Endo International plc

Q1 2018
Earnings Report

May 8, 2018

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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 and adjusted EBITDA, 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. Investors are encouraged to review Endo’s current report on Form 8-K furnished to the SEC for Endo’s reasons for including those non-GAAP financial measures in this presentation. Except as noted on Form 8-K, reconciliation of non-GAAP financial measures to the nearest comparable GAAP amounts have been provided within the appendix at the end of this presentation.

Today's Agenda

- Overview
- Q1 2018 Segment Results
- 2018 Milestones & Pipeline
- 2018 Financial Guidance
- Q&A

Overview

- Solid quarter of adjusted operating results; Strong growth in core focus areas – Branded Specialty products and Sterile Injectables
- Delivered solid Q1 2018 Adjusted EBITDA, with growth in Adjusted EBITDA margin versus Q1 2017
- Steady progress with building our portfolio for the future with the initiation of two pivotal CCH Cellulite PH3 trials and the recently announced acquisition of Somerset Therapeutics
- Affirm FY 2018 Revenue, Adjusted EBITDA and Adjusted EPS guidance ranges

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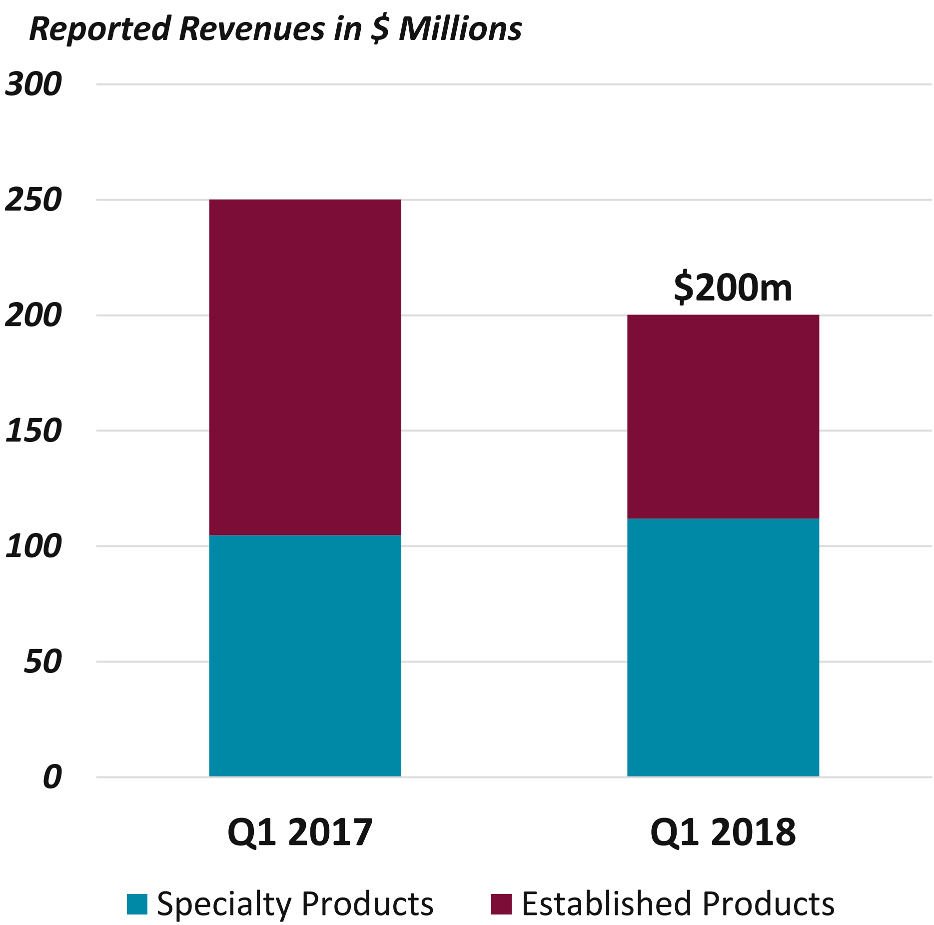
Q1 2018 Snapshot

