amneal

We make healthy possible.

# Investor Presentation

August 2020




AMRX

LISTED

NYSE

# Safe Harbor Statement

Certain statements contained in this presentation, regarding matters that are not historical facts, may be forward-looking statements (as defined in the Private Securities Litigation Reform Act of 1995). Such forward-looking statements include statements regarding management's intentions, plans, beliefs, expectations or forecasts for the future, including, among other things, future operating results and financial performance, product development and launches, integration strategies and resulting cost reduction, market position and business strategy. Words such as "may," "will," "could," "expect," "plan," "anticipate," "intend," "believe," "estimate," "assume," "continue," and similar words are intended to identify estimates and forward-looking statements. The reader is cautioned not to rely on these forward-looking statements. These forward-looking statements are based on current expectations of future events. If the underlying assumptions prove inaccurate or known or unknown risks or uncertainties materialize, actual results could vary materially from the expectations and projections of the Company. Such risks and uncertainties include, but are not limited to: the potential impact of the COVID-19 pandemic on our business, manufacturing, supply chain, financial results, financial condition, and planned capital expenditures and national and international economies; the risk that our goodwill may become impaired, which could adversely affect our financial condition and results of operations, the impact of global economic conditions; our ability to successfully develop, license, acquire and commercialize new products on a timely basis; our ability to obtain exclusive marketing rights for our products; the competition we face in the pharmaceutical industry from brand and generic drug product companies, and the impact of that competition on our ability to set prices; our ability to manage our growth through acquisitions and otherwise; our dependence on the sales of a limited number of products for a substantial portion of our total revenues; the risk of product liability and other claims against us by consumers and other third parties; risks related to changes in the regulatory environment, including United States federal and state laws related to healthcare fraud abuse and health information privacy and security and changes in such laws; changes to FDA product approval requirements; risks related to federal regulation of arrangements between manufacturers of branded and generic products; the impact of healthcare reform and changes in coverage and reimbursement levels by governmental authorities and other third-party payers; the continuing trend of consolidation of certain customer groups; our reliance on certain licenses to proprietary technologies from time to time; our dependence on third-party suppliers and distributors for raw materials for our products and certain finished goods; our dependence on third-party agreements for a portion of our product offerings; our ability to identify and make acquisitions of or investments in complementary businesses and products on advantageous terms; legal, regulatory and legislative efforts by our brand competitors to deter competition from our generic alternatives; the significant amount of resources we expend on research and development; our substantial amount of indebtedness and our ability to generate sufficient cash to service our indebtedness in the future, and the impact of interest rate fluctuations on such indebtedness; and the high concentration of ownership of our Class A Common Stock and the fact that we are controlled by the Amneal Group. The forward-looking statements contained herein are also subject generally to other risks and uncertainties that are described from time to time in the Company's filings with the Securities and Exchange Commission, including under Item 1A, "Risk Factors" in the Company's most recent Annual Report on Form 10-K and in its subsequent reports on Forms 10-Q and 8 K. Investors are cautioned not to place undue reliance on any such forward-looking statements, which speak only as of the date they are made. Forward-looking statements included herein speak only as of the date hereof and we undertake no obligation to revise or update such statements to reflect the occurrence of events or circumstances after the date hereof.

# Non-GAAP Financial Measures

This presentation includes certain non-GAAP financial measures, including adjusted EBITDA, adjusted net income, adjusted net income per diluted share, adjusted gross profit, adjusted gross margin and adjusted operating income, which are intended as supplemental measures of the Company's performance that are not required by or presented in accordance with U.S. General Accepted Accounting Principles ("GAAP"). All business results presented in this presentation are not prepared in accordance with Article 11 of Regulation S-X. The calculation of non-GAAP adjusted diluted earnings per share assumes the conversion of all outstanding shares of Class B Common Stock to shares of Class A Common Stock. All combined business results presented in this presentation are not prepared in accordance with Article 11 of Regulation S-X. Adjusted gross profit is calculated as total revenues less adjusted cost of goods sold. Adjusted gross margin is calculated as adjusted gross profit divided by total revenues. The calculation of Non-GAAP adjusted diluted earnings per share assumes the conversion of all outstanding shares of Class B Common Stock to shares of Class A Common Stock.

These non-GAAP measures are subject to limitations. The non-GAAP measures presented in this presentation may not be comparable to similarly titled measures used by other companies because other companies may not calculate one or more in the same manner. Additionally, the non-GAAP performance measures exclude significant expenses and income that are required by GAAP to be recorded in the Company's financial statements; do not reflect changes in, or cash requirements for, working capital needs; and do not reflect interest expense, or the requirements necessary to service interest or principal payments on debt. Further, our historical adjusted results are not intended to project our adjusted results of operations or financial position for any future period. To compensate for these limitations, management presents and considers these non-GAAP measures in conjunction with the Company's GAAP results; no non-GAAP measure should be considered in isolation from or as alternatives to net income, diluted earnings per share or any other measure determined in accordance with GAAP. Readers should review the reconciliations included in this Appendix to the presentation, and should not rely on any single financial measure to evaluate the Company's business.

Management uses these non-GAAP measures internally to evaluate and manage the Company's operations and to better understand its business because they facilitate a comparative assessment of the Company's operating performance relative to its performance based on results calculated under GAAP. These non-GAAP measures also isolate the effects of some items that vary from period to period without any correlation to core operating performance and eliminate certain charges that management believes do not reflect the Company's operations and underlying operational performance. The compensation committee of the Company's board of directors also uses certain of these measures to evaluate management's performance and set its compensation. The Company believes that these non-GAAP measures also provide useful information to investors regarding certain financial and business trends relating to the Company's financial condition and operating results facilitates an evaluation of the financial performance of the Company and its operations on a consistent basis. Providing this information therefore allows investors to make independent assessments of the Company's financial performance, results of operation and trends while viewing the information through the eyes of management.

This presentation also includes certain non-GAAP guidance. The Company cannot, however, provide a reconciliation between non-GAAP projections and the most directly comparable GAAP measures without unreasonable efforts because it is unable to predict with reasonable certainty the ultimate outcome of certain significant items required for the reconciliation. The items include, but are not limited to, acquisition-related expenses, restructuring expenses and benefits, asset impairments and other gains and losses. These items are uncertain, depend on various factors, and could have a material impact on GAAP reported results.

A reconciliation of each historical Non-GAAP measure to the most directly comparable GAAP measure is set forth in the Appendix to this presentation.

