

1Q

18

Financial Results



Forward-Looking Statements

This presentation contains forward-looking information and statements, within the meaning of applicable securities laws (collectively, “forward-looking statements”), including, but not limited to, statements regarding Valeant’s future prospects and performance (including the Company’s revised 2018 full-year guidance), planned dermatology growth, anticipated revenue from our Significant Seven products, the expected impact on long-term growth of new product approvals (including approvals of the Significant Seven), the anticipated submission, approval and launch dates for certain of our pipeline products and R&D programs, the anticipated timing of commencement of studies or other development work of our pipeline products and R&D programs, the anticipated timing of the loss of exclusivity of certain of our products and the expected impact of such loss of exclusivity on our financial condition, the amount of anticipated marketing and R&D spend, anticipated reduction in working capital, anticipated reduction in cost of goods, the completion of the Company’s proposed name change and ticker symbol change, the timing of such change and the satisfaction of the customary conditions of the TSX and NYSE respecting such name change and ticker symbol change, the court approval of the settlement of SOLODYN® antitrust litigation, the scheduled redemption date for our 6.375% senior unsecured notes due 2020, management’s commitments and expected targets and our ability to achieve the action plan and expected targets in the periods anticipated, the Company’s mission (and the elements and timing thereof) and the Company’s plans and expectations for 2018 and beyond. Forward-looking statements may generally be identified by the use of the words “anticipates,” “expects,” “goals,” “intends,” “plans,” “should,” “could,” “would,” “may,” “will,” “believes,” “estimates,” “potential,” “target,” “commit,” “tracking,” or “continue” and variations or similar expressions. These forward-looking statements, including the Company’s 2018 full-year guidance and management’s commitments and expected targets for 2018 and beyond, are based upon the current expectations and beliefs of management and are provided for the purpose of providing additional information about such expectations and beliefs and readers

are cautioned that these statements may not be appropriate for other purposes. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results and events to differ materially from those described in these forward-looking statements. These risks and uncertainties include, but are not limited to, the risks and uncertainties discussed in the Company’s most recent annual and quarterly reports and detailed from time to time in the Company’s other filings with the Securities and Exchange Commission and the Canadian Securities Administrators, which risks and uncertainties are incorporated herein by reference. In addition, certain material factors and assumptions have been applied in making these forward-looking statements (including the Company’s 2018 full-year guidance and management’s commitments and expected targets for 2018 and beyond), including that the risks and uncertainties outlined above will not cause actual results or events to differ materially from those described in these forward-looking statements, and additional information regarding certain of these material factors and assumptions may also be found in the Company’s filings described above. The Company believes that the material factors and assumptions reflected in these forward-looking statements are reasonable, but readers are cautioned not to place undue reliance on any of these forward-looking statements. These forward-looking statements speak only as of the date hereof. Valeant undertakes no obligation to update any of these forward-looking statements to reflect events or circumstances after the date of this presentation or to reflect actual outcomes, unless required by law.

The guidance in this presentation is only effective as of the date given, May 8, 2018, and will not be updated or affirmed unless and until the Company publicly announces updated or affirmed guidance.



Non-GAAP Information

To supplement the financial measures prepared in accordance with U.S. generally accepted accounting principles (GAAP), the Company uses certain non-GAAP financial measures including (i) Adjusted EBITDA, (ii) Adjusted EBITA, (iii) EBITA, (iv) EBITA Margin, (v) Adjusted Selling A&P, (vi) Adjusted G&A, (vii) Adjusted SG&A, (viii) Total Adjusted Operating Expense, (ix) Adjusted Net Income, (x) Adjusted Tax Rate, (xi) Organic Revenue Growth/Organic Change and (xii) Constant Currency. Management uses some of these non-GAAP measures as key metrics in the evaluation of company performance and the consolidated financial results and, in part, in the determination of cash bonuses for its executive officers. The Company believes these non-GAAP measures are useful to investors in their assessment of our operating performance and the valuation of our Company. In addition, these non-GAAP measures address questions the Company routinely receives from analysts and investors and, in order to assure that all investors have access to similar data, the Company has determined that it is appropriate to make this data available to all investors.

However, these measures are not prepared in accordance with GAAP nor do they have any standardized meaning under GAAP. In addition, other companies may use similarly titled non-GAAP financial measures that are calculated differently from the way we calculate such measures. Accordingly, our non-GAAP financial measures may not be comparable to similar non-GAAP measures. We caution investors not to place undue reliance on such non-GAAP measures, but instead to consider them with the most directly comparable GAAP measures. Non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation. They should be considered as a supplement to, not a substitute for, or superior to, the corresponding measures calculated in accordance with GAAP.

The reconciliations of these historic non-GAAP measures to the most directly comparable financial measures calculated and presented in accordance with GAAP are shown in the appendix hereto. However, for guidance purposes, the Company does not provide reconciliations of projected Adjusted EBITDA (non-GAAP) to projected GAAP net income (loss), due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliations. In periods where significant acquisitions or divestitures are not expected, the Company believes it might have a basis for forecasting the GAAP equivalent for certain costs, such as amortization, that would otherwise be treated as a non-GAAP adjustment to calculate projected GAAP net income (loss). However, because other deductions (e.g., restructuring, gain or loss on extinguishment of debt and litigation and other matters) used to calculate projected net income (loss) may vary significantly based on actual events, the Company is not able to forecast on a GAAP basis with reasonable certainty all deductions needed in order to provide a GAAP calculation of projected net income (loss) at this time. The amounts of these deductions may be material and, therefore, could result in GAAP net income (loss) being materially different from (including materially less than) projected Adjusted EBITDA (non-GAAP).

Today's Topics

1.

Opening Remarks &
1Q18 Progress Highlights

2.

1Q18 Financial Results

3.

Updated FY 2018 Guidance

4.

Segment Highlights & 2018
Catalysts

Tangible Progress Toward Transformation

OUR MISSION:

Improve people's lives with our health care products.

STABILIZE
2016

TURNAROUND
2017-2018

TRANSFORM
2018+

- ✓ Resolving legacy issues and de-risking the balance sheet
- ✓ Investing in core franchises with attractive growth
- ✓ Launching new products with meaningful opportunities

“For the first time since 2015, the Company delivered overall organic revenue growth that tracked above expectations, and was driven by our Branded Rx and Bausch + Lomb/International segments.”

– Joseph C. Papa, Chairman and CEO

Highlights During 1Q18 Through Today

Executed on Core Businesses

- First quarter of overall organic revenue growth^{1,2} since 3Q15 for the Company
- ~76% of total revenue generated from B+L/International segment and Salix business, which saw 10% organic revenue growth^{1,2} during 1Q18 compared to 1Q17
- Top 10 products in aggregate across the Company during 1Q18 delivered >20% revenue growth compared to 1Q17
- Stabilization and growth seen in core businesses as a result of leadership changes; now managing for long-term success

Driving Growth with New Pipeline and Promoted Products

- Launches underway for VYZULTA™ and LUMIFY™ - two of the Significant Seven
- Launched RETIN-A MICRO® 0.06% with sales tracking above Company expectations
- Met with FDA to discuss clinical trials that evaluate new formulations and new indications for rifaxamin
- Positive results seen from refocusing on established products
 - ✓ Sales promotion restart for MIGRANAL®
 - ✓ Brand refocus for WELLBUTRIN XL®

Reduced Debt and Extended Maturities

- As of May 8, 2018, reduced total debt by approximately \$6.9 billion since the end of the first quarter of 2016³
- Repaid approximately \$280 million of debt with cash on hand in 1Q18
- Issued \$1.5 billion aggregate principal amount of 9.250% senior notes due 2026 on March 26, 2018; net proceeds, along with cash on hand, used to repurchase ~\$1.45 billion aggregate principal amount of outstanding Senior Notes due 2020 and 2021

1. See Slide 2 and Appendix for further non-GAAP information.

2. Organic growth, a non-GAAP metric, is defined as an increase on a year-over-year basis in revenues on a constant currency basis (if applicable) excluding the impact of divestitures and discontinuations.

3. Reflects the redemption of \$150M of outstanding 6.375% senior unsecured notes due 2020, using cash on hand, pursuant to the notice sent April 12, 2018. The redemption has not yet been completed, but is scheduled to be completed by May 14, 2018.

Resolved Legal Issues

Achieved dismissals or other positive outcomes in resolving and managing litigation and investigations in approximately 20 matters since Jan. 1, 2018

- ✓ UCERIS® arbitration was decided in favor of Valeant; and the tribunal ordered Cosmo to pay the entirety of Valeant's legal costs equal to \$3M
- ✓ Agreed to resolve the SOLODYN® antitrust litigations, with the class settlement being subject to final court approval
- ✓ Agreed to resolve California Department of Insurance matter relating to Philidor, with no finding or admission of any liability by Valeant
- ✓ Summary judgment granted that upheld validity of RELISTOR® Injection patent, U.S. Patent No. 8,552,025, preventing generic competition until 2024
- ✓ XIFAXAN® ANDA case: 90-day extension of the stay of the action and further extension of Actavis' 30-month stay on regulatory approval

Performance: Key 1Q18 Financial Highlights

		1Q18 Revenue (% Organic Growth Y/Y) ^{1,2,3}	1Q18 EBITA (non-GAAP) ²	
>	 Bausch + Lomb/International	\$1,103M 2%	\$297M	~76% of Valeant's Total Revenue is generated from the Bausch + Lomb/International Segment and the Salix Business, which saw 10% organic revenue growth ^{1,2} during 1Q18 compared to 1Q17
>	 Branded Rx	\$593M 8%	\$331M	+8% Branded Rx Organic Revenue Growth ^{1,2} Versus 1Q17 ³
>	 U.S. Diversified Products	\$299M (9%)	\$225M	+2% Bausch + Lomb/International Segment Organic Revenue Growth ^{1,2} Versus 1Q17 ³
	Total Company	\$1,995M 2%	\$832M Adj. EBITDA² (non-GAAP)	

1. Organic growth, a non-GAAP metric, is defined as an increase on a year-over-year basis in revenues on a constant currency basis (if applicable) excluding the impact of divestitures and discontinuations.

