

# Creating a New Diversified Biopharmaceutical Company

## The Combination of AbbVie and Allergan

Investor Presentation

June 25, 2019

abbvie



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## **NO OFFER OR SOLICITATION**

This presentation is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the acquisition or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. In particular, this presentation is not an offer of securities for sale into the United States. No offer of securities shall be made in the United States absent registration under the U.S. Securities Act of 1933, as amended, or pursuant to an exemption from, or in a transaction not subject to, such registration requirements. Any securities issued in the acquisition are anticipated to be issued in reliance upon available exemptions from such registration requirements pursuant to Section 3(a)(10) of the U.S. Securities Act of 1933, as amended. The acquisition will be made solely by means of the Scheme Document (or, if applicable, the Takeover Offer document), which will contain the full terms and conditions of the acquisition, including details with respect to the AbbVie shareholder vote in respect of the acquisition. Any decision in respect of, or other response to, the acquisition, should be made only on the basis of the information contained in the Scheme Document.

## **IMPORTANT ADDITIONAL INFORMATION WILL BE FILED WITH THE SEC**

In connection with the proposed Acquisition, Allergan will file with the Securities Exchange Commission (the “SEC”) a Proxy Statement, which will include the Scheme Document. BEFORE MAKING ANY VOTING DECISION, ALLERGAN’S SHAREHOLDERS ARE URGED TO READ THE PROXY STATEMENT, INCLUDING THE SCHEME DOCUMENT, AND OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SEC IN CONNECTION WITH THE PROPOSED ACQUISITION OR INCORPORATED BY REFERENCE IN THE PROXY STATEMENT (IF ANY) CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED ACQUISITION AND THE PARTIES TO THE PROPOSED ACQUISITION. Allergan’s shareholders and investors will be able to obtain, without charge, a copy of the Proxy Statement, including the Scheme Document, and other relevant documents filed with the SEC (when available) from the SEC’s website at <http://www.sec.gov>. Allergan shareholders and investors will also be able to obtain, without charge, a copy of the Proxy Statement, including the Scheme Document, and other relevant documents (when available) by directing a request by mail or telephone to Allergan, or from Allergan’s website.

## **PARTICIPANTS IN THE SOLICITATION**

Allergan and certain of its directors and executive officers and employees may be considered participants in the solicitation of proxies from the shareholders of Allergan in respect of the transactions contemplated by the Scheme Document. Information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of the shareholders of Allergan in connection with the proposed transactions, including a description of their direct or indirect interests, by security holdings or otherwise, will be set forth in the Scheme Document when it is filed with the SEC. Information regarding Allergan’s directors and executive officers is contained in Allergan’s Annual Report on Form 10-K for the fiscal year ended December 31, 2018 and its Proxy Statement on Schedule 14A, dated March 22, 2019, which are filed with the SEC, and certain of Allergan’s Current Reports on Form 8-K, which were filed with the SEC on February 19, 2019, March 22, 2019 and May 1, 2019.

## **FORWARD LOOKING STATEMENTS**

This presentation contains certain forward-looking statements with respect to a possible acquisition involving AbbVie and Allergan and AbbVie’s, Allergan’s and/or the combined group’s estimated or anticipated future business, performance and results of operations and financial condition, including estimates, forecasts, targets and plans for AbbVie and, following the acquisition, if completed, the combined group. The words “believe,” “expect,” “anticipate,” “project” and similar expressions, among others, generally identify forward-looking statements. These forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those indicated in the forward-looking statements. Such risks and uncertainties include, but are not limited to, the possibility that a possible acquisition will not be pursued, failure to obtain necessary regulatory approvals or required financing or to satisfy any of the other conditions to the possible acquisition, adverse effects on the market price of AbbVie’s shares of common stock or Allergan’s ordinary shares and on AbbVie’s or Allergan’s operating results because of a failure to complete the possible acquisition, failure to realize the expected benefits of the possible acquisition, failure to promptly and effectively integrate Allergan’s businesses, negative effects relating to the announcement of the possible acquisition or any further announcements relating to the possible acquisition or the consummation of the possible acquisition on the market price of AbbVie’s shares of common stock or Allergan’s ordinary shares, significant transaction costs and/or unknown or inestimable liabilities, potential litigation associated with the possible acquisition, general economic and business conditions that affect the combined companies following the consummation of the possible acquisition, changes in global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax laws, regulations, rates and policies, future business acquisitions or disposals and competitive developments. These forward-looking statements are based on numerous assumptions and assessments made in light of AbbVie’s or, as the case may be, Allergan’s experience and perception of historical trends, current conditions, business strategies, operating environment, future developments and other factors it believes appropriate. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. The factors described in the context of such forward-looking statements in this presentation could cause AbbVie’s plans with respect to AbbVie, Allergan’s or AbbVie’s actual results, performance or achievements, industry results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and persons reading this presentation are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this presentation. Additional information about economic, competitive, governmental, technological and other factors that may affect AbbVie is set forth in Item 1A, “Risk Factors,” in AbbVie’s 2018 Annual Report on Form 10-K, which has been filed with the SEC, the contents of which are not incorporated by reference into, nor do they form part of, this presentation. Additional information about economic, competitive, governmental, technological and other factors that may affect Allergan is set forth in Item 1A, “Risk Factors,” in Allergan’s 2018 Annual Report on Form 10-K, which has been filed with the SEC, the contents of which are not incorporated by reference into, nor do they form part of, this presentation.

Any forward-looking statements in this presentation are based upon information available to AbbVie and/or its board of directors as of the date of this presentation and, while believed to be true when made, may ultimately prove to be incorrect. Subject to any obligations under applicable law, neither AbbVie or any member of its board of directors undertakes any obligation to update any forward-looking statement whether as a result of new information, future developments or otherwise, or to conform any forward-looking statement to actual results, future events, or to changes in expectations. All subsequent written and oral forward-looking statements attributable to AbbVie or its board of directors or any person acting on behalf of any of them are expressly qualified in their entirety by this paragraph.