# Investment Highlights

| | |
|---|---|
| **Scaled commercial operations: 2020E ~$2.0bn net revenue across Generics, Specialty and AvKARE** | • Highly profitable on an adjusted EBITDA basis with growing cash flow generation<br>• Substantial financial flexibility: ~$300 million cash on hand June 30, 2020; up to $500 million Revolver access; No near-term maturities<br>• Decreased net debt to LTM adjusted EBITDA to 6.0x on June 30, 2020 vs. 7.0x on Dec. 31, 2019; Targeting 4-5x<br>• Top 5 player in a large essential industry(1) |
| **Diversified R&D and manufacturing footprint across geographies** | • Over 10 finished dosage form manufacturing sites across the U.S., India and Ireland<br>• Only U.S. Generics major with internal development and manufacturing capabilities for all major dosage forms<br>• Extensive and scaled R&D and manufacturing footprint |
| **Robust pipeline will drive growth in all areas of our business** | • Generics: 91 projects awaiting FDA approval and 132 projects in the pipeline<br>• Biosimilars: Three in-licensed, late-stage clinical products within oncology: bNeupogen, bNeulasta, bAvastin<br>• Specialty: IPX203 (Parkinson's Disease) and K127 (Myasthenia Gravis) |
| **Strategic vision for the Company is clear** | • Improve Generics margins and transition commercial portfolio to complex, higher barrier-to-entry products<br>• Execute on our Specialty pipeline assets and acquire / in-license additional programs<br>• Build best-in-class Biosimilars platform and expand our distribution footprint through AvKARE<br>• Improve operational execution and efficiencies |



(1) Based on IQVIA Rx (NPA) data – MAT July 2020 TRx

# Tenured Management with a Track Record of Success



**Chintu Patel,**
**Co-CEO**

**Co-Founder of Amneal**

KASHIV BioSciences · ASANA BioSciences · Prolong Pharmaceuticals



**Chirag Patel,**
**Co-CEO and President**

**Co-Founder of Amneal**

KASHIV BioSciences · ASANA BioSciences · Prolong Pharmaceuticals



**Tasos Konidaris,**
**EVP, Chief Financial Officer**

**30+ years of experience**

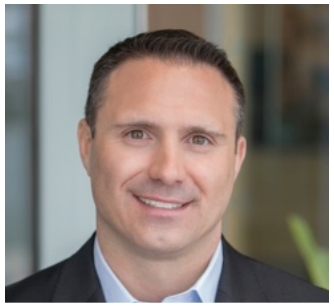
ALCRESTA THERAPEUTICS · IKARIA · dun & bradstreet · Schering-Plough



**Andy Boyer,**
**EVP, Chief Commercial Officer - Generics**

**30+ years of experience**

teva · Allergan · Watson Pharmaceuticals



**Joe Todisco,**
**EVP, Chief Commercial Officer - Specialty**

**15+ years of experience**

GEMINI LABORATORIES · RANBAXY · OPPENHEIMER · PAR PHARMACEUTICAL



**Nikita Shah,**
**EVP, Chief Human Resources Officer &**
**Strategic Planning Officer**

**20+ years of experience**

WARNER CHILCOTT · AT&T · Deloitte.



**Stephen Manzano,**
**SVP, General Counsel & Corporate**
**Secretary**

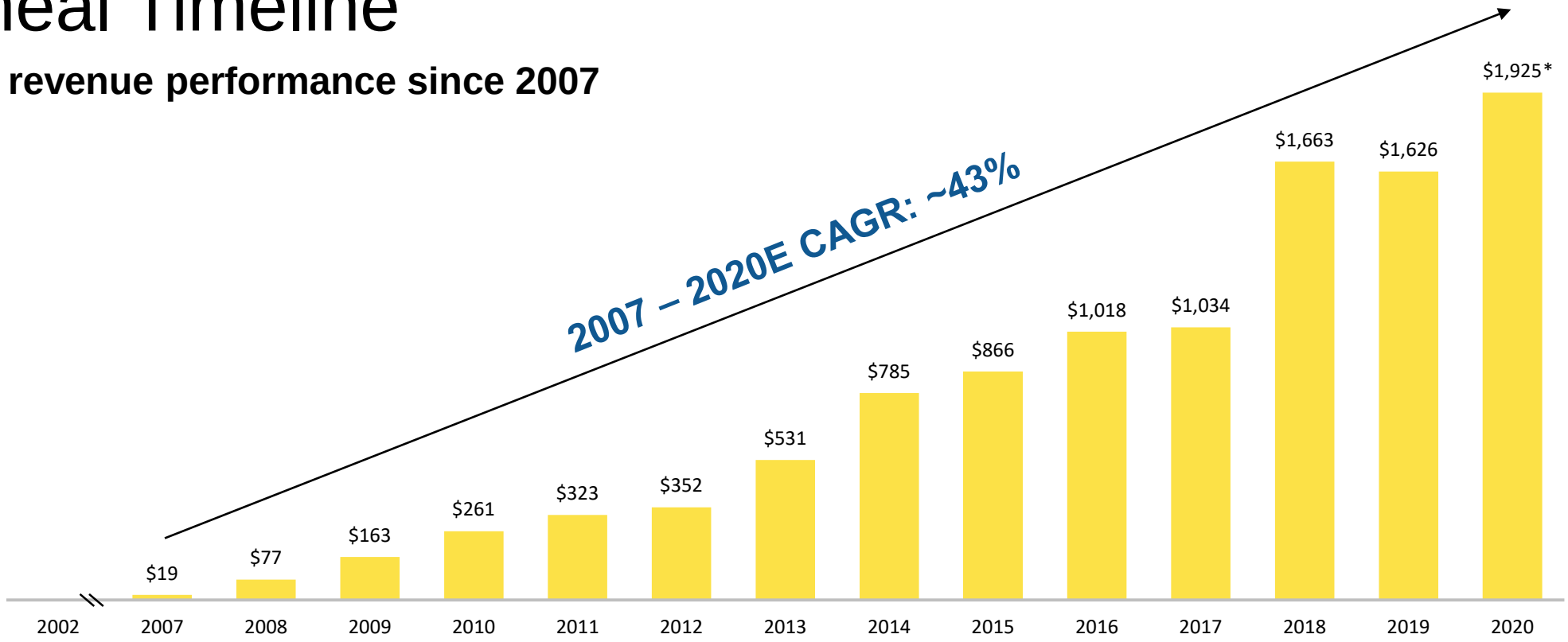
**25+ years of experience**

SUN PHARMA · TARO

# Amneal Timeline

## Annual revenue performance since 2007

($ millions)