Revenue (US $M)	**Q1 2018**	**Q1 2017**
U.S. Branded – Specialty and Established Pharmaceuticals	$200	$250
U.S. Branded – Sterile Injectables	$216	$172
U.S. Generic Pharmaceuticals	$249	$550
International Pharmaceuticals	$35	$65
Total	**$701**	**$1,038**

Table may not total due to rounding

Q1 2018 Performance: U.S. Branded – Specialty & Established Pharmaceuticals



Specialty Products:

- +7% y-o-y growth driven by XIAFLEX® (+15%) and SUPPRELIN® LA (+7%)
- Continue to expect FY'18 Specialty products to grow mid-single digit
- Continue to expect FY'18 XIAFLEX® to grow low to mid-teens

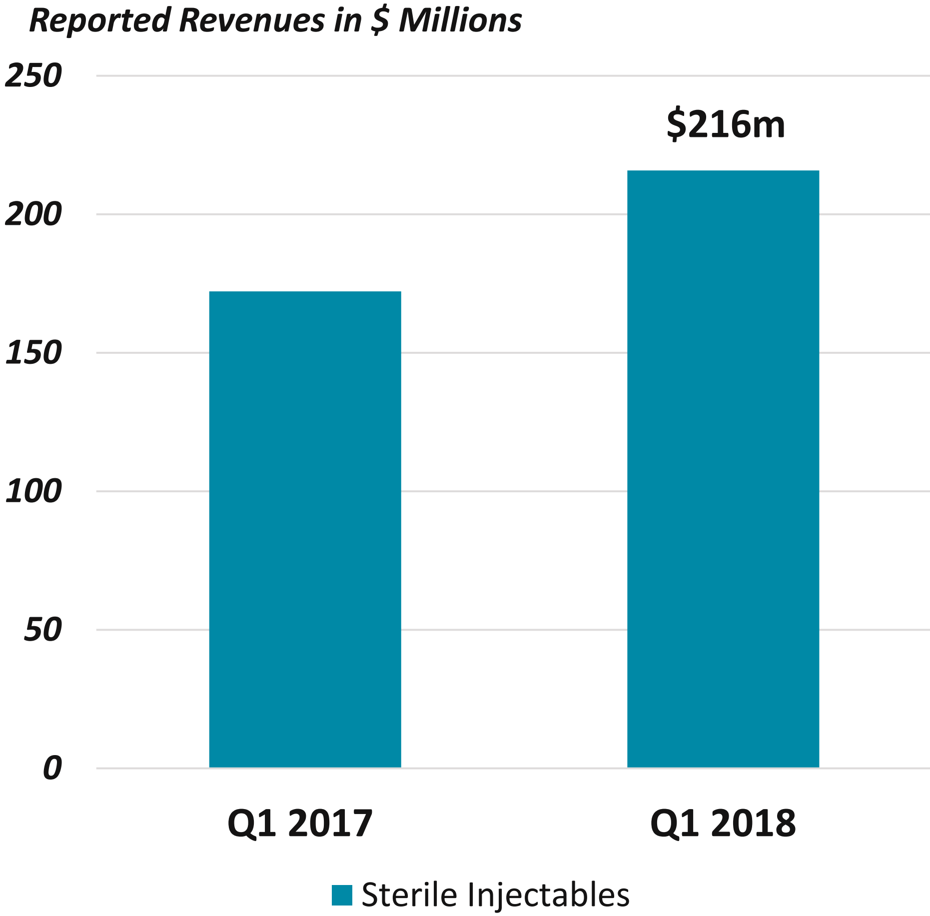
Established Products:

- Decline y-o-y driven primarily by the voluntary withdrawal of OPANA® ER

Pipeline:

- Initiated 2 pivotal Phase 3 clinical trials of collagenase clostridium histolyticum (CCH) for the treatment of cellulite
- Ph2b encore data presented at Hot Topics at ASAPS