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## **STATEMENT REQUIRED BY THE IRISH TAKEOVER RULES**

The directors of AbbVie accept responsibility for the information contained in this presentation. To the best of the knowledge and belief of the directors of AbbVie (who have taken all reasonable care to ensure that such is the case), the information contained in this presentation for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

## **DEALING DISCLOSURE REQUIREMENTS**

Under the provisions of Rule 8.3 of the Irish Takeover Panel Act, 1997, Takeover Rules 2013 (the “**Irish Takeover Rules**”), if any person is, or becomes, ‘interested’ (directly or indirectly) in, 1% or more of any class of ‘relevant securities’ of AbbVie or Allergan, all ‘dealings’ in any ‘relevant securities’ of AbbVie or Allergan (including by means of an option in respect of, or a derivative referenced to, any such ‘relevant securities’) must be publicly disclosed by not later than 3:30 pm (Irish time) on the ‘business’ day following the date of the relevant transaction. This requirement will continue until the date on which the Scheme becomes effective or on which the ‘offer period’ otherwise ends. If two or more persons co-operate on the basis of any agreement, either express or tacit, either oral or written, to acquire an ‘interest’ in ‘relevant securities’ of AbbVie or Allergan, they will be deemed to be a single person for the purpose of Rule 8.3 of the Irish Takeover Rules.

Under the provisions of Rule 8.1 of the Irish Takeover Rules, all ‘dealings’ in ‘relevant securities’ of Allergan by AbbVie or ‘relevant securities’ of AbbVie by Allergan, or by any party acting in concert with either of them, must also be disclosed by no later than 12 noon (Irish time) on the ‘business’ day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose ‘relevant securities’ ‘dealings’ should be disclosed, can be found on the Irish Takeover Panel’s website at [www.irishtakeoverpanel.ie](http://www.irishtakeoverpanel.ie).

## **NO PROFIT FORECAST / ASSET VALUATIONS**

No statement in this presentation is intended to constitute a profit forecast for any period, nor should any statements be interpreted to mean that earnings or earnings per share will necessarily be greater or lesser than those for the relevant preceding financial periods for AbbVie or Allergan as appropriate. No statement in this presentation constitutes an asset valuation.

## **GENERAL**

Appendix I to the Rule 2.5 announcement issued jointly by AbbVie and Allergan on June 25, 2019 (the “**Rule 2.5 Announcement**”) contains further details of the sources of information and bases of calculations set out in this presentation.

This presentation contains certain statements as to estimated synergies arising from the Acquisition. There are various material assumptions underlying the synergies estimate which may result in the synergies being materially greater or less than estimated. The estimates should therefore be read in conjunction with the bases and assumptions for these synergy numbers which are set out in Appendix I of the Rule 2.5 Announcement. The synergies have been reported on in accordance with Rule 19.3(b) of the Irish Takeover Rules by (i) PricewaterhouseCoopers and (ii) Morgan Stanley. Copies of their respective reports are included in Appendix IV and Appendix V to the Rule 2.5 Announcement. The synergy and earnings enhancement statements in this presentation should not be construed as a profit forecast or interpreted to mean that the earnings of AbbVie and/or Allergan in 2019, or in any subsequent period, would necessarily match or be greater than or be less than those of AbbVie and/or Allergan for the relevant financial period or any other period.

All references in this presentation: (a) to an entity being the “largest” or similar, are by reference to 2018 publicly reported revenues of that entity and of its peer companies; (b) to 2019 revenue of the combined company are based on revenue guidance for 2019 provided on recent earnings calls; (c) to 2020 revenues are derived from an average of the following broker estimates: (i) in relation to AbbVie and Humira revenues: Societe Generale, Atlantic Equities, SVB Leerink, Piper Jaffray, Wolfe Research, Morgan Stanley, BMO, Cowen and Credit Suisse; and (ii) in relation to Allergan: JP Morgan, Credit Suisse, Guggenheim, RBC, Suntrust, Piper Jaffray, Wells Fargo, Citi, Leerink, Cantor, Cowen, Morgan Stanley; (d) to AbbVie’s anticipated growth relative to peers, are by reference to estimated revenue compound annual growth rate (CAGR) from 2018–2023 sourced from analysts’ consensus estimates as of June 21, 2019, with GSK revenue estimates sourced from Bloomberg, and all other peer company revenue estimates sourced from Nasdaq IR. Combined revenue growth for AbbVie (ex-Humira) and Allergan is based on AbbVie’s internally estimated revenue CAGR for 2018–2023 period. AbbVie considers its peer companies for this purpose to be AZN, GSK, BMY, MRK, JNJ, ROG, SAN, PFE, LLY, GILD, NVS and AMGN.

The release, publication or distribution of this presentation in or into certain jurisdictions may be restricted by the laws of those jurisdictions. Accordingly, copies of this presentation and all other documents relating to the Acquisition are not being, and must not be, released, published, mailed or otherwise forwarded, distributed or sent in, into or from any such restricted jurisdictions. Persons receiving such documents (including, without limitation, nominees, trustees and custodians) should observe these restrictions. Failure to do so may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies involved in the proposed Acquisition disclaim any responsibility or liability for the violations of any such restrictions by any person.

Any response in relation to the Acquisition should be made only on the basis of the information contained in the Scheme Documents or any document by which the Acquisition and the Scheme are made. Allergan shareholders are advised to read carefully the formal documentation in relation to the proposed Acquisition once the Scheme Documents have been dispatched.

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION.**

# Creates a New Diversified Biopharmaceutical Company, Well-Positioned for Sustainable Growth

## 1 Unique opportunity to acquire attractive and durable growth assets at a highly compelling value

- Leverage AbbVie commercial strength and international infrastructure across Allergan's therapeutic segments
- Significantly expands AbbVie's presence in attractive high growth markets
- Brings leadership positions with Medical Aesthetics and Neuroscience; further builds out gastroenterology and women's health franchises

## 2 Provides immediate scale and profitability to AbbVie's Growth Platform (ex-Humira), with sales of more than \$30BN\* in 2020 and best-in-industry growth expected well into the next decade

- Following transaction, AbbVie comprised of two high value components:

### New AbbVie Growth Platform

- Attractive business, with growing leadership positions across high value therapeutic areas with diversified payors; expected to drive high-single-digit annual revenue growth over the next decade
- Growth Platform will have the R&D capacity for continued significant investment in promising, innovative science

### Humira

- Remains an important component of leading Immunology franchise as new assets launch and expand indications
- Generating robust cashflow through U.S. loss of exclusivity in 2023 and beyond; earmarked to rapidly pay down incremental debt

## 3 Deal mitigates impact of 2023 U.S. Humira LOE

- Addresses product concentration concerns and secures attractive growth prospects through the next decade under any U.S. Humira erosion scenario
- Humira will continue to generate robust cash flow that exceeds requirements for paydown of incremental debt by 2023