2. See Slide 2 and Appendix for further non-GAAP information.

3. Effective in the first quarter of 2018, revenues from the U.S. Solta business included in the U.S. Diversified Products segment in prior periods and revenues from the international Solta business included in the Bausch + Lomb/International segment in prior periods are presented in the Branded Rx segment. Prior period presentations of segment revenues have been conformed to the current segment reporting structure to allow investors to evaluate results between periods on a consistent basis. Global Solta revenue was \$29 million and \$23 million for the first quarters of 2018 and 2017, respectively.

Financial Results

	Three Months Ended		Favorable (Unfavorable)		
	3.31.18	3.31.17	Reported	Constant Currency ^{1,2}	Organic Change ^{1,3}
➤ Revenues	\$1,995M	\$2,109M	(5%)	(9%)	2%
➤ GAAP NI	(\$2,693M)	\$628M			
➤ Adj. NI (non-GAAP) ¹ ~353 Million Diluted Shares Outstanding	\$312M	\$273M	14%	11%	
➤ GAAP EPS	(\$7.68)	\$1.79			
➤ GAAP CF from Operations	\$438M	\$954M	(54%)		
➤ Gross Profit	\$1,422M	\$1,513M	(6%)	(9%)	0%
➤ Gross Margin	71%	72%			
➤ Adj. Selling, A&P (non-GAAP) ¹	\$451M	\$466M	3%	6%	
➤ Adj. G&A (non-GAAP) ¹	\$136M	\$185M	26%	28%	
➤ R&D	\$92M	\$96M	4%	5%	
➤ Total Adj. Operating Expense (non-GAAP) ¹	\$679M	\$747M	9%	12%	4%
➤ Adj. EBITA (non-GAAP) ¹	\$743M	\$766M	(3%)	(6%)	5%
➤ Adj. EBITDA (non-GAAP) ¹	\$832M	\$861M	(3%)	(5%)	4%

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Segment Results

Bausch + Lomb/International

+2%

**Bausch + Lomb/
International Segment
Organic Revenue Growth^{1,4}
Versus 1Q17**

	Three Months Ended		Favorable (Unfavorable)		
	3.31.18	3.31.17	Reported	Constant Currency ^{1,3}	Organic Change ^{1,4}
➤ Global Vision Care Revenue	\$195M	\$170M	15%	9%	9%
➤ Global Surgical Revenue ⁵	\$171M	\$154M	11%	3%	4%
➤ Global Consumer Revenue	\$330M	\$375M	(12%)	(17%)	0%
➤ Global Ophtho Rx Revenue	\$143M	\$143M	0%	(3%)	(3%)
➤ International Rx Revenue ^{2,5}	\$264M	\$292M	(10%)	(17%)	0%
➤ Total Segment Revenue	\$1,103M	\$1,134M	(3%)	(8%)	2%
➤ Gross Profit	\$669M	\$693M	(3%)	(9%)	1%
➤ <i>Gross Margin</i>	61%	61%			
➤ Selling, A&P	\$313M	\$299M	(5%)	0%	
➤ G&A	\$41M	\$47M	13%	17%	
➤ R&D	\$18M	\$21M	14%	19%	
➤ Total Operating Expense	\$372M	\$367M	(1%)	4%	(2%)
➤ EBITA (non-GAAP)¹	\$297M	\$326M	(9%)	(15%)	0%
➤ <i>EBITA Margin (non-GAAP)¹</i>	27%	29%			
➤ Revenue % of total	55%	54%			
➤ EBITA % (non-GAAP)¹ of total	40%	43%			

1. See Slide 2 and Appendix for further non-GAAP information.
2. Effective in the first quarter of 2018, revenues from the U.S. Solta business included in the U.S. Diversified Products segment in prior periods and revenues from the international Solta business included in the Bausch + Lomb/International segment in prior periods are presented in the Branded Rx segment. Prior period presentations of segment results have been conformed to the current segment reporting structure to allow investors to evaluate results between periods on a consistent basis. Global Solta revenue was \$29 million and \$23 million for the first quarters of 2018 and 2017, respectively.
3. See Appendix for further information on the use and calculation of constant currency.
4. Organic growth, a non-GAAP metric, is defined as an increase on a year-over-year basis in revenues on a constant currency basis (if applicable) excluding the impact of divestitures and discontinuations.
5. As of the third quarter of 2017, SYNOCROM® was removed from the Global Surgical business unit and added to the International Rx business unit. Revenues were \$1.5M and \$2.9M for the first quarter of 2018 and 2017, respectively. This change was made as management believes the products better align with the International Rx business unit. Prior period presentations of business unit results have been conformed to the current business unit reporting structure to allow investors to evaluate results between periods on a consistent basis.

	Three Months Ended		Favorable (Unfavorable)		
	3.31.18	3.31.17	Reported	Constant Currency ^{1,3}	Organic Change ^{1,4}
➤ Salix Revenue	\$422M	\$302M	40%	40%	40%
➤ Ortho Dermatologics Revenue ⁵	\$112M	\$194M	(42%)	(42%)	(42%)
➤ Dentistry Revenue	\$30M	\$28M	7%	7%	11%
➤ Global Solta Revenue ²	\$29M	\$23M	22%	18%	18%
➤ Other Revenue ⁶	\$0M	\$82M			
➤ Total Segment Revenue	\$593M	\$629M	(6%)	(6%)	8%
➤ Gross Profit	\$503M	\$522M	(4%)	(4%)	7%
➤ <i>Gross Margin</i>	<i>85%</i>	<i>83%</i>			
➤ Selling, A&P	\$126M	\$147M	14%	14%	
➤ G&A	\$29M	\$29M	0%	0%	
➤ R&D	\$17M	\$16M	(6%)	(6%)	
➤ Total Operating Expense	\$172M	\$192M	10%	10%	(4%)
➤ EBITA (non-GAAP)¹	\$331M	\$330M	0%	0%	9%
➤ <i>EBITA Margin (non-GAAP)¹</i>	<i>56%</i>	<i>52%</i>			
➤ Revenue % of total	30%	30%			
➤ EBITA % (non-GAAP)¹ of total	45%	43%			

+40%

Salix Organic Revenue Growth^{1,4} Versus 1Q17

+18%

Global Solta Organic Revenue Growth^{1,4} versus 1Q17

1. See Slide 2 and Appendix for further non-GAAP information.

2. Effective in the first quarter of 2018, revenues from the U.S. Solta business included in the U.S. Diversified Products segment in prior periods and revenues from the international Solta business included in the Bausch + Lomb/International segment in prior periods are presented in the Branded Rx segment. Prior period presentations of segment results have been conformed to the current segment reporting structure to allow investors to evaluate results between periods on a consistent basis. Global Solta revenue was \$29 million and \$23 million for the first quarters of 2018 and 2017, respectively.

3. See Appendix for further information on the use and calculation of constant currency.

4. Organic growth, a non-GAAP metric, is defined as an increase on a year-over-year basis in revenues on a constant currency basis (if applicable) excluding the impact of divestitures and discontinuations.

5. As of the first quarter of 2018, Dermatrix and Obagi Tretinoin were removed from the Other business unit in the U.S. Diversified Products segment and added to the Ortho Dermatologics business unit in Branded Rx. Revenues for these two products were \$0.4M and \$1.8M for the first quarter of 2018 and 2017, respectively. This change was made as management believes the products better align with the Ortho Dermatologics business unit. Prior period presentations of segment and business unit results have been conformed to current segment and business unit reporting structures to allow investors to evaluate results between periods on a consistent basis.

6. Divested business.

Segment Results

U.S. Diversified Products

	Three Months Ended		Favorable (Unfavorable)		
	3.31.18	3.31.17	Reported	Constant Currency ^{1,3}	Organic Change ^{1,4}
➤ Neuro & Other Revenue	\$209M	\$243M	(14%)	(14%)	(14%)
➤ Generics Revenue	\$90M	\$85M	6%	6%	6%
➤ Other Revenue ^{5,6}	\$0M	\$18M			
➤ Total Segment Revenue ²	\$299M	\$346M	(14%)	(14%)	(9%)
➤ Gross Profit	\$250M	\$297M	(16%)	(16%)	(12%)
➤ Gross Margin	84%	86%			
➤ Selling, A&P	\$12M	\$19M	37%	37%	
➤ G&A	\$9M	\$11M	18%	18%	
➤ R&D	\$4M	\$1M			
➤ Total Operating Expense	\$25M	\$31M	19%	19%	(47%)
➤ EBITA (non-GAAP) ¹	\$225M	\$266M	(15%)	(15%)	(15%)
➤ EBITA Margin (non-GAAP) ¹	75%	77%			
➤ Revenue % of total	15%	16%			
➤ EBITA % (non-GAAP) ¹ of total	30%	35%			

1. See Slide 2 and Appendix for further non-GAAP information.

2. Effective in the first quarter of 2018, revenues from the U.S. Solta business included in the U.S. Diversified Products segment in prior periods and revenues from the international Solta business included in the Bausch + Lomb/International segment in prior periods are presented in the Branded Rx segment. Prior period presentations of segment results have been conformed to the current segment reporting structure to allow investors to evaluate results between periods on a consistent basis. Global Solta revenue was \$29 million and \$23 million for the first quarters of 2018 and 2017, respectively.