Q1 2018 Performance: U.S. Branded – Sterile Injectables



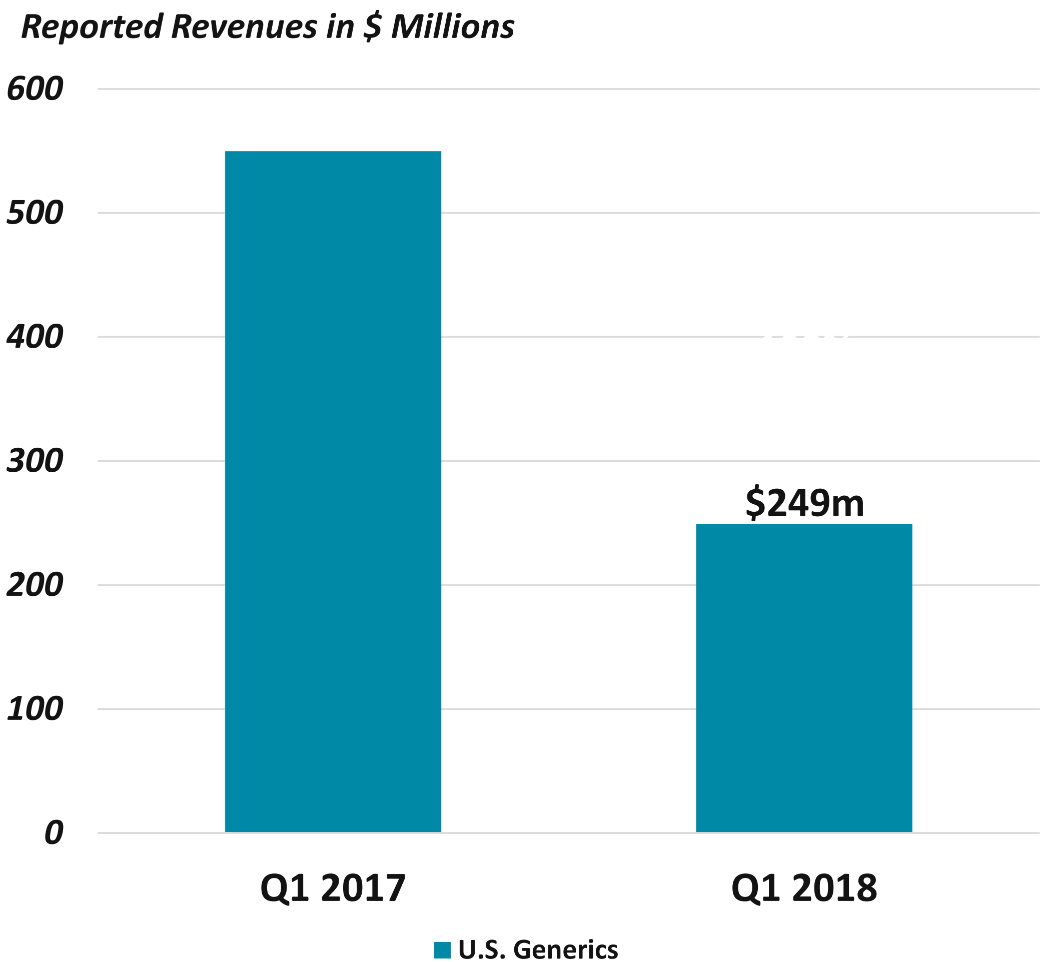
Sterile Products:

- +25% y-o-y growth driven by ADRENALIN® (NM) and VASOSTRICT® (+15%)
- Launched Glycopyrrolate Inj. on May 1st
- Continue to expect FY'18 Sterile Injectables to grow low double-digits

Somerset Therapeutics:

- Expected to significantly expand our sterile injectable and ophthalmic portfolio
  - 8 commercial product; Pipeline of >40 products of which more than half submitted to the FDA
- Augments production and development capabilities

