed in Jul-2020
VASOSTRICT®	PS4229-101	PK study on plasma clearance of vasopressin in healthy volunteers					Final study results expected in Q4 2020

Product/Area	Study #	Data Generation Studies	Area of study
QWO®	209	Study looking at multiple (5) injection techniques on the buttocks and thighs	Different population and techniques
	212	Open label study using CCH in the buttocks and thighs	Method of action
	213	Extensively study the histopathologic effects of CCH in humans	Method of action
	305	REAL world Phase 3b study for treatment of mild to moderate cellulite in thighs or buttocks of non-obese subjects	Different population and techniques
	304	Five year extension trial following Phase II cellulite subjects (follow-on to RELEASE-I and RELEASE-II studies)	Duration of effect

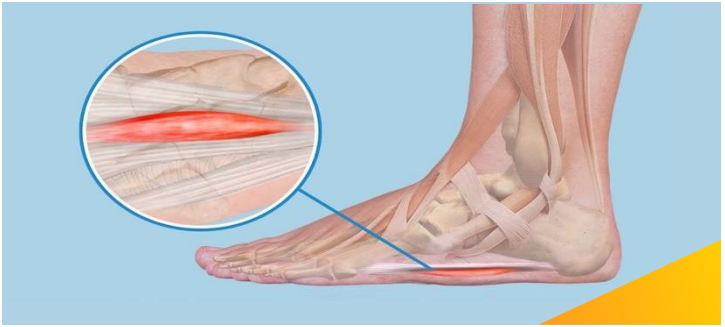
XIAFLEX® development programs
Pursuing non-surgical intervention options

Plantar Fibromatosis

Prevalence*

5% - 11%
Current treatment – steroids & surgery

Study 105: First patient enrolled in June, 2020

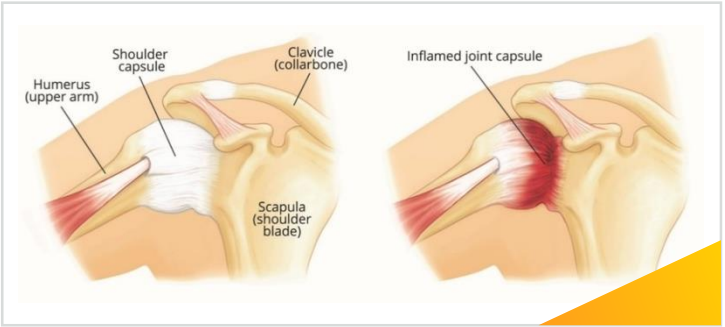


Adhesive Capsulitis

Prevalence*

2% - 5%
Current treatment – physical therapy, steroids, & surgery

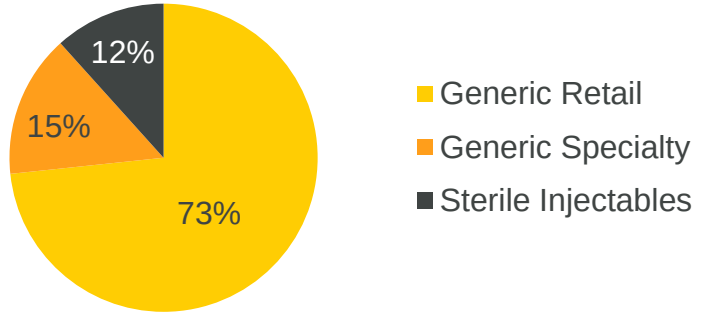
Study 210: First patient enrolled in July, 2020