3. See Appendix for further information on the use and calculation of constant currency.

4. Organic growth, a non-GAAP metric, is defined as an increase on a year-over-year basis in revenues on a constant currency basis (if applicable) excluding the impact of divestitures and discontinuations.

5. As of the first quarter of 2018, Dermatix and Obagi Tretinoin were removed from the Other business unit in the Diversified Segment and added to the Ortho Dermatologics business unit in Branded Rx. Revenues for these two products were \$0.4M and \$1.8M for the first quarter of 2018 and 2017, respectively. This change was made as management believes the products better align with the Ortho Dermatologics business unit. Prior period presentations of segment and business unit results have been conformed to current segment and business unit reporting structure to allow investors to evaluate results between periods on a consistent basis.

6. Divested business.

Balance Sheet Summary

	As of 3.31.18	As of 12.31.17	As of 9.30.17	As of 6.30.17	As of 3.31.17
➤ Cash, cash equivalents, and restricted cash	\$909M	\$797M	\$1,969M	\$2,025M	\$1,210M
➤ Revolving credit drawn	\$250M	\$250M	\$425M	\$525M	\$525M
➤ Senior Secured Debt ²	\$8,565M	\$8,771M	\$9,475M	\$10,385M	\$10,605M
➤ Senior Unsecured Debt ²	\$17,002M	\$16,981M	\$17,951M	\$18,393M	\$18,275M
➤ Total Debt ²	\$25,567M	\$25,752M	\$27,426M	\$28,778M	\$28,880M
➤ TTM ³ Adj. EBITDA (non-GAAP) ^{1,4}	\$3,609M	\$3,638M	\$3,808M	\$4,023M	\$4,158M

1. See Slide 2 and Appendix for further non-GAAP information.

2. Debt balances shown at principal value.

3. Trailing Twelve Months.

4. The non-GAAP measures for historic periods are calculated using the former methodologies used as of that date. See Appendix for a presentation of the non-GAAP measures on the same basis for all periods presented and further information on the changes to the methodologies.

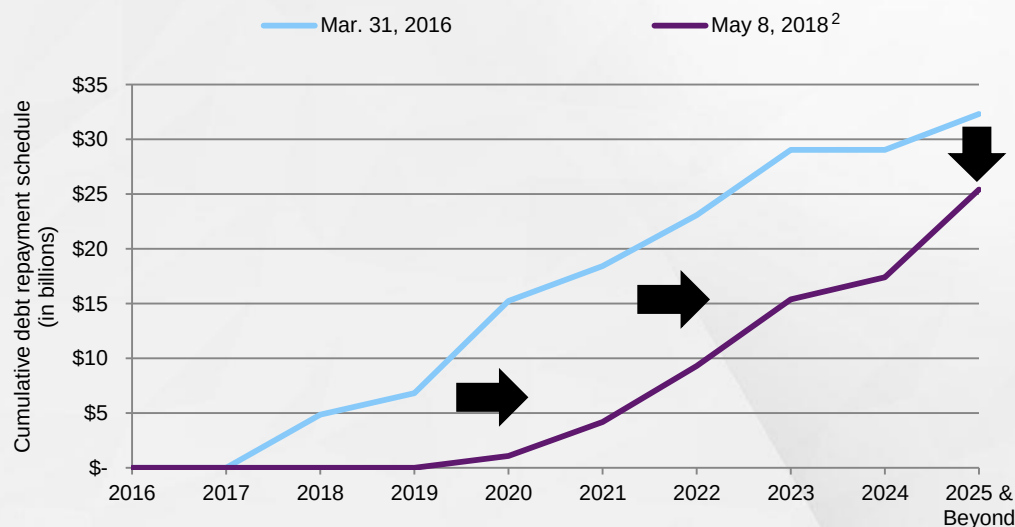
Reduced Debt and Extended Maturities

Long-Term Debt Maturity Profile as of May 8, 2018^{1,2}

	2018	2019	2020	2021	2022	2023	2024 and beyond	Total
➤ Debt Maturities	\$0	\$0	\$1,087M	\$3,103M	\$5,115M	\$6,098M	\$10,012M	\$25,415M
➤ Mandatory Amortization	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
➤ Total	\$0	\$0	\$1,087M	\$3,103M	\$5,115M	\$6,098M	\$10,012M	\$25,415M

✓ Repaid ~\$280M of debt with cash on hand during 1Q18

Reduced Debt and Extended Maturities¹



Cash Flow Summary

	Three Months Ended 3.31.18	Three Months Ended 3.31.17
➤ Net income (loss) ¹	(\$2,691M)	\$629M
➤ <i>Net cash provided by operating activities</i>	\$438M	\$954M
➤ <i>Net cash provided by (used in) investing activities</i>	(\$48M)	\$1,148M
➤ <i>Net cash (used in) provided by financing activities</i>	(\$288M)	(\$1,442M)
➤ Net (decrease) increase in cash, cash equivalents and restricted cash	\$112M	\$668M
➤ Cash, cash equivalents, and restricted cash at end of period	\$909M	\$1,210M

Generated **\$438 million in cash flow from operations** in 1Q18, which was above expectations due to reductions in working capital and despite settlement payments of \$170 million for certain legacy legal matters

Operating cash flow in 1Q17 included a one-time cash receipt attributed to fulfillment agreement with Walgreens

Raised Full-Year 2018 Revenue and Adjusted EBITDA (non-GAAP)¹ Guidance

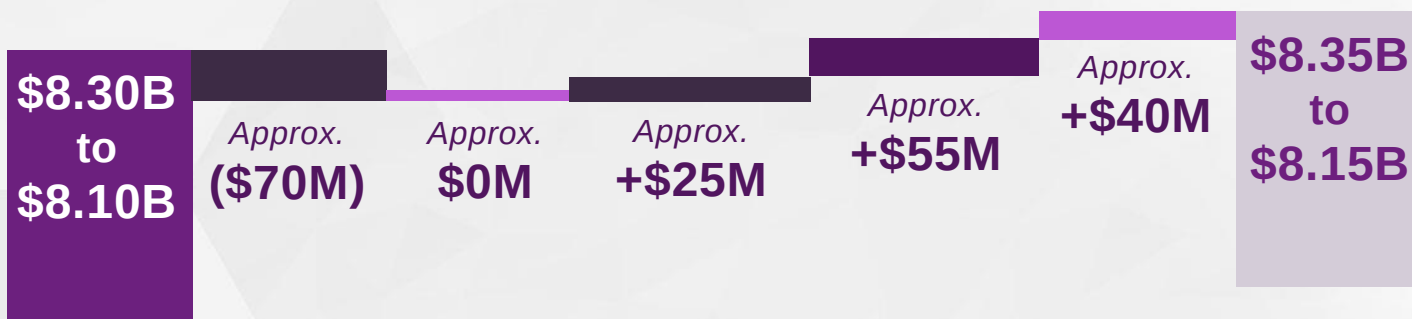
	Prior Guidance (February 2018)	Current Guidance (May 2018)
➤ Total Revenues	\$8.10B - \$8.30B	\$8.15B - \$8.35B
➤ Adjusted EBITDA (non-GAAP) ¹	\$3.05B - \$3.20B	\$3.15B - \$3.30B

Key Assumptions	Prior Guidance (February 2018)	Current Guidance (May 2018)
➤ Adj. SG&A Expense (non-GAAP) ¹	~\$2.50B	~\$2.50B
➤ R&D Expense	~\$425M	~\$425M
➤ Interest Expense ²	~\$1.65B	~\$1.68B
➤ Adj. Tax Rate (non-GAAP) ¹	~13%	~13%
➤ Avg. Fully Diluted Share Count	~355M	~355M
➤ NON-CASH ADJUSTMENTS INCLUDED ABOVE		
➤ Depreciation	~\$180M	~\$180M
➤ Stock-Based Compensation	~\$80M	~\$90M
➤ ADDITIONAL CASH ITEM ASSUMPTIONS		
➤ Capital Expenditures	~\$250M	~\$250M
➤ Contingent Consideration / Milestones	~\$140M	~\$140M
➤ Restructuring and Other	~\$250M	~\$250M

Raised Full-Year 2018 Revenue and Adjusted EBITDA (non-GAAP)¹ Guidance Bridge

2018 Feb. Guidance	Currency Impact	LOE Date Changes	LOE Performance (excluding APRISO®, UCERIS®, ZEGERID®)	APRISO®, UCERIS® and ZEGERID®	Base Performance	2018 May Guidance
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Revenue



Raised 2018 Full-Year Revenue and Adj. EBITDA (non-GAAP)¹ Guidance Ranges

2018 Feb. Guidance	Currency Impact	LOE Date Changes	LOE Performance (excluding APRISO®, UCERIS®, ZEGERID®)	APRISO®, UCERIS® and ZEGERID®	Base Performance and Operational Efficiency	2018 May Guidance
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Adj. EBITDA (non-GAAP)¹