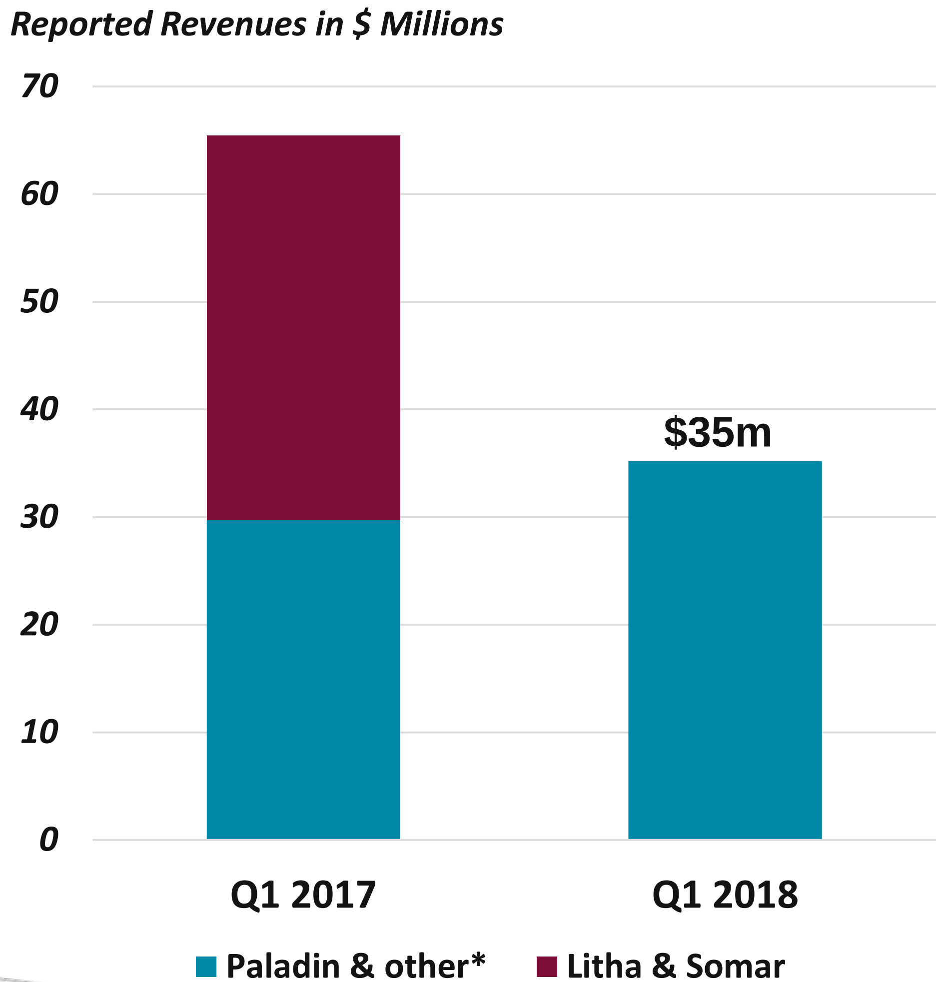
Q1 2018 Performance: U.S. Generic Pharmaceuticals



U.S. Generics:

- Decline y-o-y largely due to LOE of FTF ezetimibe and quetiapine ER (Q1'17 sales of $200), annualization of 2017 competitive entries and product discontinuances
- Launched 2 FTM products in Q1'18
- Promising early signals of retail market stabilization
- Continue to expect FY'18 U.S. Generics to decline in the mid to high 30's percent range (FY'17 ezetimibe and quetiapine ER = ~$250 million; guidance assumes potential new competition to certain key products with no or limited competition)

Q1 2018 Performance: International Pharmaceuticals



- **International**
  - International revenues up 18% y-o-y excluding Somar and Litha
  - Paladin +10% y-o-y growth better than expected due to new product launches and delayed competition on certain products
  - Litha – divested Q2’17
  - Somar – divested Q4’17

* Includes sales from Endo Ventures Limited and Par UK

2018 Scorecard and Pipeline

2018 YTD Scorecard & Milestones

- U.S. Branded Pharmaceuticals: Initiated 2 pivotal Ph3 trials of CCH for the treatment of cellulite; well received CCH Ph2b encore presentation at Hot Topics at ASAPS
- U.S. Sterile Injectables: Launched glycopyrrolate inj. in May
- U.S. Generic Pharmaceuticals: Launched 3 products – FTM products; Filed 2 applications
- International Pharmceuticals: Launched Unisom Snore Relief OTC; launched Xiaflex® for Peyronie's Disease
- Expect ~15-20 product Sterile and Generic launches