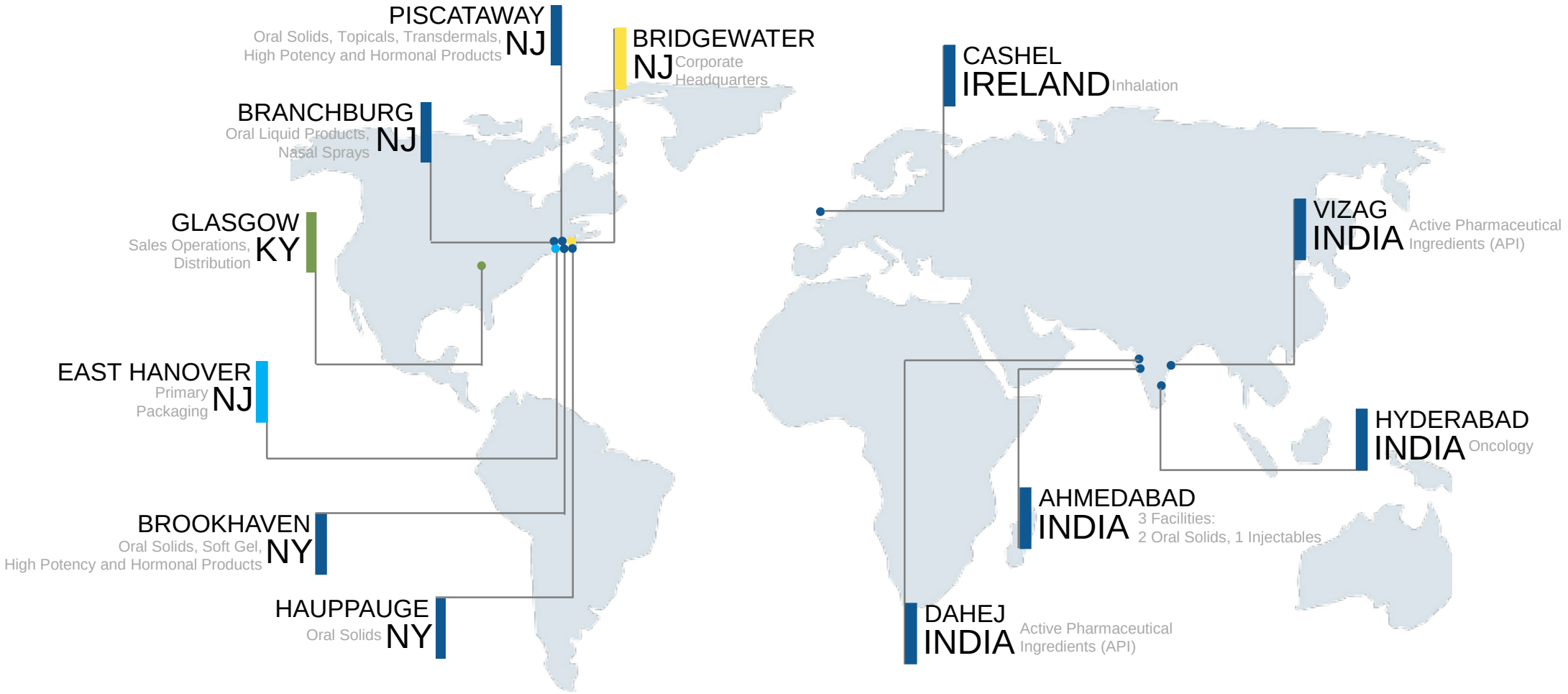



| 2002: | August 2005: | June 2008: | May 2011: | October 2017: | May 2018: | August 2019: | January 2020: |
|---|---|---|---|---|---|---|---|
| Chirag and Chintu Patel Found Amneal | Begins manufacturing first Rx product, Folic Acid 1mg tablets | Acquires Interpharm assets, doubling capacity and revenue base | Launches "first to market" (FTM) generic product | Announces all-equity acquisition of Impax Laboratories | Impax transaction closes; Amneal begins publicly trading on the NYSE under the ticker "AMRX" | Chirag and Chintu Patel return as Co-CEOs | Acquires majority stake in AvKARE, enhancing access to growing federal healthcare market |

*Midpoint of 2020 Guidance: $1,875 - $1,975

Note: 2018 includes $399 from the acquisition of Impax and $32 from the acquisition of Gemini from May 2018 to December 2018

# Robust & Diversified Operational Infrastructure



# Gx Dosage Form Capabilities

| | IR / ER Solids | Injectables | Oral Liquids | Nasal Sprays | Respiratory | Ophthalmics | Patches | Topicals |
|---|---|---|---|---|---|---|---|---|
| amneal | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| teva | ✓ | ✓ | ✓ | Partner | ✓ | ✓ | ✓ | ✓ |
| Mylan | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| SANDOZ | ✓ | ✓ | ✓ | Partner | ✓ | ✓ | ✓ | ✓ |
| endo | ✓ | ✓ | ✓ | ✓ | Partner | Partner | × | ✓ |
| Perrigo | ✓ | Partner | ✓ | Partner | × | Partner | × | ✓ |
| SUN PHARMA / TARO | ✓ | ✓ | ✓ | ✓ | × | Partner | × | ✓ |
| LUPIN | ✓ | Partner | ✓ | × | ✓ | ✓ | × | ✓ |
| AHKM | ✓ | ✓ | ✓ | ✓ | ✓ | × | × | × |
| Lannett | ✓ | × | ✓ | × | × | × | × | Partner |

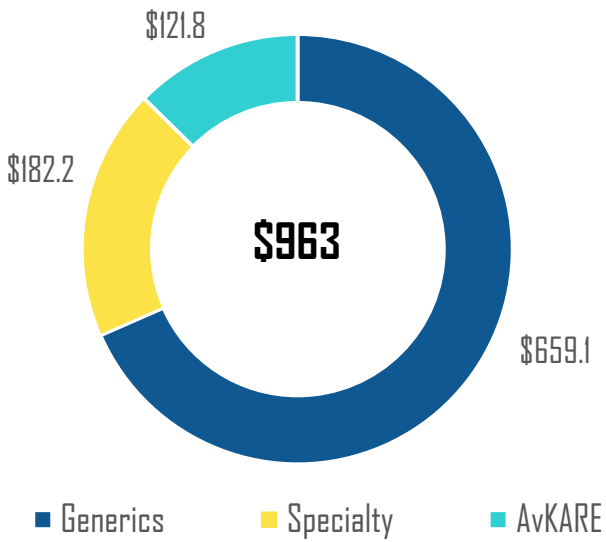
***Full Suite of Capabilities in Generics = No Major Investment Anticipated Going Forward***

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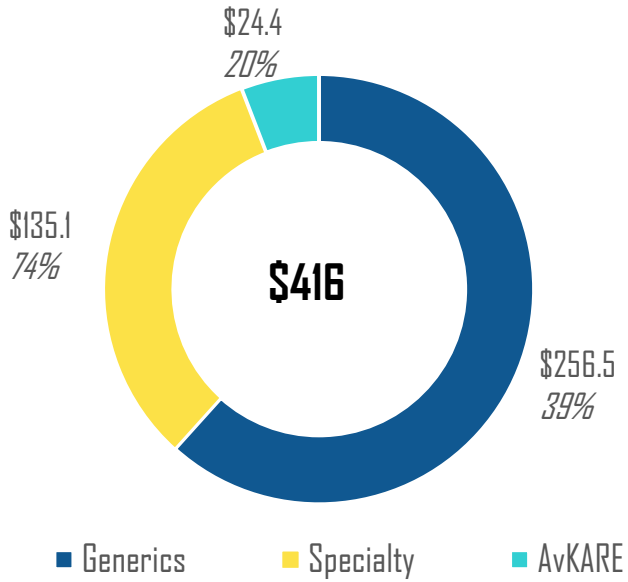
*Source: Competitive intelligence based on publicly available information.*

# Amneal Portfolio Breakdown

## 1H20A Net Revenue by Segment ($MM)




## 1H20A Adj. Gross Margin by Segment ($MM)




| | |
|---|---|
| Generics | ~250+ commercial products and an additional 220+ in development |
| Specialty | Therapeutic Focus: Neurology / Endocrinology |
| AvKARE | #2 distributor to the VA and DoD |

Adjusted gross profit = net revenue for both the three months ended March 31 and June 30, 2020 less adjusted cost of sales
Adjusted gross margin = adjusted gross profit for both the three months ended March 31 and June 30, 2020 divided by net revenue

Note: Operating results for the sale of Amneal products by AvKARE are included in Generics

# Generics – Driving Improvement and Diversification

**Working Aggressively To Expand Sales and Improve Profitability, With ~ 250 Currently Marketed Products**

## New Product Launches and Markets

- Grow market share as we plan to **launch 8 – 10 additional new high value products** by August 2021
- Recently launched 7 new complex products, including generic **Butrans® Transdermal System, NuvaRing®** & **Carafate®**
- Expand China presence by leveraging Fosun
- Expand distribution by leveraging AvKARE

## Robust Pipeline

- Expecting to file **20 – 25** products in 2020, including first-to-market products
- **91** products in the pipeline awaiting FDA approval
- **132** products in development
- Growing **injectables business**
- Growing **inhalation business**

## Margin Expansion

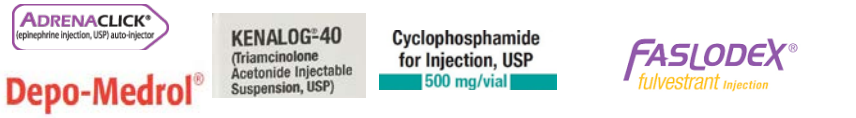
- Expand gross margin to 40%+ vs. 35% in full year 2019
  - First half 2020: 39%
- New products expand margins and increase durability
- Streamline internal operations, leverage purchasing, and reduce inefficiencies
- Drive Cash generation via working capital improvements and growing sales