Source: IQVIA, Market Research
* US Adult Population

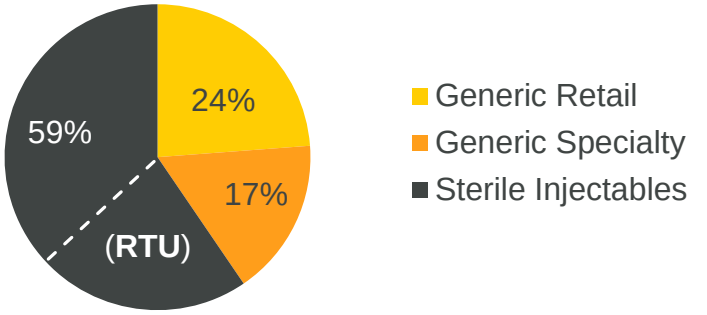
Sterile Injectables and Generics Pipeline Reflects Ongoing Evolution to Focus on Sterile Injectables

Pending filings – by Product Category



~60 Pending filings, ~1/2 ANDAs FTF/FTM

R&D Pipeline – by Product Category



~45 Projects in Development

- Planning to launch approximately 15 products in 2020
- 1st launch from strategic relationship with Nevakar expected in late 2020
- Approximately 50% of 2020 filings expected to be in Sterile Injectables
- Almost 60% of the R&D projects are Sterile Injectables, including ready-to-use (RTU) products

Q2 2020: Financial Results (Continuing Operations*)

(US $, and Shares in millions)	US GAAP		Non-GAAP	
	Q2 ’20	Q2 ’19	Q2 ’20	Q2 ’19
Total Revenues, net	$688	$700	$688	$700
Gross Margin %	51.1%	44.5%	66.5%	64.7%
Operating Income	$150	$40	$311	$296
Income (Loss)	$18	($98)	$152	$139
Effective Tax Rate	30.3%	(3.7%)	17.9%	13.8%
Diluted Net Income (Loss) per Share	$0.08	($0.43)	$0.65	$0.60
Weighted Average Diluted Shares Outstanding	234	226	234	233

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

Q3 & FY'20 Financial Guidance (Continuing Operations*)

Measure	Q3'20	FY'20
Total Revenues, net	$515M – $550M	$2.60B – $2.70B
Adjusted EBITDA	$175M - $200M	$1.19B – $1.23B
Adjusted Diluted Net Income per Share	$0.08 - $0.13	$2.00 – $2.15

The Company's Q3 & FY'20 Financial Guidance is Based on the Following Assumptions:

Measure	Q3'20	FY'20
Adjusted Gross Margin	~64.0% to ~65.0%	~66.5% to ~67.0%
Adjusted operating expenses as a percentage of revenue	~34.0%	~25.0% to ~25.5%
Adjusted interest expense	~$140M	~$530M to ~$535M
Adjusted effective tax rate	~7.5% to ~8.5%	~14.0% to ~15.0%
Adjusted diluted shares outstanding	~234M	~234M

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

Q3 & FY'20 Segment Revenue Guidance

Segment	Q3'20 vs. Q2'20 % Change	FY'20 vs. FY'19 % Change
Branded Pharmaceuticals	Mid - High 40's growth	Mid teens decline
Sterile Injectables	High 30's - Low 40's decline	Mid single digit growth
Generic Pharmaceuticals	High 30's - Low 40's decline	Mid teens decline
International Pharmaceuticals	Mid - High 20's decline	Mid 20s decline
Total Enterprise	**Low to mid 20s decline**	**High single digit decline**

Q3'20 Segment Guidance Commentary

- Branded Pharmaceuticals – The Q2'20 to Q3'20 growth is expected to be driven by a continued increase in demand for our physician-administered products as physician and patient activities continue returning toward pre-COVID-19 levels
- Sterile Injectables – The Q2'20 to Q3'20 decline is expected to be driven by significant channel inventory destocking in the quarter
- Generic & International Pharmaceuticals – The Q2'20 to Q3'20 declines are expected to be driven by competitive events and certain product discontinuations