## 4 Potential for substantial shareholder value creation

- Immediately accretive to earnings; expected to contribute 10% accretion to adjusted EPS over the first full year of combination, with peak accretion of greater than 20%\*\*
- Expect >\$2BN of pre-tax synergies and other cost reductions in year 3\*\*\*, while leaving investments in key growth franchises untouched
- Generates significant operating cash flow to reduce debt, support a growing dividend and pursue additional mid-to-late stage pipeline assets

# Financially Compelling Transaction

## Deal Terms

- Each Allergan share will be exchanged for \$120.30 in cash and 0.8660 share of combined company (fixed exchange ratio). AbbVie shareholders to own 83% of AbbVie (on a fully diluted basis) and Allergan shareholders to own 17%
- Total consideration of \$188.24 per Allergan share based on AbbVie's closing stock price on 6/24/2019. Premium of 45% to Allergan's closing price on 6/24/2019; compares favorably relative to recent transactions of similar scale
- Transaction ROIC to exceed corporate cost of capital in first full year of combination, offering 10% earnings accretion in first full year, with peak accretion of greater than 20%\*
- Closing anticipated by early 2020, subject to regulatory and shareholder approvals and other customary closing conditions
- Upon completion of the transaction, the company will continue to be incorporated in Delaware and have principal executive offices in North Chicago, Illinois
- Richard Gonzalez will continue to serve as chairman and CEO through Humira LOE event in 2023; AbbVie Board of Directors will include two Allergan board members, including Brent Saunders

**Creates  
Significant  
Shareholder  
Value**

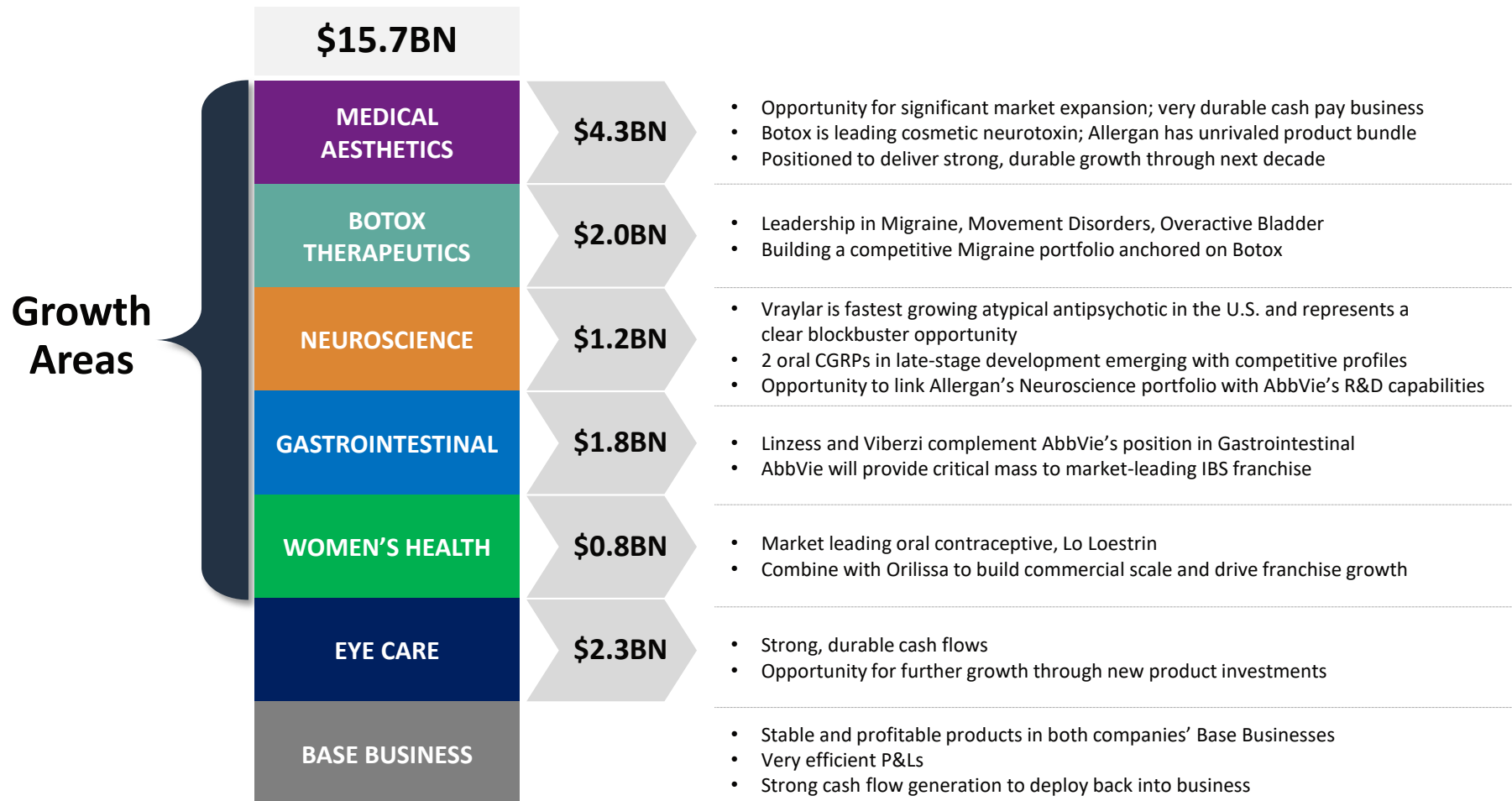


**Generates >\$2BN  
in Synergies and  
Cost Savings  
in Year 3\***

**Significant EPS Accretion:  
10% Accretion Over the First  
Full Year of Combination  
Peaking at >20%\*\***

**ROIC to Exceed AbbVie  
Cost of Capital Within  
First Full Year**

# Allergan Business is a Collection of Highly Attractive, Durable Growth Assets



***Opportunity to Strengthen Allergan's Franchises and Drive Incremental Growth with AbbVie's Commercial Capabilities and Strong Global Infrastructure***

# Combined Company Comprised of Diverse Portfolio with Leadership Positions in Attractive, High-Growth Markets

## Immunology

- Established leadership position with Humira
- Launching differentiated, next-gen therapies
- Revenue of >\$20BN



## Hematologic Oncology

- Established leadership position with two first-in-class, foundational assets
- Revenue of >\$5BN, with strong DD growth



## Medical Aesthetics

- Global leadership position in large, growing market
- Significant opportunity for market expansion
- Franchise revenue of >\$4BN



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## Neuroscience

- Multiple growth opportunities
- Franchise revenue of >\$3BN



## Other Franchises

- Women's Health and Eye Care both large opportunities
- HCV represents stable source of cash flows