# Continuing Generic Pipeline Execution

## Generics[1]

### What We've Done:
**Notable Complex Generic Launches**

**Injectables**




**Transdermal Topical/Ring**




**Oral Solids**




**Liquid/Nasal Ophthalmic**




### What's Next:
**Continued Pipeline Execution**

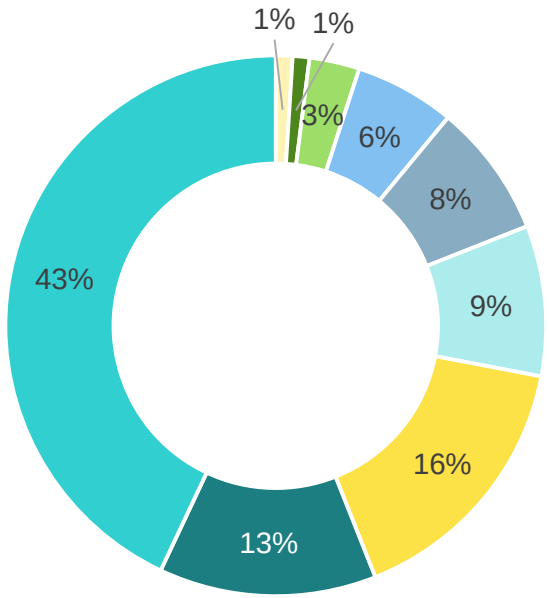



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(1) Generic versions of innovator products. All trademarks are the property of their respective owners.

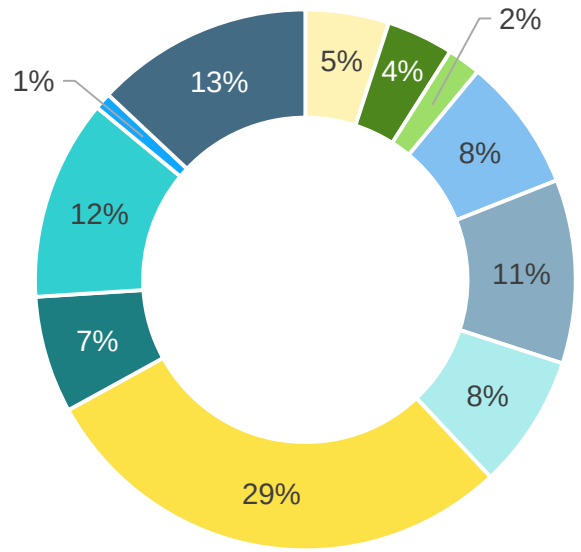
# Generics Pipeline Focused on Complex & Differentiated Dosage

**ANDAs Submitted (Pending + TA): 91 Projects**




Inhalation | Nasal Spray | Transdermal
Oral liquid | Ophthalmic | Topical
Injection | ER Tabs/Caps | IR Tabs/Caps

**Development Pipeline: 132 projects**




Inhalation | Nasal Spray | Transdermal | Oral liquid
Ophthalmic | Topical | Injection | ER Tabs/Caps
IR Tabs/Caps | Suppository | Injectable Bag

**56% Solid dose** | **44% other dosage forms**

→

**19% Solid dose** | **81% other dosage forms**

# Maximizing Well-Established Specialty Footprint & Infrastructure

## Neurology

Building a Leading Position in Movement Disorders

RYTARY (carbidopa and levodopa) EXTENDED-RELEASE CAPSULES
23.75 mg/95 mg • 36.25 mg/145 mg
48.75 mg/195 mg • 61.25 mg/245 mg

Offering Proven Options for Migraine Patients

Zomig® Nasal Spray ZOLMITRIPTAN 2.5 mg 5 mg

## Endocrinology & Primary Care

UNITHROID® (Levothyroxine Sodium Tablets, USP)

Emverm™ (mebendazole) chewable tablet, USP 100 mg

**Growing franchise by focusing on marketing execution, building KOL relationships, and rapidly adapting to the changing healthcare landscape**

- **Outperformed expectations** on Rytary and Unithroid, offsetting weakness in other smaller brands during the second quarter.
- Successful strategic targeting of patient segments led to improved gross to net.

**Marketing initiatives are gaining traction and driving topline revenue and prescription growth in key brands**

- Total prescription growth **for Rytary and Unithroid up 8%** in Q2 2020 compared to Q2 2019
- Total net revenue growth of **16% for Rytary** and **55% for Unithroid** in Q2 2020 compared to Q2 2019

**Evaluating Add-on Opportunities that Leverage Our Existing Development & Commercialization Capabilities**

# Specialty – Growth Engine

| Program | Therapeutic Area | Preclinical | Phase 1 | Phase 2 | Phase 3 | Estimated Launch / Major Catalyst | |
|---|---|---|---|---|---|---|---|
| **IPX-203 for PD** | Neurology | | | | | 2023 | Topline data expected 2H 2021 |
| **K127 for MG**[1] | Neurology | | | | | 2023 | Expect to file by Q1 2022 |
| **bNeupogen**[2] | Oncology | | | | | Filed; Awaiting FDA Correspondence | |
| **bNeulasta**[2] | Oncology | | | | | Filed; Awaiting FDA Correspondence | |
| **bAvastin**[3] | Oncology | | | | | Phase 3 Completed; Expect to File Soon | |

**Allocating increased share of R&D budget to Specialty products**

**Goal of allocating capital toward mid- and late-stage assets through partnerships and M&A**

**Pushing forward to become key biosimilar player in the U.S. market**

**Over time, Specialty products will contribute an increasing percentage of Amneal's revenue**

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(1) Starting Phase 2 2H 2020
(2) In-licensed from Kashiv Biosciences, LLC (f.k.a. Adello Biologics, LLC).
(3) In-licensed from mAbxience, a subsidiary of Spanish healthcare firm Insud Pharma.

# Diversifying Our Distribution Channels with AvKARE

**Growing Our Business and Identifying New Opportunities to Better Serve Government Agencies:**

### About AvKARE

- One of the largest private label providers of generic pharmaceuticals in the U.S. federal agency sector, primarily focused on serving the Department of Defense and the Department of Veterans Affairs.

### Platform Well-Positioned for Growth

- Generic manufacturers outsourcing greater share of government business to resellers
- Enables continued expansion into unit dose business, a niche business
- Integration is essentially complete

### Q2 2020 Financial Results In Line with Expectations

- Reported net revenue, excluding Amneal generic products, of $64 million
- Solid demand by DoD and VA, though some 3rd party new product launches were delayed due to COVID

**AvKARE provides a new avenue of growth, attractive long-term contracts and diversification**



NOTE: Completed acquisition of differentiated AvKARE platform on January 31, 2020.