Cash Flow Prior to Debt Payments

US $M	YTD Q2'20 Actual	FY'20 Guidance Low	FY'20 Guidance High
Adjusted EBITDA	**$758**	**$1,190**	**$1,230**
Cash Interest	($322)	*~($550)*	
Changes in Net Working Capital	$145	*~($30)*	
Cash Taxes, net refund	$20	*~$50*	
Other [1]	($72)	*~($120)*	
Cash Flow from Operations – Pre-Mesh and Other Settlements	**$528**	**$540**	**$580**
Non Mesh/Opioid Settlement Payments, net[2]	($28)	*~($40)*	
Opioids Related Legal Expense/Cash Distributions for Settlements[3]	($37)	*~($80)*	
Cash Distributions to Settle Mesh Claims[4]	($96)	*~($500)*	
Cash Flow from Operations	**$367**	**($80)**	**($40)**
Change in Restricted Cash - Mesh Related	$67	*~$240*	
Capital Expenditures	($37)	*~($85)*	
Other[5]	($7)	*~($15)*	
Unrestricted Cash Flow Prior to Debt Payments	**$390**	**$60**	**$100**
Memo: Unrestricted Cash Disbursements - Mesh [6]	***($29)***	***($260)***	

[1] Includes certain payments for cost reduction initiatives, contingent consideration, milestone, as well as changes in certain other assets and liabilities which provided or used cash.
[2] Represents legal settlements that Endo paid excluding mesh and opioid matters.
[3] Represents payments related to opioid legal expense, as well as cash payment to settle opioid product liabilities.
[4] Represents direct payments and payments from Qualified Settlement Funds to settle mesh product liabilities, as well as mesh related legal expenses.
[5] Includes contingent consideration (CFF) for certain products, financing fees, and certain other items.
[6] Represents the sum of the cash distributions to settle mesh claims and the change in restricted cash – mesh related.

Table may not total due to rounding

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, 2020, March 31, 2020, December 31, 2019, September 30, 2019, June 30, 2019 (in thousands except for ratios):

		Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019
	Total Revenue	**$ 687,588**	**$ 820,405**	**$ 764,800**	**$ 729,426**	**$ 699,727**
DSO	•Accounts Receivable, net of allowance	$ 271,893	$ 536,903	$ 467,953	$ 420,195	$ 442,078
	•Less: Returns and allowances	$ (217,198)	$ (213,756)	$ (206,248)	$ (208,264)	$ (217,902)
	Accounts Receivable, adjusted for non-cash items	$ 54,695	$ 323,147	$ 261,705	$ 211,931	$ 224,176
	Total revenues per day	*$ 7,556*	*$ 9,015*	*$ 8,313*	*$ 7,929*	*$ 7,689*
	DSO	**7**	**36**	**31**	**27**	**29**
DIO	•Inventories, net	$ 330,540	$ 324,962	$ 327,865	$ 338,513	$ 335,890
	•Plus: Long-term inventory	$ 34,340	$ 31,055	$ 29,046	$ 23,680	$ 22,877
	Inventory, adjusted for long-term and non-cash items	$ 364,880	$ 356,017	$ 356,911	$ 362,193	$ 358,767
	Total revenues per day	*$ 7,556*	*$ 9,015*	*$ 8,313*	*$ 7,929*	*$ 7,689*
	DIO	**48**	**39**	**43**	**46**	**47**
DPO	•Trade Accounts Payable	$ 113,049	$ 88,211	$ 101,532	$ 110,074	$ 120,366
	•Plus: Accrued Royalties and Partner Payables	$ 70,953	$ 116,702	$ 115,816	$ 111,347	$ 106,305
	•Plus: Accrued Rebates and Chargebacks paid in cash	$ 109,721	$ 117,393	$ 130,650	$ 141,762	$ 125,752
	Trade Accounts Payable, adjusted for royalties and rebates	$ 293,723	$ 322,306	$ 347,998	$ 363,183	$ 352,423
	Total revenues per day	*$ 7,556*	*$ 9,015*	*$ 8,313*	*$ 7,929*	*$ 7,689*
	DPO	**39**	**36**	**42**	**46**	**46**
	Cash Conversion Cycle	**17**	**40**	**33**	**27**	**30**

Thank you