Adj. EBITDA (non-GAAP)¹



Bausch + Lomb/International Update⁶

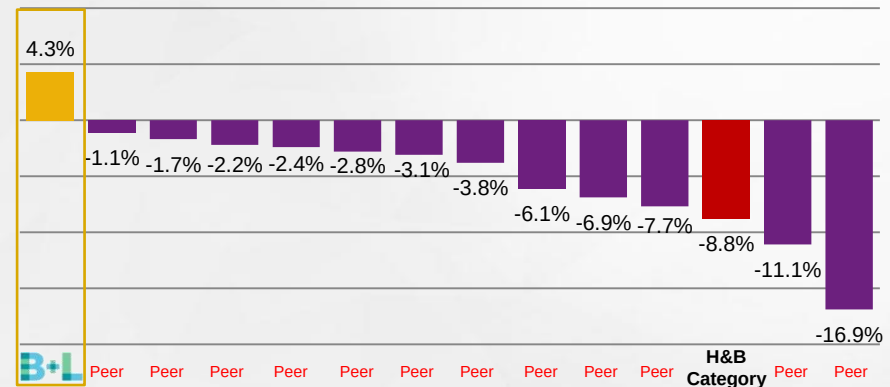
BAUSCH + LOMB

1Q18 Revenues	4Q17 Revenues	3Q17 Revenues	2Q17 Revenues	1Q17 Revenues
\$1,103M	\$1,203M	\$1,235M	\$1,223M	\$1,134M

Key Highlights

- 2% organic revenue growth^{1,2} versus 1Q17, driven by strong growth in Global Vision Care and Global Surgical
- 15% organic revenue growth^{1,2} in the aggregate in China compared to 1Q17
- Global Vision Care organic revenue growth^{1,2} of 9% compared to 1Q17
 - ✓ Biotrue® ONEday lenses was the fastest growing brand family in the U.S. during 1Q18⁴
 - ✓ FDA Approval: Extended wear indication for ULTRA®
- Strong U.S. Consumer Growth
 - ✓ Industry leading consumption, up 4.3% across all products in 1Q18, led by >20% growth in PreserVision® and Soothe®
 - ✓ Growing presence on e-commerce with Amazon, up 44% in 1Q18 compared to 1Q17
- Significant Seven Launches:** VYZULTA™, LUMIFY™, SiHy Daily⁵ (4Q18 expected in certain regions)
- FDA Submission:** Loteprednol Gel 0.38%

1Q18 Top U.S. Consumer Health Care Companies Consumption³



LUMIFY™ - Launched

BAUSCH + LOMB



Example of Shelf Set

- ✓ Just launched LUMIFY™ (brimonidine tartrate ophthalmic solution 0.025%), the first and only over-the-counter (“OTC”) eye drop with low-dose brimonidine tartrate for the treatment of eye redness
- ✓ In clinical trials, LUMIFY™ eye drops demonstrated a strong safety profile, efficacy within one minute and up to eight hours of redness reduction
- ✓ Available for purchase in May 2018 at major retailers nationwide, including Walgreens, CVS, Rite Aid, Walmart, Target, and Amazon

Salix¹ Update

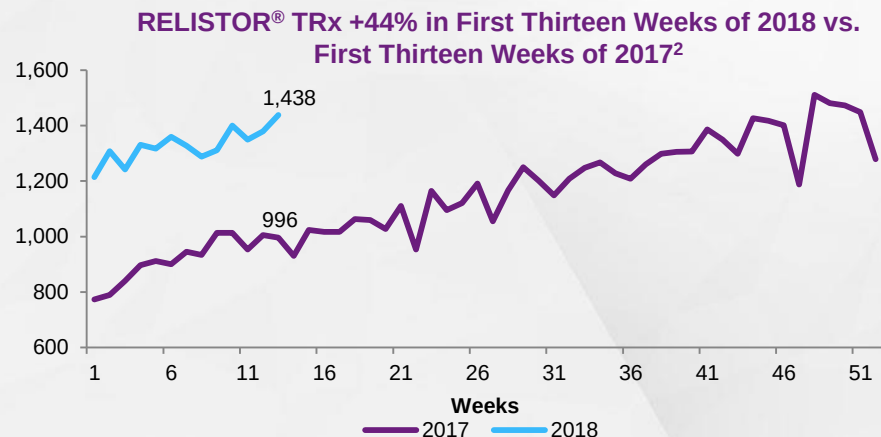
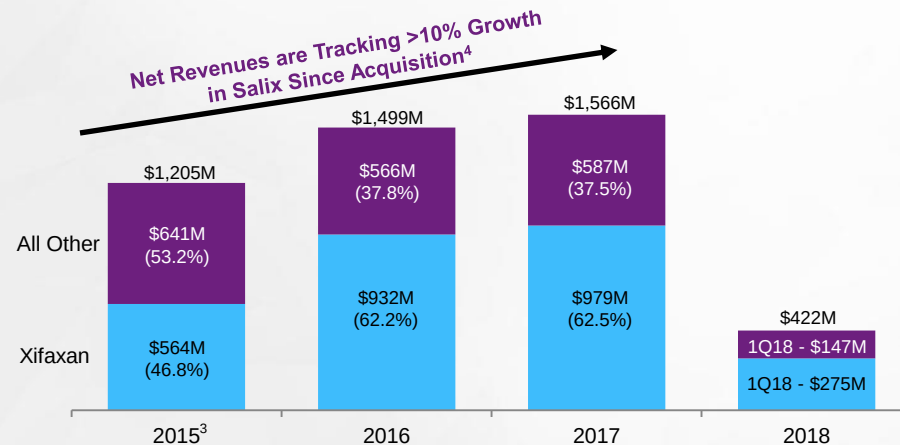
1Q18 Revenues	4Q17 Revenues	3Q17 Revenues	2Q17 Revenues	1Q17 Revenues
\$422M	\$425M	\$452M	\$387M	\$302M

Key Financial Highlights

- 40% revenue growth in 1Q18 compared to 1Q17, driven by improved operational effectiveness and investment in sales force
 - ✓ 49% XIFAXAN[®] revenue growth in 1Q18 compared to 1Q17
 - ✓ 54% RELISTOR[®] franchise revenue growth in 1Q18 compared to 1Q17
 - ✓ 31% APRISO[®] revenue growth and 27% UCERIS[®] franchise revenue growth in 1Q18 compared to 1Q17
- FDA approved PLENVU[®] (3Q18 expected launch)

Investments Paying off

- **Stability:** Decline in turnover year-over-year within the sales force
- **Sales Force Expansion:** Resulting in strong growth in Primary Care and Pain Management
- **Channel Mix:** Revision of contractual terms in non-retail channels



XIFAXAN¹ Update

Achieved Blockbuster status with >\$1B in sales during 1Q18

Highlights

- ✓ 7% TRx unit volume growth in 1Q18 compared to 1Q17

Key Drivers

- ✓ Primary Care investment paying off
- ✓ Proactive steps to address patient deductibles

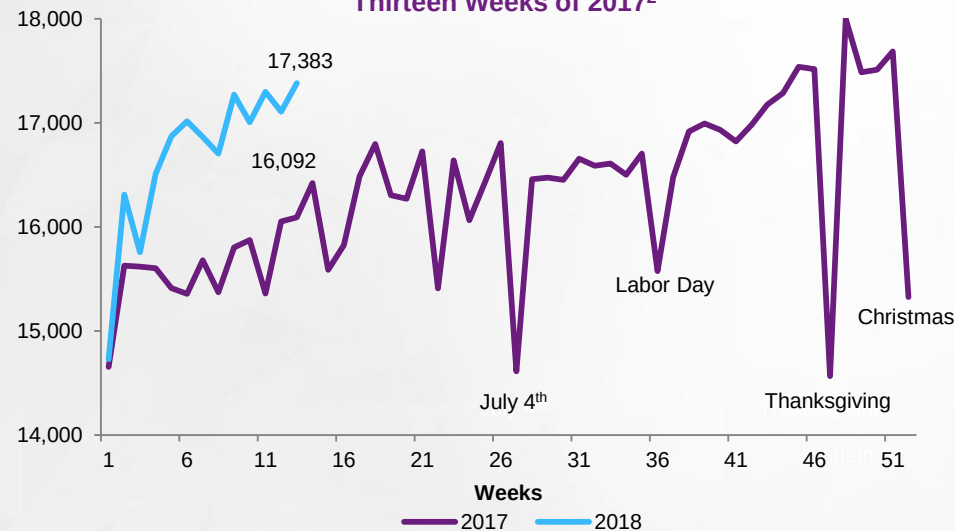
Market Share

- ✓ Gained market share from competitors by growing NRx market share, up from 77% to 81%
- ✓ NRx share growth (+20 pts) continues in Primary Care as a result of sales force expansion