Pipeline & Select FTF/FTM Settlements Estimated Launches 2H'19 and beyond

~100 ANDAs filed w/FDA

~1/3 filed ANDAs FTF/FTM

~70 projects in development

Product	IQVIA sales*	Settlement
DEXILANT® (dexlansoprazole)	~$1,200m	Confidential terms
AFINITOR® (everolimus)	~$850m	Confidential terms
CIPRODEX® (ciprofloxacin; dexamethasone otic suspension)	~$500m	2020
AMITIZA® (lubiprostone)	~$500m	01/01/2021
KUVAN® (sapropterin)	~$400m	10/1/2020
MITIGARE® (colchicine capsules)	~$50m	Confidential terms
Unnamed authorized generic (AG)	--	--

** IQVIA sales for 12 months*

Q1 2018: Financial Results (Continuing Operations*)

(US $M, except EPS)	US GAAP		Non-GAAP	
	Q1 '18	*Q1 '17*	*Q1 '18*	*Q1 '17*
Revenue	**$701**	**$1,038**	**$701**	**$1,038**
Gross Margin	**42.4%**	**35.5%**	**69.2%**	**61.1%**
Operating Income (Loss)	**($361)**	**($67)**	**$299**	**$437**
Net Income (Loss)	**($498)**	**($165)**	**$151**	**$275**
Effective Tax Rate	**(3.2%)**	**6.7%**	**13.7%**	**15.7%**
Diluted Income (Loss) per share	**($2.23)**	**($0.74)**	**$0.67**	**$1.23**
Weighted Average Diluted Shares Outstanding	**224**	**223**	**225**	**223**

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

2018 Financial Guidance (Continuing Operations*)

Measure	FY 2018
Revenue	$2.6B - $2.8B
Adjusted EBITDA	$1.2B - $1.3B
Adjusted Diluted EPS	$2.15 - $2.55

The Company's 2018 financial guidance is based on the following assumptions:

- Adjusted gross margin of approximately 67.0% to 68.0%
- Adjusted operating expenses as a percentage of revenues to be approximately 25.5% to 26.5%
- Adjusted interest expense of approximately $530 million to $540 million
- Adjusted effective tax rate of approximately 11% to 12%
- Full-year adjusted diluted shares outstanding of approximately 226 million

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

Cash Flow and Unrestricted Cash

US $M	Q1 '18 Actual	FY 2018 Guidance Low	FY 2018 Guidance High
Adjusted EBITDA Range	**$334**	**$1,200**	**$1,300**
Cash Interest	*($190)*	*~($520)*	
Changes in Net Working Capital [1]	*$17*	*~$15*	
Changes in Other Assets and Liabilities	*($16)*	*~($50)*	
Contingent Consideration	*($16)*	*~($45)*	
Cash Taxes, net refund (payments)	*$1*	*~($25)*	
Milestone/Commercial Payments	*($1)*	*~($30)*	
Restructuring and Integration Related Costs	*($21)*	*~($65)*	
Cash Flow from Operations – Pre-Mesh and Other Settlements	**$107**	**~$480**	**~$580**
Non-Mesh Settlement Payments, net [2]	($2)	~($140)	
Cash Distributions to Settle Mesh Claims [3]	($56)	~($475)	
Cash Flow from Operations	**$49**	**~($135)**	**~($35)**
Change in Restricted Cash	($15)	~$65	
Capital Expenditures	($25)	~($120)	
Acquisitions and Other [4]	($6)	~($225)	
Cash Flow Prior to Debt Payments	**$2**	**~($415)**	**~($315)**
Unrestricted Cash Balance at Period-End	**$980**	**$537**	**$637**

Cash into the QSF and paid mesh legal expenses:
Q1 '18 ~$72M
FY '18 ~$410M

[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 on slide 15 in Appendix)
[2] "Non-Mesh Settlement Payments" for FY'18 represent legal settlements that Endo expects to be paid during the year.
[3] "Cash Distributions to Settle Mesh Claims" for FY '18 represents expected direct payments and payments from Qualified Settlement Funds to settle mesh product liabilities, as well as mesh related legal expenses.
[4] "Acquisition and Other" for FY'18 includes acquisition cost, contingent consideration for certain products, as well as capital lease payments.