### Eye Care



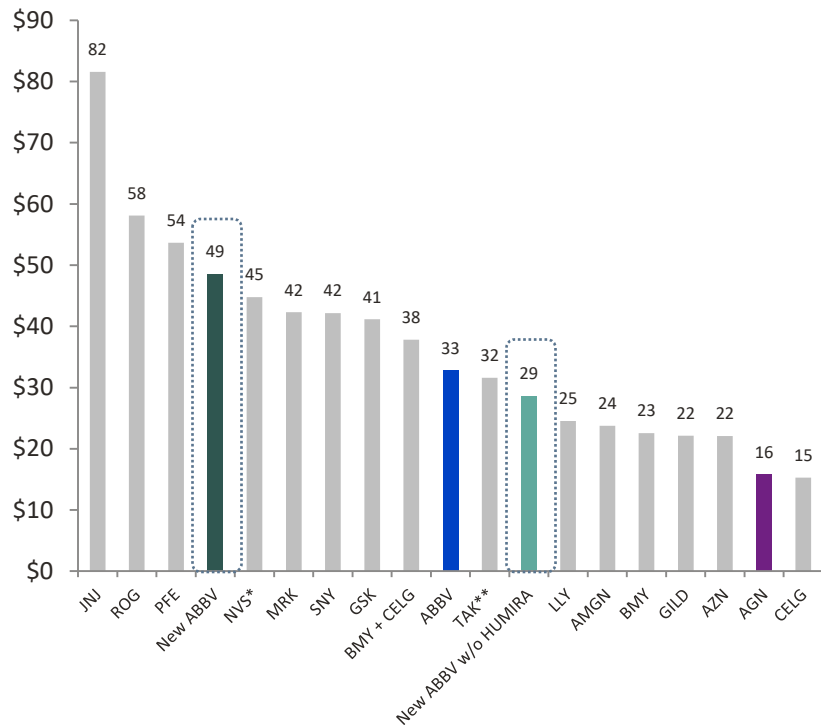
### Other



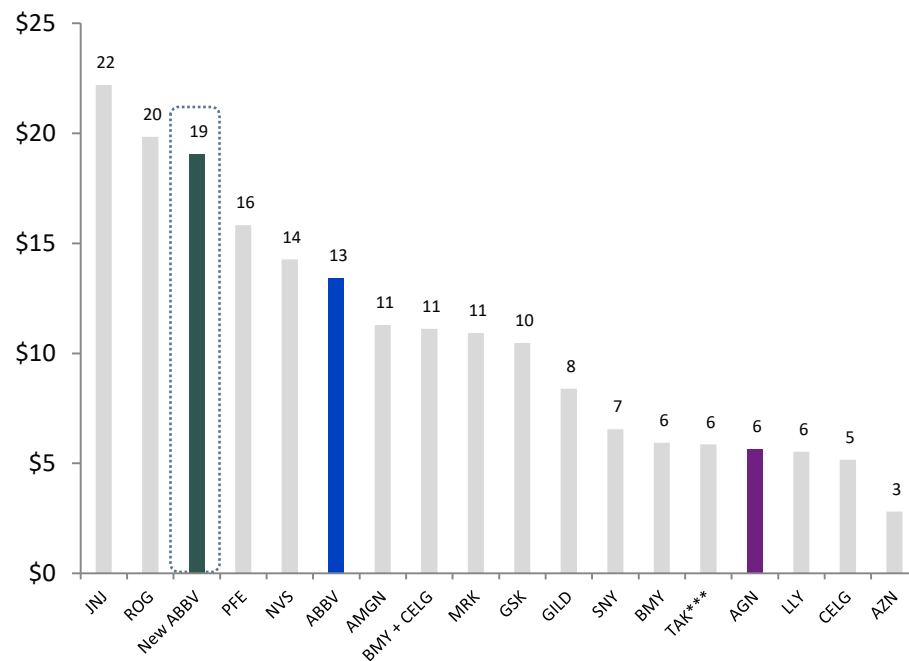
## Pipeline of Attractive Next-Generation Opportunities

# Combination Creates an Attractive Growth Platform that is Immediately at Scale with Peers

2018 Revenue (\$BN)



2018 Operating Cash Flow (\$BN)



**Transaction Significantly Expands and Diversifies AbbVie's Revenue Base**

**New AbbVie Growth Platform offers attractive growth potential over the long term**

**Humira cash flows will be used to pay down incremental debt**

\*Novartis revenues presented net of the Alcon business unit, which was spun-off in April 2019. 2018 Alcon revenues were \$7.1B.

Note: Takeda has a Mar. 31 fiscal year end and acquired Shire in Jan. '19. Therefore Shire information is not available for the quarter ended Dec. 31, 2018.

\*\*TAK Revenue is a combination of the 4 traditional quarters of 2018 for Takeda and Shire, with analyst consensus estimate used for Shire for the quarter ended Dec. 31, 2018.

\*\*\*TAK Op. Cash Flow is a combination of the 4 traditional quarters of 2018 for Takeda and Shire excluding 4Q for Shire because financials nor analyst consensus are available.