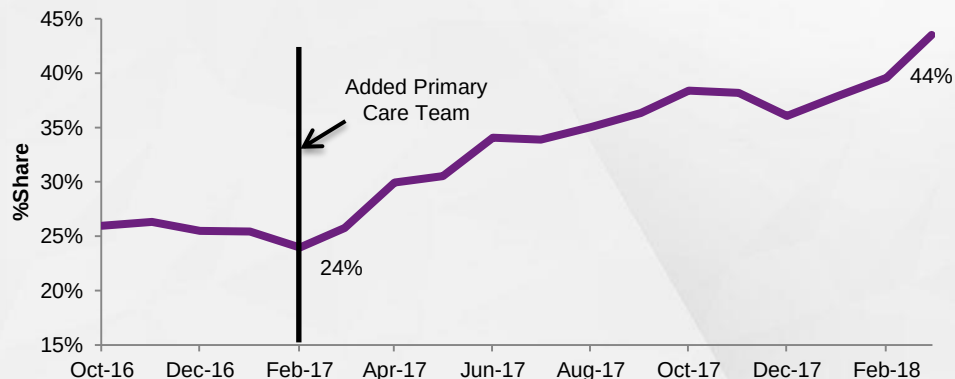
Pipeline Update

- ✓ Met with FDA to discuss clinical trials that evaluate new formulations and new indications for rifaxamin

XIFAXAN® TRx +7% in First Thirteen Weeks of 2018 vs. First Thirteen Weeks of 2017²



XIFAXAN® IBS-D NRx Share in Primary Care³



Ortho Dermatologics^{1,4} Update

1Q18 Revenues	4Q17 Revenues	3Q17 Revenues	2Q17 Revenues	1Q17 Revenues
\$112M	\$136M	\$151M	\$132M	\$194M

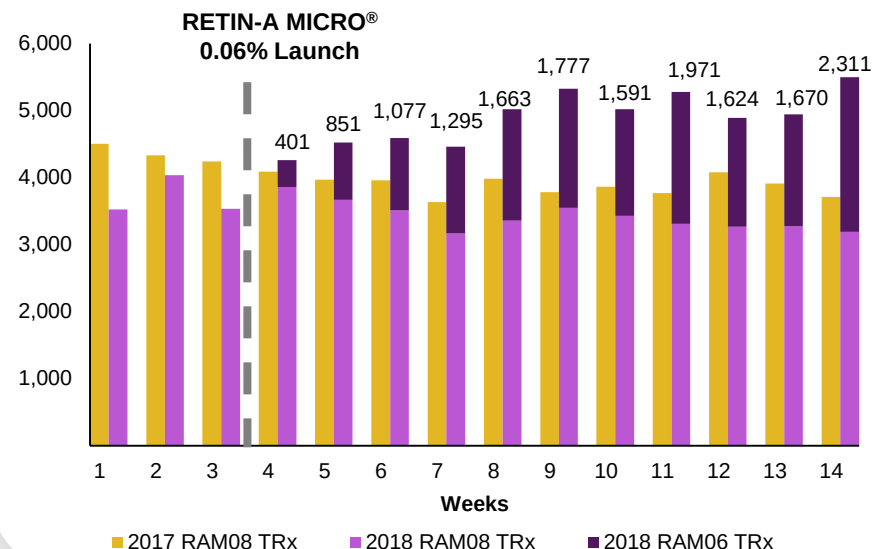
Expanded SILIQ™ Launch

- Expanded launch for SILIQ™ following successful REMS³ certification
 - ✓ >2,500 doctors and including >50% of target prescribers
- First and only IL-17 receptor A blocker resonating with physicians
- Physicians impressed with fast response and high percentage of patients reaching complete clearance

Launched RETIN-A MICRO® 0.06%

- Sales tracking above Company expectations

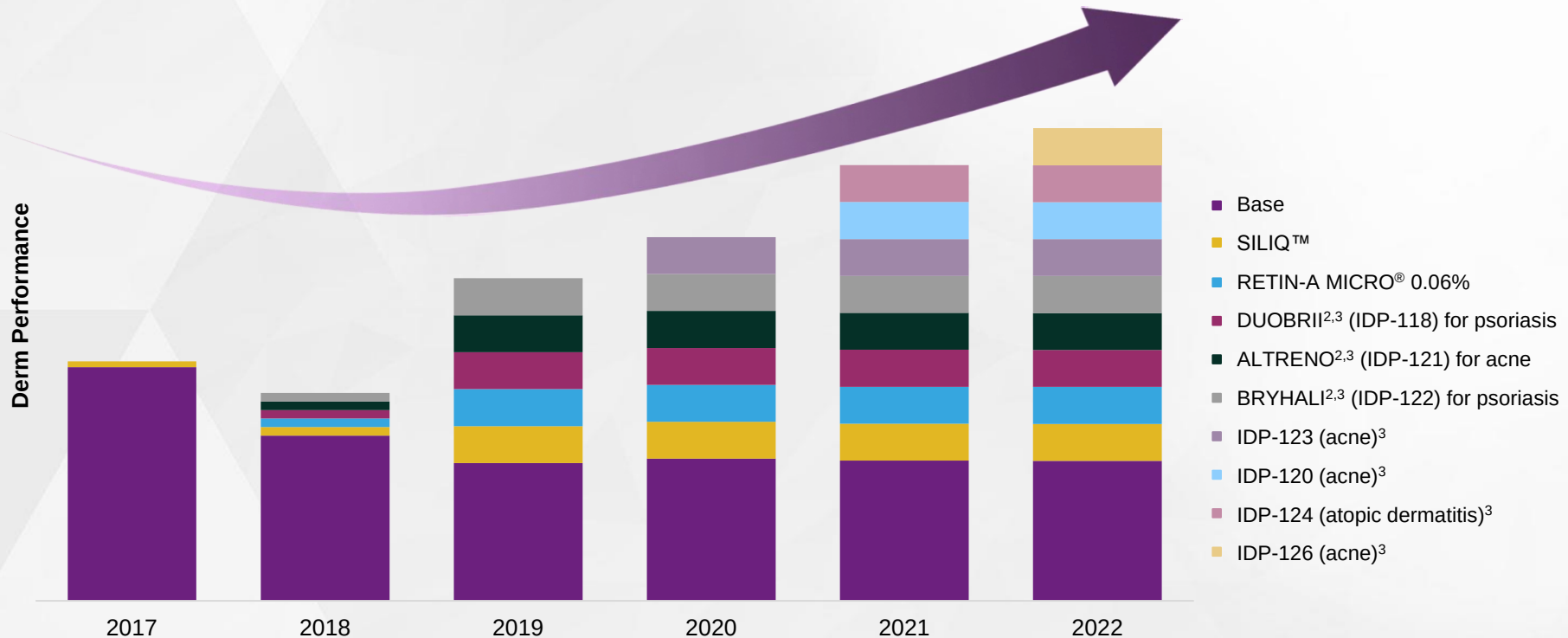
RETIN-A MICRO® Franchise TRx 2018 vs. 2017²



1. Reported within Branded Rx segment.
 2. IQVIA Rx Weekly (NPA).
 3. Risk Evaluation and Mitigation Strategy.

4. As of the first quarter of 2018, Dermatrix and Obagi Tretinoin were removed from the Other business unit in the Diversified Segment and added to the Ortho Dermatologics business unit in Branded Rx. Revenues for these two products were \$0.4M and \$1.8M for the first quarter of 2018 and 2017, respectively. This change was made as management believes the products better align with the Ortho Dermatologics business unit. Prior period presentations of business unit results have been conformed to current business unit reporting structure to allow investors to evaluate results between periods on a consistent basis.

Potential to Double Derm^{1,4}



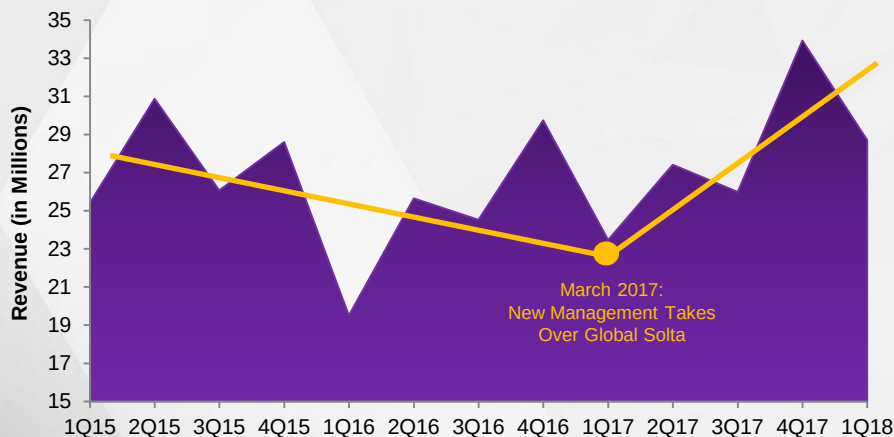
- **Advancing to Phase 3:** Completed Phase 2 studies for IDP-120, a topical treatment for acne that contains a fixed dose combination of tretinoin and benzoyl peroxide gel; Phase 3 studies are expected to begin in the second half of 2018
- **Publication in *The Journal of the American Academy of Dermatology*:** Pivotal efficacy and safety data for DUOBRII^{2,3}

Revived Businesses Drive Growth

Global Solta

- 18% organic revenue growth^{1,2} in 1Q18 versus 1Q17
- Global expansion into Asia Pacific, Europe, and Middle East providing strong performance for the existing portfolio
 - ✓ Strong growth seen in Taiwan, Korea, and China
- **Promoted Products:** Thermage®, Fraxel®, and Clear + Brilliant®

Global Solta Performance



Neuro & Other

- Brand refocus for WELLBUTRIN XL®
 - ✓ Sales team expansion and initiation of Telesales program
- Sales promotion restart for MIGRANAL®
 - ✓ New message platform and expansion of Telesales program