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 March 31, 2018, December 31, 2017 and December 31, 2016 (in thousands except for ratios):

	March 31, 2018	December 31, 2017	December 31, 2016
Total Revenue			
	$ 700,527	$ 768,645	$ 1,241,513
DSO:			
Accounts Receivable, net of allowance	$ 460,019	$ 517,436	$ 992,153
Less: Returns and allowances	(293,840)	(291,034)	(332,455)
Accounts Receivable, adjusted for non-cash items	$ 166,179	$ 226,402	$ 659,698
Total revenues per day	$ 7,784	$ 8,355	$ 13,495
DSO	21	27	49
DIO:			
Inventories, net	$ 376,650	$ 391,437	$ 555,671
Plus: Long-term inventory	18,368	17,146	22,705
Less: Inventory step-up	(66)	(109)	(652)
Inventory, adjusted for long-term and non-cash items	$ 394,952	$ 408,474	$ 577,724
Total revenues per day	$ 7,784	$ 8,355	$ 13,495
DIO	51	49	43
DPO:			
Trade Accounts Payable	$ 87,235	$ 85,348	$ 126,712
Plus: Accrued Royalties and Partner Payables	137,868	63,114	191,433
Plus: Accrued Rebates and Chargebacks paid in cash	59,607	182,937	260,798
Trade Accounts Payable, adjusted for royalties and rebates	$ 284,710	$ 331,399	$ 578,943
Total revenues per day	$ 7,784	$ 8,355	$ 13,495
DPO	37	40	43
Cash Conversion Cycle	36	36	49

Reconciliation of Non-GAAP Measures

The following table provides a reconciliation of Net loss (GAAP) to Adjusted EBITDA (non-GAAP) for the three months ended March 31, 2018 and 2017 (in thousands):

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
Net loss (GAAP)	$ (505,489)	$ (173,828)
Income tax expense (benefit)	15,491	(11,928)
Interest expense, net	123,990	111,999
Depreciation and amortization (14)	174,458	284,109
EBITDA (non-GAAP)	$ (191,550)	$ 210,352
Inventory step-up and other cost savings (2)	$ 66	$ 115
Upfront and milestone-related payments (3)	1,332	3,095
Inventory reserve increase from restructuring (4)	2,388	—
Separation benefits and other restructuring (5)	46,599	22,670
Certain litigation-related and other contingencies, net (6)	(2,500)	936
Asset impairment charges (7)	448,416	203,962
Acquisition-related and integration costs (8)	—	4,696
Fair value of contingent consideration (9)	6,835	6,184
Share-based compensation	17,890	19,493
Other income, net (15)	(2,878)	(2,037)
Other adjustments	(698)	97
Discontinued operations, net of tax (12)	7,751	8,405
Adjusted EBITDA (non-GAAP)	$ 333,651	$ 477,968

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Reconciliation of Non-GAAP Measures

The following tables provide detailed reconciliations of various other income statement data between the GAAP and non-GAAP amounts for the three months ended March 31, 2018 and 2017 (in thousands, except per share data):