# Financial Review



# Financial Results – GAAP

$ in millions

| | Consolidated | | |
|---|---|---|---|
| | Q2 2019 | Q1 2020 | Q2 2020 |
| **Revenue** | 405 | 499 | 465 |
| **Gross Profit** | 105 | 183 | 144 |
| **Gross Margin** | 25.9% | 36.8% | 31.0% |
| **R&D Expense** | 48 | 37 | 46 |
| **SG&A Expense** | 67 | 78 | 81 |
| **Diluted EPS** | (0.13) | 0.78 | (0.08) |
| **Operating Cash Flow** | 21 | 49 | 179 |

| | Generics | | |
|---|---|---|---|
| | Q2 2019 | Q1 2020 | Q2 2020 |
| **Revenue** | 335 | 353 | 307 |
| **Gross Margin** | 20.5% | 37.5% | 28.3% |
| **Operating Income** | 5 | 81 | 27 |

| | Specialty | | |
|---|---|---|---|
| | Q2 2019 | Q1 2020 | Q2 2020 |
| **Revenue** | 70 | 88 | 94 |
| **Gross Margin** | 52.6% | 45.6% | 46.7% |
| **Operating Income** | 17 | 10 | 24 |

Refer to the Appendix for the GAAP consolidated statements of operations and segment results for Q2 2019 and Q2 2020.

# Q2 2020 Results

## Adjusted Results[1]

| $ in millions | Q2 2020 | Q2 2019 | Q1 2020 | Variance YOY | Variance Sequential |
|---|---|---|---|---|---|
| **Revenue** | **465** | 405 | 499 | 15% | -7% |
| **Gross Profit** | **191** | 172 | 225 | 11% | -15% |
| **Gross Margin** | **41.1%** | 42.6% | 45.1% | (150) Bps | (400) Bps |
| **R&D Expense** | **41** | 42 | 35 | 4% | -15% |
| **SG&A Expense** | **65** | 55 | 69 | -19% | 5% |
| **Adjusted EBITDA** | **101** | 92 | 134 | 9% | -25% |
| **Diluted EPS** | **0.13** | 0.09 | 0.20 | 44% | -35% |
| **Operating Cash Flow** | **179** | 21 | 49 | 750% | 266% |

**The addition of AvKARE, cost management and new products drive EBITDA growth versus prior-year**

- Revenue YOY growth due to: AvKARE[2] ($64 million), EluRyng, Sucralfate and Specialty segment; partially offset by competition to Levothyroxine Sodium Tabs and Diclofenac Gel 1%
- Revenue sequential decline reflects COVID-19 impact
- Gross margin YOY due to: Pricing, AvKARE (-320 Bps), Metformin recall, and product mix
- Gross Margin sequential due to: Pricing, Lower Manufacturing Absorption, Metformin recall, and product mix
- R&D reflects focus on rebuilding Generics Pipeline, Advance IPX-203, and timing of project spend
- SG&A YOY growth due to AvKARE ($8 million) while sequential decline reflect cost reductions and favorable timing of expenses
- EPS growth reflects Adjusted EBITDA growth, lower interest expense and higher minority interest expense due to AvKARE
- Operating Cash Flow reflects timing of collections, favorable operating expenses and timing of CAPEX and Tax payments

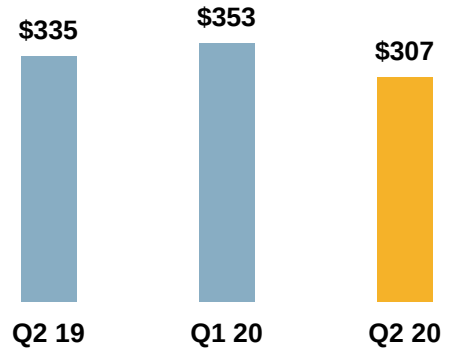
(1) Please see the language under the heading "Non-GAAP Financial Measures" on Page 2 of this presentation
(2) AvKARE amounts exclude net revenues, cost of goods sold and gross profit from sales of Amneal products. Those results are included within the Generics segment.

# Generics Segment

## Adjusted Results[(1)]

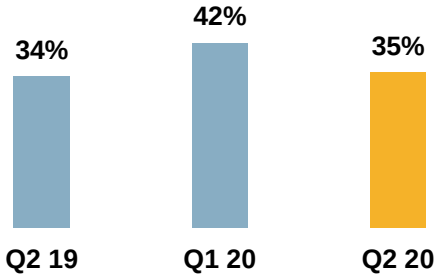
$ millions

### Net Revenue



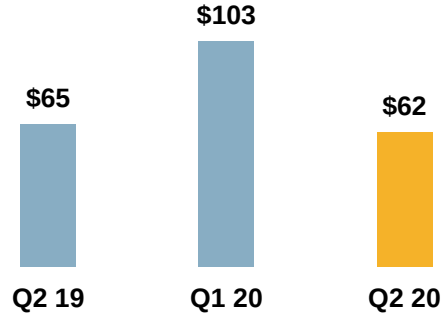

- Year-over-year decrease: price erosion due to additional competition on existing product portfolio, reclassification of Oxymorphone HCl to Specialty segment, and sale of international businesses partially offset by new product launches
- Sequential decrease: price erosion, COVID-19 impact and the Metformin recall

### Gross Margin




- Year-over-year operating efficiencies and product mix, including new launches made in-house, offset price erosion.
- Sequential decrease: price erosion, the impact of the Metformin recall and supply constraints driven by COVID

### Operating Income




- Year-over-year: operating expense savings from ongoing integration expenses and spending delays due to COVID19 were offset by unfavorable gross margin
- Sequential decrease: lower revenue and gross margin driven by adverse impact of COVID-19 timing, price erosion and the Metformin recall

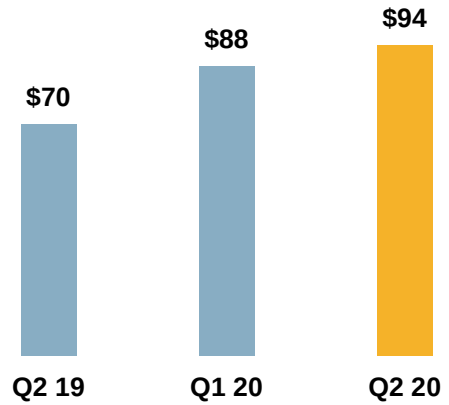
(1) Please see the language under the heading "Non-GAAP Financial Measures" on Page 3 of this presentation

# Specialty Segment

## Adjusted Results[(1)]

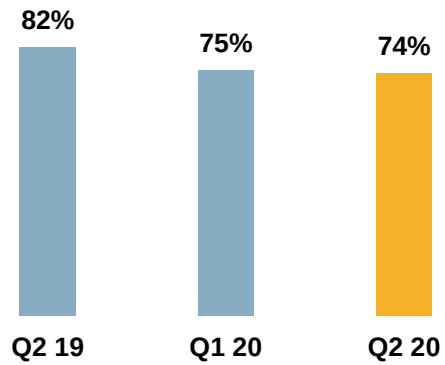
$ millions

### Net Revenue



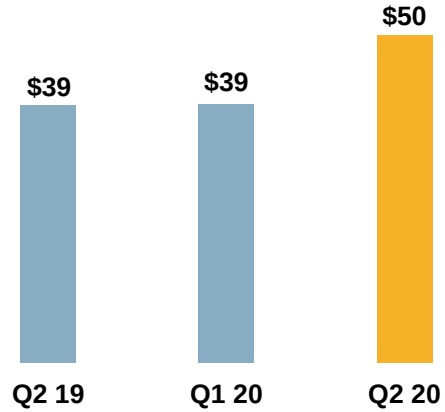

- Year-over-year increase: higher sales of Rytary® and Unithroid® and the reclassification of Oxymorphone HCl from the Generics segment
- Sequential increase: higher sales of Oxymorphone

### Gross Margin




- Year-over-year decrease: primarily due to the addition of lower margin Oxymorphone HCl

### Operating Income




- Year-over-year increase: driven by increased revenues and gross margin
- Sequential increase: primarily due to increased revenue along with lower spend, in part due to COVID-19