# AbbVie Comprised of Two High Value Components

*Provides immediate scale and profitability to AbbVie's Growth Platform*

## AbbVie Today

## New AbbVie

**Growth Platform**  
\$14BN

**Humira**  
\$19BN



**Humira**  
\$19BN

**Growth Platform**  
>\$29BN

- Humira supports infrastructure and R&D investment

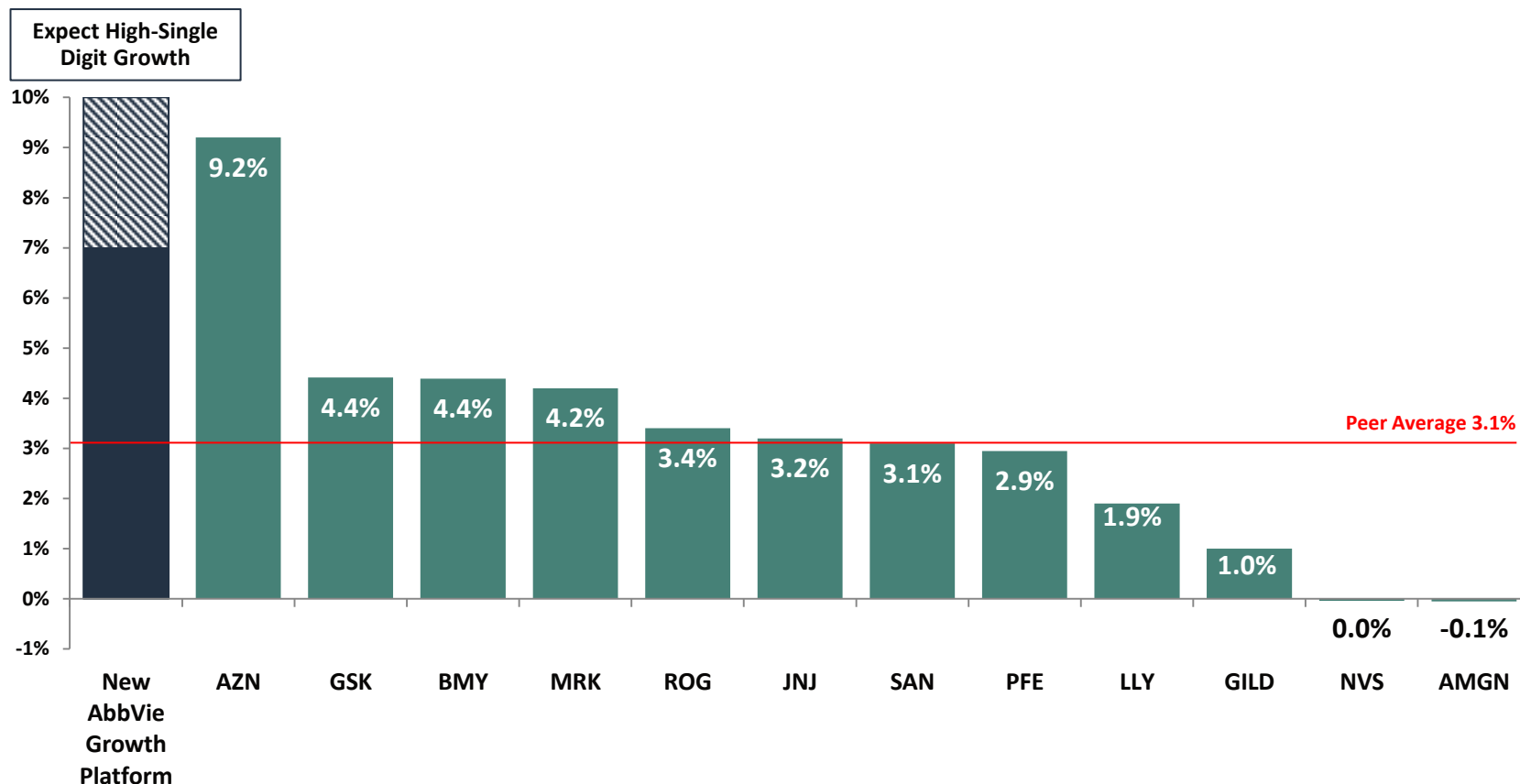
- Approximately 60% of total company sales
- Funds R&D engine
- Supports dividend
- Supports business development

- Less than 40% of total company sales
- Generates robust cash flow up to U.S. LOE in 2023 and beyond
- Cash flow supports return of capital and serves as resource to pay down debt

- Standalone scale in 2020
- Best-in-industry revenue growth prospects
- Strong operating margin and cash flow
- Funds R&D engine
- Supports dividend
- Supports business development

# New AbbVie Growth Platform Provides Top-Tier Revenue Growth

## 2018 – 2023 Revenue CAGR



Growth Platform plus pipeline expected to drive attractive revenue growth through 2023 and beyond

# Potential for Substantial Value Creation



- The transaction offers **significant and immediate accretion\*** and an **attractive ROIC**
  - Expect 10% accretion over the first year of combination, with peak accretion of greater than 20%
  - Expect **>\$2BN in annual pre-tax synergies and cost savings\*\*** in year 3 while protecting funding in key growth franchises
  - ROIC expected to **exceed AbbVie cost of capital within first full year**



- **Supports AbbVie's top- and bottom-line performance** through Humira U.S. LOE
  - New Growth Platform revenue of more than \$30BN\*\*\* in 2020 expected to grow at high-single digits through next decade at attractive operating margin profile



- Generates significant **operating cash flows** (\$19BN in combined 2018 cash flow)
  - Committed to **Baa2/BBB credit rating or better** and **debt paydown**; plan to reduce debt by \$15-18BN by 2021 with further de-leveraging through 2023
  - Allows for **continued flexibility for business development** to augment innovative pipeline
  - Enables the company to **maintain an attractive dividend growth policy**



- **Integration of the two companies will be highly executable**
  - **Major growth franchises untouched by integration activities**, allowing them to exclusively focus on maximizing performance
  - Both companies have **considerable experience in the integration of large, complex transactions**

*Significant shareholder value to be unlocked via the transaction, offering the opportunity for stock re-rating*