MIGRANAL®/MIGRANAL® AG TRx +29% in First Thirteen Weeks of 2018 vs. First Thirteen Weeks of 2017³



Significant Seven

New Product Approvals Expected to Drive Long-Term Growth¹



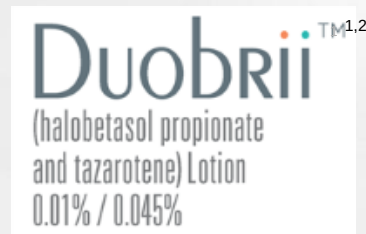
RELISTOR®
(methylnatrexone bromide)

Launched September 2016



VYZULTA™
(latanoprostene bunod
ophthalmic solution)

Launched December 2017



PDUFA Date: June 18, 2018

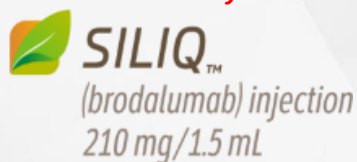


Expected Launch Date: 4Q18³

<\$100M

in annualized revenues today

Launched July 2017



Launched May 2018



PDUFA Date: Oct. 5, 2018

**BRYHALI™^{1,2}
(IDP-122)**

>\$1B

expected
annualized peak
total revenues
over the next
5 years

Management Commitments and Expected Targets

Commitment	Action Plan and Expected Targets
Ortho Dermatologics	 ✓ Double Revenue Over the Next 5 Years
Significant Seven	 ✓ Generate Annualized Revenues of >\$1B Over the Next 5 Years
Address Debt	 ✓ Prioritize the Use of Cash Flow to Reduce Debt ✓ Continue to Address Capital Structure Through Opportunistic Capital Markets Transactions
Operational Efficiency	 ✓ Take ~\$200M Out of COGS Over the Next 5 Years ✓ Reduce ~\$100M Out of Working Capital Over the Next 5 Years
Focus on R&D	 ✓ Increase R&D Spend By >15% in 2018 Compared to 2017

Bausch Health Companies Inc.

NYSE/TSX: BHC (beginning July 2018)¹

“Becoming Bausch Health Companies is a major step forward in our transformation, and we believe this name more accurately represents the full scope of the Company today – a leader in the development and manufacture of a wide range of pharmaceutical, medical device and over-the-counter products, primarily in the therapeutic areas of eye health, gastroenterology and dermatology.”

– Joseph C. Papa, Chairman and CEO



Appendix

Key Product LOE / Divestiture 2018 Impact (Current Forecast vs. Prior Year)

Business Unit	Product Line with Actual or Anticipated LOE/Divestiture Date ¹	LOE/Divested Rev/Profit 2017 Actual		LOE/Divested Rev/Profit 2018 Current Forecast		Change 2017 vs 2018 Current Forecast	
		Revenue	Profit	Revenue	Profit	Revenue	Profit
Optho Rx	- Lotemax® 2018 (anticipated) - Istalol® 4Q17	\$117M	\$112M	\$60M	\$58M	(\$57M)	(\$54M)
Int'l	- Glumetza® 1Q17 - Wellbutrin® XL add't Gx Sept '16 - Sublinox® add't Gx Jan 2017 - Benzaclin® 1Q18	\$45M	\$35M	\$29M	\$24M	(\$16M)	(\$11M)
BAUSCH + LOMB / INTERNATIONAL		\$162M	\$147M	\$89M	\$82M	(\$73M)	(\$65M)
Salix	- Zegerid® add't US Gx 2017 - Apriso® (2H18-2H19) not date certain - Uceris® (2H18-2H19) not date certain	\$301M	\$224M	\$292M	\$217M	(\$9M)	(\$7M)
Derm	- Acanya® 3Q18 - Locoid® Lotion 1Q18 - Solodyn® (2 of 5 doses) 1Q18	\$90M	\$84M	\$34M	\$31M	(\$56M)	(\$53M)
BRANDED Rx		\$391M	\$308M	\$326M	\$248M	(\$65M)	(\$60M)
Neuro & Other	- Nitropress® Dec 2016 - Ammonul® 1Q16 - Edecrin® 3Q16 - Bupap® 1Q17 - Xenazine® Gx and brand competition 2Q17 - Virazole® Dec 2016 - Mephyton® 2018 (anticipated) - Syprine® 1Q18 - Isuprel® Q317 - Cuprimine® (2H18-2H19) not date certain	\$454M	\$407M	\$202M	\$180M	(\$252M)	(\$227M)
U.S. DIVERSIFIED Products		\$454M	\$407M	\$202M	\$180M	(\$252M)	(\$227M)
OPEX CUTS					\$15M		\$15M
OVERALL COMPANY		\$1,007M	\$862M	\$617M	\$525M	(\$390M)	(\$337M)

Key Product LOE / Divestiture 2018 Impact

(Current and Prior Forecast Assume Same LOE Dates)

Business Unit	Product Line with Actual or Anticipated LOE/Divestiture Date ¹	LOE/Divested Rev/Profit 2018 Prior Forecast		LOE/Divested Rev/Profit 2018 Current Forecast		Change Prior vs Current Forecast	
		Revenue	Profit	Revenue	Profit	Revenue	Profit
Optho Rx	- Lotemax® 2018 (anticipated) - Istalol® 4Q17	\$59M	\$56M	\$60M	\$58M	\$1M	\$2M
Int'l	- Glumetza® 1Q17 - Wellbutrin® XL add't Gx Sept '16 - Sublinox® add't Gx Jan 2017 - Benzaclin® 1Q18	\$28M	\$23M	\$29M	\$24M	\$1M	\$1M
BAUSCH + LOMB / INTERNATIONAL		\$87M	\$79M	\$89M	\$82M	\$2M	\$3M
Salix	- Zegerid® add't US Gx 2017 - Apriso® (2H18-2H19) not date certain - Uceris® (2H18-2H19) not date certain	\$234M	\$177M	\$292M	\$217M	\$58M	\$40M
Derm	- Acanya® 3Q18 - Locoid® Lotion 1Q18 - Solodyn® (2 of 5 doses) 1Q18	\$40M	\$36M	\$34M	\$31M	(\$6M)	(\$5M)
BRANDED Rx		\$274M	\$213M	\$326M	\$248M	\$52M	\$35M
Neuro & Other	- Nitropress® Dec 2016 - Ammonul® 1Q16 - Edecrin® 3Q16 - Bupap® 1Q17 - Xenazine® Gx and brand competition 2Q17 - Virazole® Dec 2016 - Mephyton® 2018 (anticipated) - Syprine® 1Q18 - Isuprel® Q317 - Cuprimine® (2H18-2H19) not date certain	\$176M	\$155M	\$202M	\$180M	\$26M	\$25M
U.S. DIVERSIFIED Products		\$176M	\$155M	\$202M	\$180M	\$26M	\$25M
OPEX CUTS			\$15M		\$15M		-
OVERALL COMPANY		\$537M	\$462M	\$617M	\$525M	\$80M	\$63M

Making Progress in Innovation



Late Phase

- New XIFAXAN® formulation (new indication) In Process – 4Q17
- IDP-123 (Acne) Initiated Phase 3 – H2 2017
- IDP-126 (Acne Combination) Initiated Phase 2 – H2 2017
- Loteprednol Gel 0.38% (Ocular Inflammation) Submitted – 2Q18
- New Material (Ophthalmic Viscosurgical Device); Initiated IDE Study – H1 2018
- enVista® Trifocal (Intraocular Lens) IDE – H1 2018 expected
- IDP-120 (Acne) Initiate Phase 3 – H2 2018 expected

2018 and Beyond³

- SILIQ™ – 3Q17
- Vitesse®² vitreous cutter – 4Q17
- Thermage®² FLX System – 4Q17
- VYZULTA™ – 4Q17
- Bausch + Lomb ULTRA® contact lenses extended wear Indication – Approved May 2018
- LUMIFY™ – 2Q18
- DUOBRII™¹ (IDP-118 Psoriasis) – PDUFA date June 18, 2018
- ALTRENO™¹ (IDP-121 Acne Lotion) – PDUFA date Aug. 27, 2018
- PLENVU®¹ (NER1006) (GI) – 3Q18 expected
- BRYHALI™¹ (IDP-122 Psoriasis) – PDUFA date Oct. 5, 2018
- SiHy Daily – 4Q18 expected in certain regions

Divestitures and Discontinuations included in 2017 Financials

Divestiture	Date Closed	Revenue	Adjusted EBITDA (non-GAAP) ¹
Sprout	Dec. 20, 2017	~\$5M	~(\$30M)
Obagi	Nov. 9, 2017	~\$60M	~\$20M
iNova	Sept. 29, 2017	~\$195M	~\$100M
Dendreon	June 28, 2017	~\$165M	~\$65M
Skincare Brands (CeraVe, AcneFree and AMBI)	March 3, 2017	~\$35M	~\$15M
Other Small Divestitures and Discontinuations ²	Various	~\$85M	~\$0M
TOTAL		~\$545M	~\$170M