(1) Please see the language under the heading "Non-GAAP Financial Measures" on Page 3 of this presentation

# Balance Sheet and Liquidity

$ in millions

**Liquidity at June 30, 2020**

- **Cash and cash equivalents** **$268**
- **ABL Available** **$414**

➢ **Total Liquidity** **$682**

➢ Excludes a $110 tax refund, of which approximately $106 was received during July 2020.

| | As of June 30, 2020 | As of December 31, 2019 |
|---|---|---|
| Current portion and long-term debt(1) | $2,794 | $2,631 |
| Cash and cash equivalents(2) | $268 | $153 |
| Net Debt(3) | $2,526 | $2,478 |
| Gross Debt to LTM Adjusted EBITDA(4) | 6.6x | 7.4x |
| Net Debt to LTM Adjusted EBITDA(3) | 6.0x | 7.0x |

- Net Debt to LTM Adjusted EBITDA as of March 31, 2020 was 6.2X
- LTM EBITDA as of June 30, 2020, includes twelve months of AvKARE ($63 million annually, as previously disclosed for periods prior to January 31, 2020)
- Reduction in leverage driven by operational performance and AvKARE

(1) Current portion of long-term debt, net and long-term debt, net including revolving credit facilities, but excluding seller's notes due to the AvKARE acquisition
(2) Includes restricted cash.
(3) Net debt = Current portion and long-term debt less cash and cash equivalents.
(4) Gross debt = Current portion and long-term debt.

# 2020 Financial Outlook as of August 6, 2020[(1)]

| (in $ millions except for Adjusted Diluted EPS) | 2020 Guidance |
|---|---|
| **Net Revenues** | $1,875 - $1,975 |
| **Adjusted Gross Margin** | 44% - 46% |
| **Adjusted EBITDA** | $400 - $450 |
| **Adjusted Diluted EPS** | $0.45 – $0.60 |
| **Weighted Average Diluted Shares Outstanding[(2)]** | ~300 million |
| **Operating Cash Flow[(3)]** | $150 - $200 |
| **Capital Expenditures** | $60 - $70 |

(1) Amneal's full year 2020 estimates, which include the January 31, 2020 transaction with AvKARE Inc. and its related affiliate doing business as R&S Northeast, are based on management's current expectations, including with respect to prescription trends, pricing levels, inventory levels, and the anticipated timing of future product launches and events. Please see the language under the headings "Cautionary Statement on Forward-Looking Statements" and "Non-GAAP Financial Measures" on Page 2 and 3 of this presentation.

(2) Under the if-converted method, weighted average diluted shares outstanding consists of Class A and Class B shares. Please see the language under the heading "Non-GAAP Financial Measures" in our press release dated August 6, 2020 for more information and the Appendix to this presentation for a reconciliation thereof to the most directly comparable GAAP measures.

(3) Excludes the expected $110 million of discrete cash tax refund we expect in the second half of 2020.

# Investment Highlights

| | |
|---|---|
| **Scaled commercial operations: 2020E ~$2.0bn net revenue across Generics, Specialty and AvKARE** | • Highly profitable on an adjusted EBITDA basis with growing cash flow generation<br>• Substantial financial flexibility: ~$300 million cash on hand June 30, 2020; up to $500 million Revolver access; No near-term maturities<br>• Decreased net debt to LTM adjusted EBITDA to 6.0x on June 30, 2020 vs. 7.0x on Dec. 31, 2019; Targeting 4-5x<br>• Top 5 player in a large essential industry(1) |
| **Diversified R&D and manufacturing footprint across geographies** | • Over 10 finished dosage form manufacturing sites across the U.S., India and Ireland<br>• Only U.S. Generics major with internal development and manufacturing capabilities for all major dosage forms<br>• Extensive and scaled R&D and manufacturing footprint |
| **Robust pipeline will drive growth in all areas of our business** | • Generics: 91 projects awaiting FDA approval and 132 projects in the pipeline<br>• Biosimilars: Three in-licensed, late-stage clinical products within oncology: bNeupogen, bNeulasta, bAvastin<br>• Specialty: IPX203 (Parkinson's Disease) and K127 (Myasthenia Gravis) |
| **Strategic vision for the Company is clear** | • Improve Generics margins and transition commercial portfolio to complex, higher barrier-to-entry products<br>• Execute on our Specialty pipeline assets and acquire / in-license additional programs<br>• Build best-in-class Biosimilars platform and expand our distribution footprint through AvKARE<br>• Improve operational execution and efficiencies |



(1) Based on IQVIA Rx (NPA) data – MAT July 2020 TRx

# Appendix



# Consolidated Statements of Operations

($ in thousands, except per share amounts)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| **Net revenue** | $ 464,662 | $ 404,642 | $ 963,195 | $ 850,762 |
| Cost of goods sold | 319,666 | 296,381 | 633,244 | 606,124 |
| Cost of goods sold impairment charges | 759 | 3,012 | 2,215 | 56,309 |
| **Gross profit** | 144,237 | 105,249 | 327,736 | 188,329 |
| Selling, general and administrative | 80,944 | 67,281 | 158,920 | 151,717 |
| Research and development | 45,572 | 48,016 | 81,951 | 101,874 |
| In-process research and development impairment charges | — | — | 960 | 22,787 |
| Intellectual property legal development expenses | 3,550 | 2,511 | 4,820 | 6,677 |
| Acquisition, transaction-related and integration expenses | 1,787 | 3,519 | 4,362 | 9,551 |
| Charges related to legal matters, net | 1,300 | — | 5,800 | — |
| Restructuring and other charges | 333 | 2,835 | 2,381 | 8,996 |
| **Operating income (loss)** | 10,751 | (18,913) | 68,542 | (113,273) |
| Other (expense) income: | | | | |
| Interest expense, net | (36,669) | (43,886) | (76,568) | (87,167) |
| Foreign exchange gain (loss), net | 3,466 | 8,311 | (1,715) | 2,847 |
| Gain (loss) on sale of international businesses, net | 123 | (1,888) | 123 | 6,930 |
| Other income, net | 571 | 149 | 1,204 | 1,256 |
| **Total other expense, net** | (32,509) | (37,314) | (76,956) | (76,134) |
| Loss before income taxes | (21,758) | (56,227) | (8,414) | (189,407) |
| Provision for (benefit from) income taxes | 2,186 | (5,701) | (105,987) | (14,129) |
| **Net (loss) income** | (23,944) | (50,526) | 97,573 | (175,278) |
| Less: Net loss attributable to non-controlling interests | 11,948 | 33,624 | 5,498 | 110,495 |
| **Net (loss) income attributable to Amneal Pharmaceuticals, Inc.** | (11,996) | (16,902) | 103,071 | (64,783) |
| **Net (loss) income per share attributable to Amneal Pharmaceuticals, Inc.'s common stockholders:** | | | | |
| Class A and Class B-1 basic | $ (0.08) | $ (0.13) | $ 0.70 | $ (0.51) |
| Class A and Class B-1 diluted | $ (0.08) | $ (0.13) | $ 0.69 | $ (0.51) |
| Weighted-average common shares outstanding: | | | | |
| Class A and Class B-1 basic | 147,392 | 128,016 | 147,286 | 127,852 |
| Class A and Class B-1 diluted | 147,392 | 128,016 | 148,309 | 127,852 |

# Generics Operating Results

($ in thousands)

| Generics | Three Months Ended June 30, | |
|---|---|---|
| | 2020 | 2019 |
| **Net revenue – Generics** | $306,559 | $335,064 |
| Cost of goods sold | 218,909 | 263,423 |
| Cost of goods sold impairment charges | 759 | 3,012 |
| **Gross profit** | 86,891 | 68,629 |
| Selling, general, and administrative | 12,802 | 14,379 |
| Research and development | 40,316 | 45,448 |
| Charges related to legal matters | 3,050 | — |
| In-process research and development impairment charges | — | — |
| Intellectual property legal development expenses | 3,550 | 2,511 |
| Other operating expenses, net | 657 | 1,405 |
| **Operating income (loss)** | $ 26,516 | $ 4,886 |
| | | |
| Gross margin | 28.3 % | 20.5 % |
| Adjusted gross profit (Non-GAAP) [1] | $108,167 | $115,434 |
| Adjusted gross margin (Non-GAAP) [2] | 35.3 % | 34.5 % |
| Adjusted operating income (Non-GAAP) | $ 61,835 | $ 64,748 |

(1) Adjusted gross profit is calculated as net revenue less adjusted cost of goods sold.