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Commercial Presence

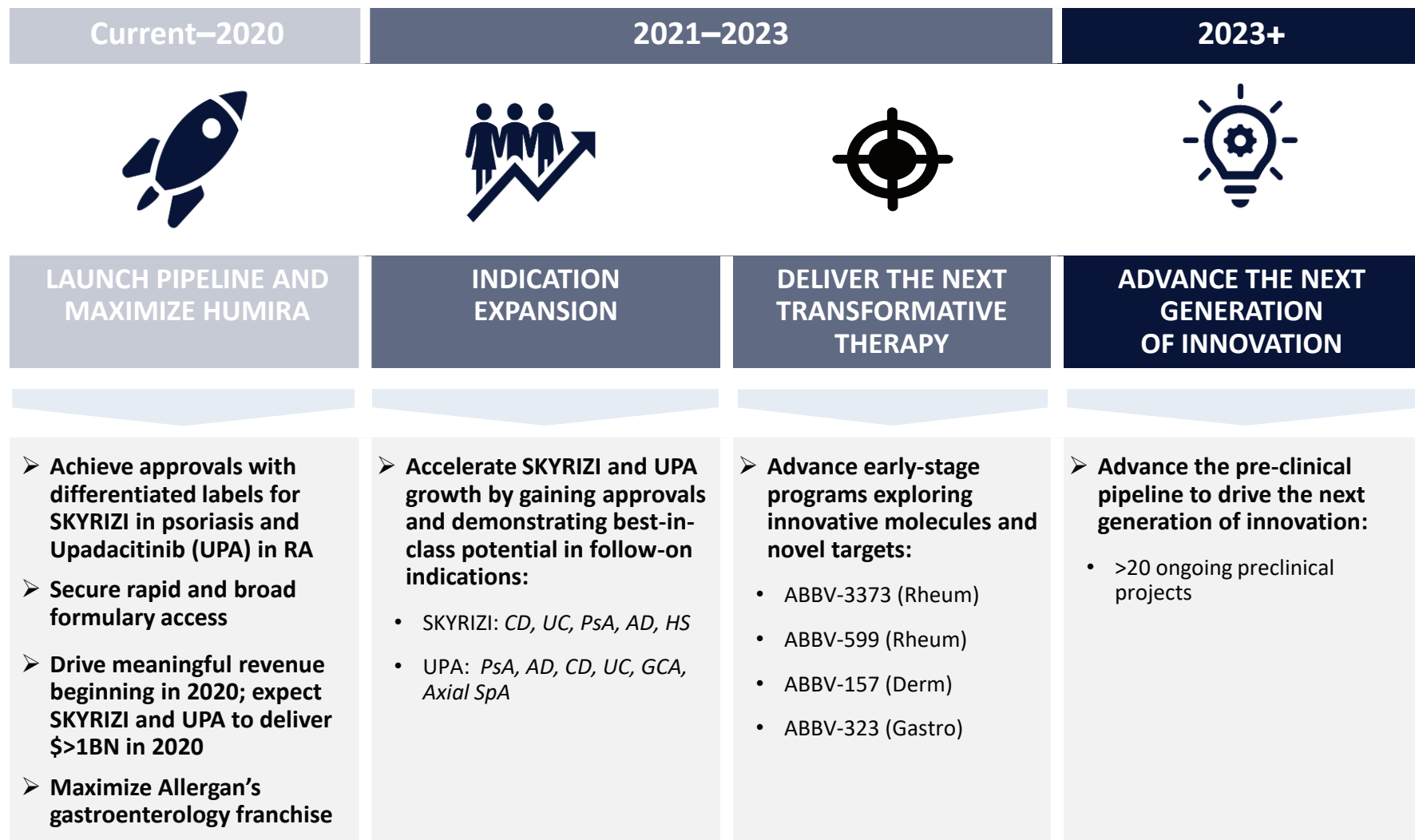
# Market Leadership in Attractive, Growth Markets

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# Immunology

*Developing Industry-Leading Portfolio of Transformational Therapies to Address Large and Growing \$65BN\* Market*



# Hematologic Oncology

*Established Market Leadership Position in \$40BN\* Hematologic Malignancies Market*

1

Develop Imbruvica and Venclexta as essential treatments in optimizing patient outcomes across multiple hematologic malignancies

2

Transform the therapeutic approach, allowing patients to achieve more durable, deeper responses, including the option for some patients to stop treatment

3

Drive better long-term control of hematological malignancies, ideally with chemotherapy-free regimens

4

Build a broader, deeper pipeline by leveraging our experience in apoptosis and B Cell signaling

**imbruvica**<sup>®</sup>

Launched: 2016

- First-in-class BTK inhibitor
- 4 FDA Breakthrough Therapy designations
- 10 approved indications across 6 distinct patient populations

**VENETOCLAX**  
venetoclax tablets

Launched: 2016

- First-in-class Bcl-2 inhibitor
- 5 FDA Breakthrough Therapy designations
- 4 approved indications across CLL and AML populations

# Medical Aesthetics

*Leadership in an Attractive and Growing \$12BN\* Market*

**New product introduction and global expansion will drive significant growth for Medical Aesthetics business**

## Aesthetics Market Growth Catalysts

- **Increasing interest and acceptability** of aesthetics
- **Global expansion** and increasing **international penetration**
- Largest **sales and marketing effort** and market leading **promotional programs** in aesthetics expected to **drive continued growth**

## Launch 1-2 New Products Per Year Over Next Several Years

- **Botox Cosmetic** – expand new indications, formulations, configurations and delivery technologies
- **Juvederm Collection of Fillers** – Expand indications and geographies; Develop next-generation of fillers
- **CoolSculpting** – Launch 3 upgrades in next 3 years, significantly expand customer base



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# Neuroscience

## Allergan Product Portfolio Provides Immediate Scale to AbbVie

### Allergan

- Vraylar continues to be the fastest growing branded antipsychotic
  - Recently approved for bipolar depression
  - Represents a clear blockbuster opportunity in mood disorders; potential expansion into additional indications



- Botox Therapeutic driving durable growth across all indications (chronic migraine, OAB and adult and pediatric spasticity)



- Allergan is building on Botox leadership in migraine market with ubrogepant and atogepant
- Oral CGRPs in late-stage development for acute treatment and prevention of episodic and chronic migraine



### AbbVie

- Duopa has established AbbVie presence in the advanced Parkinson's disease market
  - ABBV-951 in Phase 3 development as a less-invasive, non-surgical delivery option; potential to broaden the patient population and strengthen AbbVie's position in the advanced PD segment



- AbbVie is investing to become a market leader in treating neurodegenerative diseases
  - Advancing technologies & translational capabilities to de-risk and accelerate development



- Evaluating new areas of disease biology to address the growing unmet need in Alzheimer's and Parkinson's Disease
  - Focus on misfolded proteins, neuroinflammation and proteostasis
  - ABBV-8E12 (AD); ABBV-0805 (PD)



# Other Key Franchises

## Market Leadership Positions in HCV, Women's Health and Eye Care

### HCV

- HCV represents **large global market**, sustainable into the mid-2020s
- Mavyret holds **leadership position**; emphasis on addressing the remaining unmet medical need
- Mavyret will remain a **strong source of cash flow** over our long range plan period



### Women's Health

- Elagolix represents **significant advance for women** suffering from endometriosis and uterine fibroids
- Orilissa expected to be a **significant product**; revenue of >\$2BN by 2025
- Leverage commercial scale to drive strong, profitable growth for **market leading oral contraceptive**, Lo Loestrin



### Eye Care

- Durable \$2BN\* franchise (ex-Restasis) with **multiple late-stage pipeline opportunities**
- Expanding presence by **targeting unmet needs in retinal disease**
- **Innovate in glaucoma** to drop-less therapy



### Stable Base Business

- Sales from legacy products are **well positioned for durable performance** going forward
- **Profitable businesses** with minimal opex generate durable cash flows



# AbbVie Commercial Excellence

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**30 million +**

Patients treated by AbbVie's medicines every year

**175+**

Countries where AbbVie's products help patients

**2.3 million**

Patients impacted through AbbVie patient support programs globally

- Senior Management experience running diverse healthcare businesses
- Strong track record of commercial execution
- Commercial experience building and maintaining industry-leading franchises
- Exceptional support programs for patients and caregivers