Three Months Ended March 31, 2018

	Total revenues	Cost of revenues	Gross margin	Gross margin %	Total operating expenses	Operating expense to revenue %	Operating (loss) income from continuing operations	Operating margin %	Other non-operating expense, net	(Loss) income from continuing operations before income tax	Income tax expense	Effective tax rate	(Loss) income from continuing operations	Discontinued operations, net of tax	Net (loss) income	Diluted (loss) income per share from continuing operations (13)
Reported (GAAP)	$ 700,527	$ 403,598	$ 296,929	42%	$ 658,064	94%	$ (361,135)	(52)%	$ 121,112	$ (482,247)	$ 15,491	(3)%	$ (497,738)	$ (7,751)	$ (505,489)	$ (2.23)
Items impacting comparability:																
Amortization of intangible assets (1)	—	(157,172)	157,172		—		157,172		—	157,172	—		157,172	—	157,172	0.70
Inventory step-up and other cost savings (2)	—	(66)	66		—		66		—	66	—		66	—	66	—
Upfront and milestone-related payments (3)	—	(656)	656		(676)		1,332		—	1,332	—		1,332	—	1,332	0.01
Inventory reserve increase from restructuring (4)	—	(2,388)	2,388		—		2,388		—	2,388	—		2,388	—	2,388	0.01
Separation benefits and other restructuring (5)	—	(27,218)	27,218		(19,381)		46,599		—	46,599	—		46,599	—	46,599	0.21
Certain litigation-related and other contingencies, net (6)	—	—	—		2,500		(2,500)		—	(2,500)	—		(2,500)	—	(2,500)	(0.01)
Asset impairment charges (7)	—	—	—		(448,416)		448,416		—	448,416	—		448,416	—	448,416	2.00
Fair value of contingent consideration (9)	—	—	—		(6,835)		6,835		—	6,835	—		6,835	—	6,835	0.03
Other (10)	—	—	—		630		(630)		2,624	(3,254)	—		(3,254)	—	(3,254)	(0.01)
Tax adjustments (11)	—	—	—		—		—		—	—	8,533		(8,533)	—	(8,533)	(0.04)
Exclude discontinued operations, net of tax (12)	—	—	—		—		—		—	—	—		—	7,751	7,751	—
After considering items (non-GAAP)	$ 700,527	$ 216,098	$ 484,429	69 %	$ 185,886	27 %	$ 298,543	43 %	$ 123,736	$ 174,807	$ 24,024	14 %	$ 150,783	$ —	$ 150,783	$ 0.67

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Reconciliation of Non-GAAP Measures

Three Months Ended March 31, 2017

	Total revenues	Cost of revenues	Gross margin	Gross margin %	Total operating expenses	Operating expense to revenue %	Operating (loss) income from continuing operations	Operating margin %	Other non-operating expense, net	(Loss) income from continuing operations before income tax	Income tax (benefit) expense	Effective tax rate	(Loss) income from continuing operations	Discontinued operations, net of tax	Net (loss) income	Diluted (loss) income per share from continuing operations (13)
Reported (GAAP)	**$1,037,600**	**$ 668,962**	**$ 368,638**	**36%**	**$ 436,027**	**42%**	**$ (67,389)**	**(6)%**	**$ 109,962**	**$ (177,351)**	**$ (11,928)**	**7%**	**$ (165,423)**	**$ (8,405)**	**$ (173,828)**	**$ (0.74)**
Items impacting comparability:																
Amortization of intangible assets (1)	—	(263,134)	263,134		—		263,134		—	263,134	—		263,134	—	263,134	1.18
Inventory step-up and other cost savings (2)	—	(115)	115		—		115		—	115	—		115	—	115	—
Upfront and milestone-related payments (3)	—	(669)	669		(2,426)		3,095		—	3,095	—		3,095	—	3,095	0.01
Separation benefits and other restructuring (5)	—	(1,661)	1,661		(21,009)		22,670		—	22,670	—		22,670	—	22,670	0.10
Certain litigation-related and other contingencies, net (6)	—	—	—		(936)		936		—	936	—		936	—	936	—
Asset impairment charges (7)	—	—	—		(203,962)		203,962		—	203,962	—		203,962	—	203,962	0.91
Acquisition-related and integration costs (8)	—	—	—		(4,696)		4,696		—	4,696	—		4,696	—	4,696	0.02
Fair value of contingent consideration (9)	—	—	—		(6,184)		6,184		—	6,184	—		6,184	—	6,184	0.03
Other (10)	—	—	—		—		—		935	(935)	—		(935)	—	(935)	—
Tax adjustments (11)	—	—	—		—		—		—	—	63,189		(63,189)	—	(63,189)	(0.28)
Exclude discontinued operations, net of tax (12)	—	—	—		—		—		—	—	—		—	8,405	8,405	—
After considering items (non-GAAP)	$1,037,600	$ 403,383	$ 634,217	61 %	$ 196,814	19 %	$ 437,403	42 %	$ 110,897	$ 326,506	$ 51,261	16 %	$ 275,245	$ —	$ 275,245	$ 1.23