(2) Adjusted gross margin is calculated as adjusted gross profit divided by net revenue.

# Specialty Operating Results

($ in thousands)

| Specialty | Three Months Ended June 30, | |
|---|---|---|
| | 2020 | 2019 |
| **Net revenue - Specialty:** | | |
| Rytary® | $ 38,389 | $ 33,000 |
| Unithroid® | 13,777 | 8,904 |
| Zomig® | 12,060 | 14,427 |
| All other specialty products | 30,030 | 13,247 |
| Total net revenue – Specialty | 94,256 | 69,578 |
| Cost of goods sold | 50,229 | 32,958 |
| **Gross profit** | 44,027 | 36,620 |
| Selling, general, and administrative | 16,870 | 16,150 |
| Research and development | 5,256 | 2,568 |
| (Gains) charges related to legal matters, net | (1,750) | — |
| Intellectual property legal development expenses | — | — |
| Other operating expenses, net | 82 | 1,366 |
| **Operating income** | $ 23,569 | $ 16,536 |
| | | |
| Gross margin | 46.7 % | 52.6 % |
| Adjusted gross profit (Non-GAAP) [1] | $ 69,472 | $ 56,780 |
| Adjusted gross margin (Non-GAAP) [2] | 73.7 % | 81.6 % |
| Adjusted operating income (Non-GAAP) | $ 49,798 | $ 39,312 |

(1) Adjusted gross profit is calculated as net revenue less adjusted cost of goods sold.

(2) Adjusted gross margin is calculated as adjusted gross profit divided by net revenue.

# AvKARE Operating Results

($ in thousands)

| AvKARE [1] | Three Months Ended June 30, 2020 | 2019 |
|---|---|---|
| **Net revenue - AvKARE [2]** | $ 63,847 | $ — |
| Cost of goods sold [2] | 50,528 | — |
| **Gross profit [2]** | 13,319 | — |
| Selling, general, and administrative | 15,647 | — |
| **Operating loss** | $ (2,328) | $ — |
| | | |
| Gross margin | 20.9 % | — % |
| Adjusted gross profit (Non-GAAP) [3] | $ 13,319 | $ — |
| Adjusted gross margin (Non-GAAP) [3] | 20.9 % | — % |
| Adjusted operating income (Non-GAAP) | $ 5,682 | $ — |

(1) The AvKARE segment includes the results of operations of AvKARE from January 31, 2020, the date of the acquisition, to June 30, 2020.

(2) AvKARE excludes net revenue, costs of goods sold and gross profit from sales of Amneal products through this distribution channel. These financial results are included in the Generics segment.

(3) There are no non-GAAP adjustments associated with gross profit and gross margin.

# Reconciliation of Net (Loss) Income to Adjusted Net Income and Calculation of Adjusted Diluted EPS

| ($) in thousands | Three months ended | | |
|---|---|---|---|
| | **June 30, 2020** | **June 30, 2019** | **March 31, 2020** |
| **Net (loss) income** | $ (23,944) | $ (50,526) | $ 121,517 |
| Adjusted to add (deduct): | | | |
| Non-cash interest | 1,998 | 1,617 | 1,866 |
| GAAP Income tax expense (benefit) | 2,186 | (5,701) | (108,173) |
| Amortization | 41,181 | 34,796 | 40,314 |
| Stock-based compensation expense | 5,663 | 6,224 | 4,539 |
| Acquisition and site closure expenses | 5,650 | 19,056 | 6,978 |
| Restructuring and other charges | 333 | 2,835 | 2,048 |
| Inventory related charges | 5,125 | 21,443 | — |
| Charges related to legal matters | 3,050 | — | 2,500 |
| Asset impairment charges | 2,299 | 4,408 | 2,475 |
| Amortization of upfront payment | — | — | — |
| Foreign exchange loss | (3,466) | (8,311) | 5,181 |
| (Gain) loss on sale of international businesses, net | (123) | 1,888 | — |
| R&D milestone payments | 6,841 | 5,614 | 2,000 |
| Other | 2,431 | 491 | (2,669) |
| Income tax at 21% | (10,969) | (7,104) | (17,005) |
| Net income attributable to NCI not associated with our Class B shares | (305) | (61) | (1,239) |
| **Adjusted net income (Non-GAAP)** | $ 37,950 | $ 26,669 | $ 60,332 |
| **Adjusted diluted EPS (Non-GAAP)** | $ 0.13 | $ 0.09 | $ 0.20 |

# Gross Debt and Net Debt to LTM Adjusted EBITDA

| ($) in thousands | Last Twelve Months | |
|---|---|---|
| | **June 30, 2020** | **December 31, 2019** |
| Current portion of long-term debt, net | 29,756 | 21,479 |
| Long-term debt, net | 2,764,578 | 2,609,046 |
| Cash and cash equivalents and restricted cash | 268,272 | 152,822 |
| Net debt | 2,526,062 | 2,477,703 |
| Adjusted EBITDA | | |
| Q1 2019 | - | 111,967 |
| Q2 2019 | - | 92,081 |
| Q3 2019 | 70,914 | 70,914 |
| Q4 2019 | 80,555 | 80,555 |
| Q1 2020 | 134,378 | - |
| Q2 2020 | 100,786 | - |
| LTM (last 12 months) | 386,633 | 355,517 |