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**HUMIRA** COMPLETE

**DUO** CONNECT  
complete

**MAVYRET** PATIENT SUPPORT



CFCareForward

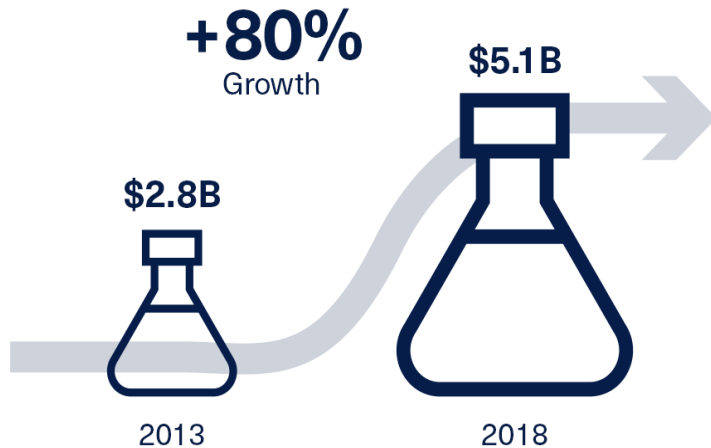
**SKYRIZI** COMPLETE

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## Attractive Pipeline Opportunities

# Transaction Allows for Continued Strong Investment in Promising, Innovative Science

## Annual R&D Investment\*

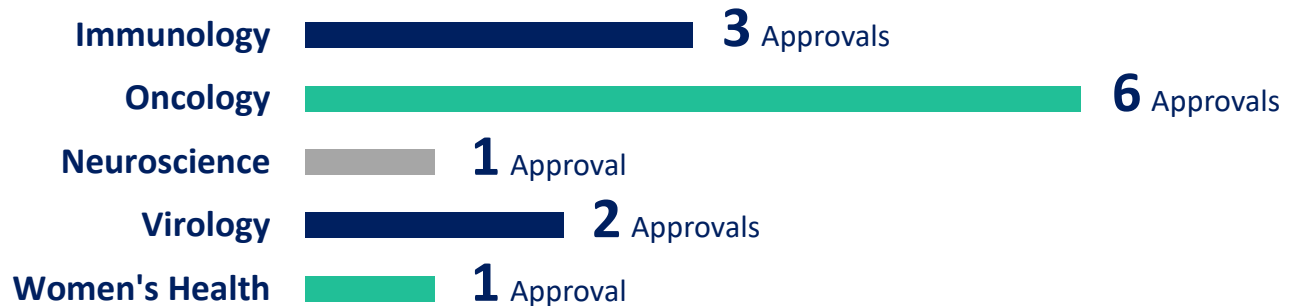


## Designations Granted



## Major AbbVie Product and Indication Approvals Since 2013

13 FDA Approvals



\*Adjusted R&D Investment

# AbbVie's Strong Pipeline Augmented with Numerous Attractive Opportunities

	Phase 1	Phase 2	Registrational/Phase 3	Recent Approvals
AbbVie	ABBV-011: SCLC Mivebresib: Solid Tumors ABBV-085: Solid Tumors ABBV-155: Solid Tumors ABBV-151: Solid Tumors ABBV-167: Solid Tumors and Blood Cancers ABBV-181: Solid Tumors ABBV-321: Solid Tumors ABBV-368: Solid Tumors ABBV-621: Solid Tumors ABBV-744: Solid Tumors and Blood Cancers ABBV-927: Solid Tumors ABBV-2029: Solid Tumors ABBV-647: Solid Tumors Venclexta: ALL	Venclexta: MDS Navitoclax: Myelofibrosis Teliso-V: Solid Tumors ABT-165: Solid Tumors Risankizumab: AD, HS Upadacitinib: Axial SpA ABBV-599: RA ABBV-323: UC ABBV-3373: RA (P1b/2a)	Venclexta: MM, MCL Imbruvica: FL (1L), FL/MZL (R/R), MCL (1L) Empliciti: MM (1L) Veliparib: NSCLC, BRCA Breast, Ovarian Rova-T: SCLC (1L) Risankizumab: CD, UC, PsA Upadacitinib: RA (filed), PsA, CD, UC, AD, GCA Imbruvica: cGvHD (1L) Humira: Pyoderma Gangrenosum (Japan)	Venclexta: 1L CLL, R/R CLL, AML (1L) Imbruvica + Rituximab: WM Skyrizi: Psoriasis Orilissa: Endometriosis
	ABBV-157: Ps ABBV-154: RA	ABBV-8E12: Alzheimer's Disease, PSP Elezanumab: MS	ABBV-951: Parkinson's Disease	
	ABBV-0805: Parkinson's Disease	ABBV-2222/3067: Cystic Fibrosis	Elagolix: Uterine Fibroids	
	ABBV-3903: Cystic Fibrosis			
	Botox: Skin Quality	BoNTE: Glabellar Lines Botox: Masseter, Platysma Deoxycholic Acid: Jowl Fat Reduction	NivobotulinumtoxinA: Facial Lines	Cariprazine: Bipolar Depression
	AGN-151607: MDD Cariprazine: Autism Spectrum Disorder AGN-242626: Alzheimer's Disease AGN-242071: Alzheimer's Disease	AGN-241751: MDD	Atogepant: Migraine Prophylaxis Ubrogapant: Acute Migraine Treatment Cariprazine: Adjunctive MDD	
	Optive Lite MDPF: Dry Eye AGN-151597: Retinitis Pigmentosa	Optive Ultra: Dry Eye Brimonidine DDS: Geographic Atrophy, Glaucoma Neuroprotection Bimatoprost Ring: Glaucoma Abicipar: DME	Presbyol: Presbyopia Bimatoprost SR: Glaucoma Optive Fusion: MDPF Abicipar: AMD	
	AGN-242266: NASH	Cenicriviroc + Tropifexor: NASH Linacotide Delayed Release: IBS Pain	Relamorelin: Diabetic Gastroparesis Cenicriviroc: NASH	
		AGN-151607: Atrial Fibrillation		
Allergan				