1Q18 Top 10 Products – Total Valeant¹

Top 10 products/franchises by revenues, trailing five quarters

Rank	Product/Franchises	1Q18	4Q17	3Q17	2Q17	1Q17
1	XIFAXAN [®]	\$275M	\$275M	\$286M	\$233M	\$185M
2	SofLens [®]	\$73M	\$78M	\$83M	\$76M	\$69M
3	WELLBUTRIN [®]	\$64M	\$69M	\$63M	\$61M	\$52M
4	Ocuvite [®] + PreserVision [®]	\$61M	\$84M	\$73M	\$71M	\$58M
5	renu [®]	\$51M	\$62M	\$57M	\$55M	\$51M
6	APRISO [®]	\$38M	\$34M	\$42M	\$39M	\$29M
7	UCERIS [®]	\$37M	\$37M	\$37M	\$37M	\$29M
8	LOTEMAX [®]	\$33M	\$33M	\$32M	\$37M	\$30M
9	Biotrue [®] ONEday	\$32M	\$29M	\$30M	\$31M	\$25M
10	PureVision [®]	\$32M	\$32M	\$37M	\$31M	\$31M

1Q18 Top 10 Products – B+L / International

Top 10 products/franchises by revenues, trailing five quarters

Rank	Product/Franchises	1Q18	4Q17	3Q17	2Q17	1Q17
1	SofLens®	\$73M	\$78M	\$83M	\$76M	\$69M
2	Ocuvite® + PreserVision®	\$61M	\$84M	\$73M	\$71M	\$58M
3	renu®	\$51M	\$62M	\$57M	\$55M	\$51M
4	LOTEMAX®	\$33M	\$33M	\$32M	\$37M	\$30M
5	Biotrue® ONEday	\$32M	\$29M	\$30M	\$31M	\$25M
6	PureVision®	\$32M	\$32M	\$37M	\$31M	\$31M
7	Biotrue® Multi-Purpose Solution	\$31M	\$38M	\$34M	\$36M	\$31M
8	Anterior Disposables®	\$23M	\$25M	\$21M	\$23M	\$21M
9	Bausch + Lomb® ULTRA	\$23M	\$20M	\$21M	\$19M	\$14M
10	Artelac®	\$23M	\$24M	\$21M	\$23M	\$22M

1Q18 Top 10 Products – Branded Rx

Top 10 products/franchises by revenues, trailing five quarters

Rank	Product/Franchises	1Q18	4Q17	3Q17	2Q17	1Q17
1	XIFAXAN [®]	\$275M	\$275M	\$286M	\$233M	\$185M
2	APRISO [®]	\$38M	\$34M	\$42M	\$39M	\$29M
3	UCERIS [®]	\$37M	\$37M	\$37M	\$37M	\$29M
4	GLUMETZA [®]	\$25M	\$27M	\$46M	\$37M	\$23M
5	ARESTIN [®]	\$24M	\$33M	\$26M	\$28M	\$24M
6	RETIN-A [®] Franchise	\$22M	\$20M	\$27M	\$24M	\$31M
7	RELISTOR [®]	\$20M	\$25M	\$17M	\$16M	\$13M
8	ELIDEL [®]	\$19M	\$24M	\$21M	\$18M	\$21M
9	THERMAGE [®]	\$18M	\$21M	\$16M	\$16M	\$14M
10	TARGRETIN CAPSULES [®]	\$12M	\$11M	\$12M	\$10M	\$12M

1Q18 Top 10 Products – U.S. Diversified Products

Top 10 products/franchises by revenues, trailing five quarters

Rank	Product/Franchises	1Q18	4Q17	3Q17	2Q17	1Q17
1	WELLBUTRIN®	\$62M	\$67M	\$61M	\$58M	\$49M
2	SYPRINE®	\$18M	\$26M	\$18M	\$27M	\$20M
3	ISUPREL®	\$17M	\$11M	\$23M	\$33M	\$38M
4	CUPRIMINE®	\$16M	\$18M	\$20M	\$20M	\$20M
5	MEPHYTON®	\$14M	\$12M	\$14M	\$9M	\$17M
6	XENAZINE® US	\$14M	\$24M	\$28M	\$32M	\$29M
7	ATIVAN®	\$13M	\$15M	\$13M	\$16M	\$17M
8	APLENZIN®	\$12M	\$8M	\$6M	\$9M	\$8M
9	MIGRANAL® AG	\$10M	\$12M	\$14M	\$15M	\$12M
10	DIASTAT® AG	\$7M	\$6M	\$2M	\$0M	\$0M

1Q18 Other Financial Information¹

	Three Months Ended		Favorable (Unfavorable)	
	Mar. 31, 2018	Mar. 31, 2017	Reported	Constant Currency ^{1,2}
Cash Interest Expense ¹	\$393M	\$431M	9%	9%
Net Interest Expense ¹	\$413M	\$471M	12%	12%
Non-cash adjustments				
Depreciation ¹	\$43M	\$39M	(10%)	(3%)
Non-cash share-based Comp ¹	\$21M	\$28M	25%	25%
Additional cash items				
Contingent Consideration	\$12M	\$8M		
Milestones and Other Intangibles	\$14M	\$131M		
Restructuring and Other	\$176M	\$29M		
Capital Expenditures	\$33M	\$38M		
Tax rate on Adj. EBT (non-GAAP) ¹ & Other Revenue	12.2%	15.5%		

Non-GAAP Adjustments EPS Impact (1Q18)

	Year to Date Ended March 31, 2018		Year to Date Ended March 31, 2017	
\$ in millions, except per share impact	Income (Expense)	Earnings Per Share Impact	Income (Expense)	Earnings Per Share Impact
Net Income (loss) GAAP	\$ (2,693)	\$ (7.68)	\$ 628	\$ 1.79
Acquisition-related adjustments excluding amortization of intangible assets	2	0.01	(10)	(0.03)
In-process research and development costs	1	0.00	4	0.01
Other (including Gain on Divestitures)	15	0.04	(230)	(0.66)
Loss on Extinguishment of debt	27	0.08	64	0.19
Restructuring and integration costs	6	0.02	18	0.05
Goodwill impairment	2,213	6.27		
Asset Impairments	44	0.12	138	0.40
Amortization of finite-lived intangible assets	743	2.10	635	1.81
Tax effect of non-GAAP adjustments	(46)	(0.13)	(974)	(2.78)
EPS difference between basic and diluted shares		0.05		
Adjusted Net Income (Non- GAAP)	\$ 312		\$ 273	

Delivering on Commitment to Simplify Operating Model and Reduce Debt

Divestiture	Date Closed
Sprout	Dec. 20, 2017
Obagi	Nov. 9, 2017
iNova	Sept. 29, 2017
Dendreon	June 28, 2017
Armoxindo (Indonesia)	May 17, 2017
Delta (Brazil)	April 20, 2017
Skin Care Brands (CeraVe®, AcneFree® and AMBI®)	March 3, 2017

Divestiture	Date Closed
Euvipharm (Vietnam)	Jan. 25, 2017
Ruconest	Dec. 7, 2016
Paragon	Nov. 9, 2016
Brodalumab EU Rights	June 30, 2016
Synergetics OEM	April 1, 2016
Cosmederme (Canada)	Jan. 22, 2016

~\$3.8B

in total asset sales
announced since
beginning of 2016¹

Bausch + Lomb / Int'l Segment Trailing Five Quarters¹

Bausch + Lomb / International	1Q18	4Q17	3Q17	2Q17	1Q17
Global Vision Care Revenue	\$195M	\$187M	\$208M	\$187M	\$170M
Global Surgical Revenue ³	\$171M	\$187M	\$161M	\$175M	\$154M
Global Consumer Revenue	\$330M	\$377M	\$392M	\$379M	\$375M
Global Ophtho Rx Revenue	\$143M	\$164M	\$149M	\$167M	\$143M
International Rx Revenue ^{2,3}	\$264M	\$288M	\$325M	\$315M	\$292M
Segment Revenue	\$1,103M	\$1,203M	\$1,235M	\$1,223M	\$1,134M
Segment Gross Margin	61%	59%	60%	62%	61%
Segment R&D	\$18M	\$17M	\$14M	\$20M	\$21M
Segment SG&A	\$354M	\$364M	\$352M	\$365M	\$346M
Segment Operating Income	\$297M	\$334M	\$381M	\$370M	\$326M

1. Products with sales outside the United States impacted by F/X changes. Please note rounding impact on percentages.

2. Effective in the first quarter of 2018, revenues from the U.S. Solta business included in the U.S. Diversified Products segment in prior periods and revenues from the international Solta business included in the Bausch + Lomb/International segment in prior periods are presented in the Branded Rx segment. Prior period presentations of segment revenues have been conformed to the current segment reporting structure to allow investors to evaluate results between periods on a consistent basis. Global Solta revenue was \$29 million and \$23 million for the first quarters of 2018 and 2017, respectively.

3. As of the third quarter of 2017, SYNOCROM® was removed from the Global Surgical business unit and added to the International Rx business unit. Revenues were \$1.5M and \$2.9M for the first quarter of 2018 and 2017, respectively. This change was made as management believes the products better align with the International Rx business unit. Prior period presentations of business unit results have been conformed to the current business unit reporting structure to allow investors to evaluate results between periods on a consistent basis.