Reconciliation of Non-GAAP Measures

Notes to certain line items included in the reconciliations of the GAAP financial measures to the Non-GAAP financial measures for the three months ended March 31, 2018 and 2017 are as follows:

(1) Adjustments for amortization of commercial intangible assets included the following (in thousands):

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
Amortization of intangible assets excluding fair value step-up from contingent consideration	$ 149,860	$ 252,889
Amortization of intangible assets related to fair value step-up from contingent consideration	7,312	10,245
Total	$ 157,172	$ 263,134

(2) To exclude adjustments for inventory step-up.

(3) Adjustments for upfront and milestone-related payments to partners included the following (in thousands):

	2018 Cost of revenues	2018 Operating expenses	2017 Cost of revenues	2017 Operating expenses
Sales-based milestones	$ 656	$ —	$ 669	$ —
Development-based milestones	—	676	—	2,426
Total	$ 656	$ 676	$ 669	$ 2,426

(4) To exclude charges reflecting adjustments to excess inventory reserves related to the 2017 U.S. Generic Pharmaceuticals Restructuring Initiative and January 2018 Restructuring Initiative during the three months ended March 31, 2018.

(5) Adjustments for separation benefits and other restructuring included the following (in thousands):

	2018 Cost of revenues	2018 Operating expenses	2017 Cost of revenues	2017 Operating expenses
Separation benefits	$ 9,785	$ 15,396	$ 1,661	$ 19,127
Accelerated depreciation and product discontinuation charges	17,132	—	—	398
Other	301	3,985	—	1,484
Total	$ 27,218	$ 19,381	$ 1,661	$ 21,009

(6) To exclude litigation-related settlement charges, reimbursements and certain settlements proceeds related to suits filed by our subsidiaries.

(7) Adjustments for asset impairment charges included the following (in thousands):

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
Goodwill impairment charges	$ 391,000	$ 82,602
Other intangible asset impairment charges	54,200	118,906
Property, plant and equipment impairment charges	3,216	2,454
Total asset impairment charges	$ 448,416	$ 203,962

(8) Adjustments for acquisition and integration items primarily relate to various acquisitions. Amounts included the following (in thousands):

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
Integration costs (primarily third-party consulting fees)	$ —	$ 2,243
Other	—	2,453
Total	$ —	$ 4,696

(9) To exclude the impact of changes in the fair value of contingent consideration resulting from changes in market conditions impacting the commercial potential of the underlying products.

(10) Adjustments to other included the following (in thousands):

	2018 Operating expenses	2018 Other non-operating expenses	2017 Operating expenses	2017 Other non-operating expenses
Foreign currency impact related to the re-measurement of intercompany debt instruments	$ —	$ (2,514)	$ —	$ (2,694)
Other miscellaneous	(630)	(110)	—	1,759
Total	$ (630)	$ (2,624)	$ —	$ (935)

(11) Adjusted income taxes are calculated by tax effecting adjusted pre-tax income and permanent book-tax differences at the applicable effective tax rate that will be determined by reference to statutory tax rates in the relevant jurisdictions in which the Company operates. Adjusted income taxes include current and deferred income tax expense commensurate with the non-GAAP measure of profitability.

(12) To exclude the results of the businesses reported as discontinued operations, net of tax in the Condensed Consolidated Statement of Operations.

(13) Calculated as Net (loss) income from continuing operations divided by the applicable weighted average share number. The applicable weighted average share numbers are as follows (in thousands):

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
GAAP EPS	223,521	223,014
Non-GAAP EPS	224,955	223,335

(14) Depreciation and amortization per the Adjusted EBITDA reconciliations do not include certain depreciation amounts reflected in other lines of the reconciliations, including Acquisition-related and integration costs and Separation benefits and other restructuring.

(15) To exclude Other income, net per the Consolidated Statement of Operations.

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