# Reconciliation of Net (Loss) Income to EBITDA and Adjusted EBITDA

($) in thousands

| | Three months ended | | | | | |
|---|---|---|---|---|---|---|
| | **June 30, 2020** | **March 31, 2020** | **December 31, 2019** | **September 30, 2019** | **June 30, 2019** | **March 31, 2019** |
| **Net (loss) income** | $ (23,944) | $ 121,517 | $ (64,903) | $ (363,392) | $ (50,526) | $ (124,752) |
| Adjusted to add (deduct): | | | | | | |
| Interest expense, net | 36,669 | 39,899 | 38,829 | 42,209 | 43,886 | 43,281 |
| Income tax (benefit) expense | 2,186 | (108,173) | 7,792 | 389,668 | (5,701) | (8,428) |
| Depreciation and amortization | 58,072 | 58,083 | 54,303 | 53,358 | 50,706 | 48,868 |
| **EBITDA (Non-GAAP)** | $ 72,983 | $ 111,326 | $ 36,021 | $ 121,843 | $ 38,365 | $ (41,031) |
| Adjusted to add (deduct): | | | | | | |
| Gain from reduction of tax receivable agreement liability | $ — | $ — | $ — | $ (192,844) | $ — | $ — |
| Stock-based compensation expense | 5,663 | 4,539 | 5,013 | 6,095 | 6,224 | 4,347 |
| Acquisition and site closure expenses | 5,650 | 6,978 | 14,983 | 11,230 | 19,056 | 28,202 |
| Restructuring and other charges | 333 | 2,048 | 4,412 | 20,937 | 2,835 | 6,161 |
| Inventory related charges | 5,125 | — | 5,938 | (2,038) | 21,443 | 334 |
| Charges (gains) related to legal matters, net | 3,050 | 2,500 | (2,409) | 15,000 | — | — |
| Asset impairment charges | 2,299 | 2,475 | 14,655 | 79,547 | 4,408 | 76,600 |
| Amortization of upfront payment | — | — | — | 12,531 | — | 36,393 |
| Foreign exchange (gain) loss | (3,466) | 5,181 | (4,722) | — | (8,311) | 5,464 |
| (Gain) loss on sale of international businesses | (123) | — | (328) | — | 1,888 | (8,818) |
| R&D milestone payments | 6,841 | 2,000 | 6,650 | — | 5,614 | 4,315 |
| Other | 2,431 | (2,669) | 342 | (1,387) | 559 | — |
| **Adjusted EBITDA (Non-GAAP)** | $ 100,786 | $ 134,378 | $ 80,555 | $ 70,914 | $ 92,081 | $ 111,967 |

# Reconciliation of Generics Operating Income to Generics Adjusted Operating Income

| ($) in thousands | Three months ended | | |
|---|---|---|---|
| | **June 30, 2020** | **June 30, 2019** | **March 31, 2020** |
| **Operating income (loss)** | $ 26,516 | $ 4,886 | $ 81,837 |
| Adjusted to add (deduct): | | | |
| Acquisition and site closure expenses | 4,188 | 10,885 | 4,600 |
| Amortization | 10,521 | 14,636 | 10,650 |
| Inventory related charges | 4,630 | 21,443 | — |
| Stock-based compensation expense | 2,219 | 3,875 | 1,658 |
| Asset impairment charges | 2,299 | 3,059 | 2,475 |
| Restructuring and other charges | 332 | 418 | 46 |
| Charges related to legal matters | 3,050 | — | 2,500 |
| Amortization of upfront payment | — | — | — |
| R&D milestone payment | 6,841 | 5,614 | — |
| Other | 1,239 | (68) | (1,266) |
| **Adjusted operating income (Non-GAAP)** | $ 61,835 | $ 64,748 | $ 102,500 |

# Reconciliation of Cost of Goods Sold to Adjusted Cost of Goods Sold

| ($) in thousands | Three months ended | | |
|---|---|---|---|
| | **June 30, 2020** | **June 30, 2019** | **March 31, 2020** |
| **Cost of goods sold** | $ 319,666 | $ 296,381 | $ 313,578 |
| **Cost of goods sold impairment charges** | 759 | 3,012 | 1,456 |
| Adjusted to deduct (add): | | | |
| Amortization | 35,966 | 34,796 | 36,096 |
| Inventory related charges | 4,630 | 21,443 | — |
| Acquisition and site closure expenses | 2,540 | 6,969 | 3,032 |
| Asset impairment charges | 1,718 | 3,012 | 1,456 |
| Stock-based compensation expense | 1,085 | 813 | 976 |
| Amortization of upfront payment | — | — | — |
| Other | 782 | (68) | — |
| **Adjusted cost of goods sold (Non-GAAP)** | $ 273,704 | $ 232,428 | $ 273,474 |

# Reconciliation of Generics Cost of Goods Sold to Generics Adjusted Cost of Goods Sold

| ($) in thousands | Three months ended | | |
|---|---|---|---|
| | **June 30, 2020** | **June 30, 2019** | **March 31, 2020** |
| **Cost of goods sold** | $ 218,909 | $ 263,423 | $ 218,865 |
| **Cost of goods sold impairment charges** | 759 | 3,012 | 1,456 |
| Adjusted to deduct: | | | |
| Amortization | 10,521 | 14,636 | 10,650 |
| Inventory related charges | 4,630 | 21,443 | — |
| Acquisition and site closure expenses | 2,540 | 6,969 | 3,032 |
| Asset impairment charges | 1,718 | 3,012 | 1,456 |
| Stock-based compensation expense | 1,085 | 813 | 976 |
| Amortization of upfront payment | — | — | — |
| Other | 782 | (68) | — |
| **Adjusted cost of goods sold (Non-GAAP)** | $ 198,392 | $ 219,630 | $ 204,207 |

# Reconciliation of Specialty Operating Income to Specialty Adjusted Operating Income

| ($) in thousands | Three months ended | | |
|---|---|---|---|
| | June 30, 2020 | June 30, 2019 | March 31, 2020 |
| **Operating income** | $ 23,569 | $ 16,536 | $ 9,867 |
| Adjusted to add: | | | |
| Amortization | 25,445 | 20,159 | 25,446 |
| Acquisition and site closure expenses | 83 | 2,251 | — |
| Stock-based compensation expense | 717 | 366 | 609 |
| R&D milestone payment | — | — | 2,000 |
| Other | (16) | — | 1,385 |
| **Adjusted operating income (Non-GAAP)** | $ 49,798 | $ 39,312 | $ 39,307 |

# Reconciliation of Specialty Cost of Goods Sold to Specialty Adjusted Cost of Goods Sold

| ($) in thousands | Three months ended | | |
|---|---|---|---|
| | **June 30, 2020** | **June 30, 2019** | **March 31, 2020** |
| **Cost of goods sold** | $ 50,229 | $ 32,958 | $ 47,818 |
| Adjusted to deduct: | | | |
| Amortization | 25,445 | 20,160 | 25,446 |
| **Adjusted cost of goods sold (Non-GAAP)** | $ 24,784 | $ 12,798 | $ 22,372 |

# Reconciliation of Research and Development to Adjusted Research and Development

| ($) in thousands | Three months ended | | |
|---|---|---|---|
| | June 30, 2020 | June 30, 2019 | March 31, 2020 |
| **Research and development** | $ 45,572 | $ 48,016 | $ 36,379 |
| **IPR&D impairment charges** | — | — | 960 |
| **Intellectual property legal development expenses** | 3,550 | 2,511 | 1,270 |
| Adjusted to deduct: | | | |
| Stock-based compensation expense | 1,007 | 870 | 454 |
| Acquisition and site closure expenses | — | 1,609 | — |
| R&D milestone payments | 6,841 | 5,614 | 2,000 |
| Asset impairment charges | 343 | — | 960 |
| Other | 400 | — | 88 |
| **Adjusted research and development (Non-GAAP)** | $ 40,531 | $ 42,434 | $ 35,107 |

# Reconciliation of Selling, General & Administrative to Adjusted Selling, General, & Administrative

| ($) in thousands | Three months ended | | |
|---|---|---|---|
| | **June 30, 2020** | **June 30, 2019** | **March 31, 2020** |
| **Selling, general and administrative** | $ 80,944 | $ 67,281 | $ 77,976 |
| Adjusted to deduct (add): | | | |
| Amortization | 8,010 | — | 6,480 |
| Stock-based compensation expense | 3,571 | 4,539 | 3,109 |
| Acquisition and site closure expenses | 1,323 | 6,121 | 1,371 |
| Inventory related charges | 495 | — | — |
| Asset impairment charges | 237 | 1,397 | 58 |
| Other | 1,831 | — | (2,216) |
| **Adjusted selling, general and administrative (Non-GAAP)** | $ 65,477 | $ 55,224 | $ 69,174 |




We make healthy possible.