Oncology

Immunology

Neuroscience

Targeted Investment

Medical Aesthetics

Neuroscience

Eye Care

Gastrointestinal

Targeted Investment

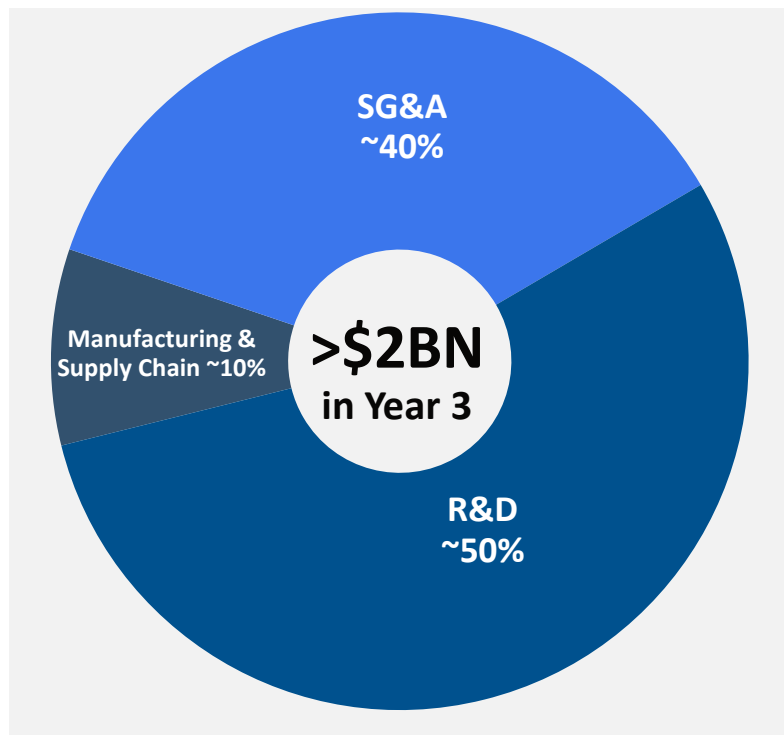
abbvie

# Shareholder Value Creation

# Synergies Generate Significant Value

## Percent of Total Synergies and Cost Reductions

## Areas of Opportunity



### SG&A

- Sales and marketing efficiencies
- Reduce duplicate costs across central support functions & IT systems

### R&D

- Optimize research & early-stage portfolio
- Reduce overlapping resources

### Manufacturing & Supply Chain

- Leverage procurement spend
- Optimize overhead with combined global footprint

**Key franchise funding** levels will remain **untouched** allowing them to **maximize performance**

**Integration** will be **highly executable** as both companies have **considerable experience** with the integration of **large, complex transactions**



# Balance Sheet Strength Will Be Preserved With Robust Cash Flows

## Transaction Financing

- Transaction supported with a \$38BN **fully underwritten** bridge facility obtained from Morgan Stanley and MUFG
- The combined company will generate strong durable **operating cash flow** (\$19BN in combined 2018 cash flow)
  - Supports AbbVie's commitment to a strong growing dividend
  - Provides resources for continued expansion of AbbVie's innovative pipeline through increased R&D funding and mid-to-late stage asset additions

## Robust Cash Flow to Reduce Debt

- AbbVie affirms its commitment to **Baa2/BBB grade credit rating or better**
  - Humira cash flow generation exceeds incremental financing prior to U.S. loss of exclusivity, will be utilized to pay off acquisition financing
  - Committed to **reduce debt by \$15BN to \$18BN before end of 2021**, with further de-leveraging through 2023
  - Credit metrics targeted to improve to 3.0X net debt to EBITDA in the near term and improve in subsequent years

# AbbVie Has a Track Record of Strong Execution, Consistently Meeting or Exceeding Financial Commitments

Consistently delivered industry leading financial performance

- **Ranked 1<sup>st</sup> or 2<sup>nd</sup>** in our peer group for **both revenue and adjusted EPS growth in every year** since becoming an independent company\*
- **Met or exceeded both revenue and adjusted EPS guidance** in all 25 quarters since becoming an independent company
- **Ranked in top decile of our peer group** for **operating cash flow growth** and **adjusted return on equity** over past six years

Delivered Outstanding Shareholder Value and Return of Cash

- **Led our peer group in total shareholder return**, delivering total returns of 190%\*\* since becoming an independent company
- **Increased quarterly dividend by 168%** since becoming an independent company; member of the S&P Dividend Aristocrats Index
- Returned nearly **\$44BN to investors** via dividends and share repurchases

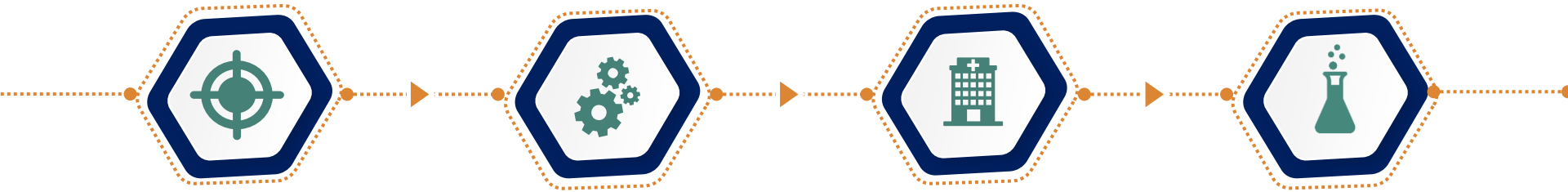
Built Market Leadership Positions and Delivered New and Improved Therapies

- We've built a **strong leadership position in the Immunology** market with Humira and continue to innovate with our two next-generation immunology assets
- **Built a tremendous growth platform in Heme-Onc** with Imbruvica and Venclexta, assets that are capable of transforming treatment across a wide range of blood cancers
- **Became a global HCV leader** with launch of Mavyret, our next-generation HCV cure

Consistently Increased Investment and Productivity in the R&D Pipeline

- **13 new product or major indication approvals** since becoming an independent company
- \$5.1BN in adjusted R&D spend in 2018, **growth of over 80%** since 2013
- Built a robust pipeline with **60+ active clinical development programs** with more than **30 new products or indications in mid-and late-stage development or under regulatory review**

# Combination Creates Diversified Biopharmaceutical Company, Well-Positioned for Sustainable Growth



Unique opportunity to acquire **highly attractive** and **durable growth assets** at a highly compelling value

Provides **immediate scale** and **profitability** to **AbbVie's Growth Platform**

Deal significantly **mitigates 2023 U.S. Humira LOE**

Potential for **substantial shareholder value creation**

**Creates Significant Shareholder Value**

**Generates >\$2BN in Synergies and Cost Savings in Year 3\***

**Significant EPS Accretion: 10% Accretion Over the First Full Year of Combination Peaking at >20%\*\***

**ROIC to Exceed AbbVie Cost of Capital Within First Full Year**

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