Branded Rx Segment Trailing Five Quarters¹

Branded Rx	1Q18	4Q17	3Q17	2Q17	1Q17
Salix Revenue	\$422M	\$425M	\$452M	\$387M	\$302M
Ortho Dermatologics Revenue ³	\$112M	\$136M	\$151M	\$132M	\$194M
Dentistry Revenue	\$30M	\$39M	\$32M	\$35M	\$28M
Global Solta Revenue ²	\$29M	\$34M	\$26M	\$27M	\$23M
All Other Revenue ⁴	\$0M	\$2M	\$1M	\$84M	\$82M
Segment Revenue	\$593M	\$636M	\$662M	\$665M	\$629M
Segment Gross Margin	85%	84%	83%	82%	83%
Segment R&D	\$17M	\$17M	\$17M	\$15M	\$16M
Segment SG&A	\$155M	\$175M	\$172M	\$181M	\$176M
Segment Operating Income	\$331M	\$346M	\$361M	\$348M	\$330M

1. Please note rounding impact on percentages.

2. Effective in the first quarter of 2018, revenues from the U.S. Solta business included in the U.S. Diversified Products segment in prior periods and revenues from the international Solta business included in the Bausch + Lomb/International segment in prior periods are presented in the Branded Rx segment. Prior period presentations of segment revenues have been conformed to the current segment reporting structure to allow investors to evaluate results between periods on a consistent basis.

3. As of the first quarter of 2018, Dermatrix and Obagi Tretinoin were removed from the Other business unit in the U.S. Diversified Products segment and added to the Ortho Dermatologics business unit in Branded Rx. Revenues for these two products were \$0.4M and \$1.8M for the first quarter of 2018 and 2017, respectively. This change was made as management believes the products better align with the Ortho Dermatologics business unit. Prior period presentations of segment and business unit results have been conformed to the current segment and business unit reporting structures to allow investors to evaluate results between periods on a consistent basis.

4. Divested business.

U.S. Diversified Products Segment Trailing Five Quarters¹

U.S. Diversified Products	1Q18	4Q17	3Q17	2Q17	1Q17
Neuro & Other Revenue	\$209M	\$228M	\$227M	\$248M	\$243M
Generics Revenue	\$90M	\$94M	\$82M	\$82M	\$85M
Other Revenue ^{3,4,5,6}	\$0M	\$2M	\$14M	\$14M	\$18M
Segment Revenue²	\$299M	\$324M	\$323M	\$344M	\$346M
Segment Gross Margin	84%	82%	82%	83%	86%
Segment R&D	\$4M	\$3M	\$0M	\$1M	\$1M
Segment SG&A	\$21M	\$25M	\$24M	\$30M	\$30M
Segment Operating Income	\$225M	\$237M	\$240M	\$255M	\$266M

1. Please note rounding impact on percentages.

2. Effective in the first quarter of 2018, revenues from the U.S. Solta business included in the U.S. Diversified Products segment in prior periods and revenues from the international Solta business included in the Bausch + Lomb/International segment in prior periods are presented in the Branded Rx segment. Prior period presentations of segment revenues have been conformed to the current segment reporting structure to allow investors to evaluate results between periods on a consistent basis.

3. As of the first quarter of 2018, Dermatrix and Obagi Tretinoin were removed from the Other business unit in the U.S. Diversified Products segment and added to the Ortho Dermatologics business unit in Branded Rx. Revenues for these two products were \$0.4M and \$1.8M for the first quarter of 2018 and 2017, respectively. This change was made as management believes the products better align with the Ortho Dermatologics business unit. Prior period presentations of segment and business unit results have been conformed to the current segment and business unit reporting structures to allow investors to evaluate results between periods on a consistent basis.

4. Exited business

5. Divested business.

6. Revenue represents the U.S. portion only of these businesses. International contributions are included in the B+L / International segment.

Selected U.S. Businesses Pipeline Inventory Trending (1Q18)

Months on Hand								
Business Units	As of Dec. 31, 2016	As of Mar. 31, 2017	Change 1Q17	As of Dec. 31, 2017	As of Mar. 31, 2018	Change 1Q18	Relative Change 1Q18 vs 1Q17	Change Mar. 31, 2018 vs Mar. 31, 2017
Derm	1.34	1.44	0.10	1.39	1.35	(0.04)	(0.14)	(0.09)
Neuro	1.59	1.48	(0.11)	1.62	1.62	0.00	0.11	0.14
Ophtho	1.44	1.20	(0.24)	1.21	1.26	0.05	0.29	0.06
GI	1.57	1.48	(0.09)	1.39	1.39	0.00	0.09	(0.09)

Financial Summary – Adjusted (non-GAAP) Presentation Reconciliation

	YTD 2018					
	Total Gross Profit	Selling & Advertising	G&A and Other	R&D Expense	Operating Expense	Operating Income
Qtr 1 2018 GAAP	\$ 1,422	\$ 451	\$ 140	\$ 92	\$ 683	\$ (2,281)
Amortization of finite-lived intangibles					-	743
Asset Impairments					-	44
Goodwill impairment					-	2,213
Restructuring and integration costs					-	6
In-process research and development costs					-	1
Acquisition-related contingent consideration					-	2
Legal and other professional fees			(5)		(5)	5
Litigation and other matters					-	11
Other non-GAAP charges			1		1	(1)
Qtr 1 2018 Non-GAAP	\$ 1,422	\$ 451	\$ 136	\$ 92	\$ 679	\$ 743

	YTD 2017					
	Total Gross Profit	Selling & Advertising	G&A and Other	R&D Expense	Operating Expense	Operating Income
YTD 2017 GAAP	\$ 1,513	\$ 466	\$ 195	\$ 96	\$ 757	\$ 211
Amortization of finite-lived intangibles					-	635
Asset Impairments					-	138
Restructuring and integration costs					-	18
In-process research and development costs					-	4
Acquisition-related contingent consideration					-	(10)
Legal and other professional fees			(10)		(10)	10
Litigation and other matters					-	77
Net (gain)/loss on sale of assets					-	(317)
Qtr 1 2017 Non-GAAP	\$ 1,513	\$ 466	\$ 185	\$ 96	\$ 747	\$ 766

Reconciliation of reported Net Income (Loss) to EBITDA and Adjusted EBITDA (\$M) (Quarter-to-Date)

	Three Months Ended March 31,	
	2018	2017
Net income (loss) attributable to Valeant Pharmaceuticals International, Inc.	\$ (2,693)	\$ 628
Interest expense, net	413	471
(Benefit from) provision for income taxes	(3)	(924)
Depreciation and amortization	786	674
EBITDA	\$ (1,497)	849
Adjustments:		
Asset impairments	44	138
Goodwill impairments	2,213	-
Restructuring and integration costs	6	18
Acquired in-process research and development costs	1	4
Acquisition-related adjustments excluding amortization and depreciation	2	(10)
Loss on extinguishment of debt	27	64
Share-based compensation	21	28
Other adjustments:		
Legal and other professional fees	5	10
Litigation and other matters	11	77
Net gain on sale of assets	-	(317)
Other	(1)	-
Adjusted EBITDA (non-GAAP)	832	861

Reconciliation of reported Growth to Organic Growth (\$M)

(Quarter-to-Date)

	Calculation of Organic Revenue							
	Three Months Ended March 31, 2018			Three Months Ended March 31, 2017			Change in Organic Revenue	
	Revenue as Reported	Changes in Exchange Rates (a)	Organic Revenue (Non- GAAP) (b)	Revenue as Reported	Divested Revenues	Organic Revenue (Non- GAAP) (b)	Amount	Pct.
Bauch +Lomb / International								
Global Vision Care	195	(10)	185	170	-	170	15	9%
Global Surgical (c)	171	(12)	159	154	(1)	153	6	4%
Global Consumer Products	330	(17)	313	375	(63)	312	1	0%
Global Ophtho Rx	143	(5)	138	143	-	143	(5)	-3%
International Rx (c)(d)	264	(21)	243	292	(49)	243	-	0%
Total Bausch + Lomb / International (e)	1,103	(65)	1,038	1,134	(113)	1,021	17	2%
Branded Rx								
Salix	422	-	422	302	-	302	120	40%
Ortho Dermatologics (f)	112	-	112	194	-	194	(82)	-42%
Global Solta (d)	29	(1)	28	23	-	23	5	18%
Dentistry	30	-	30	28	(1)	27	3	11%
Other revenues	-	-	-	82	(82)	-	-	--
Total Branded Rx	593	(1)	592	629	(83)	546	46	8%
U.S. Diversified Products (d)								
Neuro & Other	209	-	209	243	-	243	(34)	-14%
Generics	90	-	90	85	-	85	5	6%
Other revenues (f)	-	-	-	18	(18)	-	-	--
Total U.S. Diversified Products	299	-	299	346	(18)	328	(29)	-9%
Total revenues	\$ 1,995	\$ (66)	\$ 1,929	\$ 2,109	\$ (214)	\$ 1,895	\$ 34	2%

(e) Includes China Organic Growth as follow s:

	Calculation of Organic Revenue							
	Three Months Ended March 31, 2018			Three Months Ended March 31, 2017			Change in Organic Revenue	
	Revenue as Reported	Changes in Exchange Rates (a)	Organic Revenue (Non-GAAP) (b)	Revenue as Reported	Divested Revenues	Organic Revenue (Non-GAAP) (b)	Amount	Pct.
China	84	(6)	78	68	(1)	67	11	15%

- (a) The impact for changes in foreign currency exchange rates is determined as the difference in the current period reported revenues at their current period currency exchange rates and the current period reported revenues revalued using the monthly average currency exchange rates during the comparable prior period.
- (b) To supplement the financial measures prepared in accordance with U.S. generally accepted accounting principles (GAAP), the Company uses certain non-GAAP financial measures. For additional information about the Company's use of such non-GAAP financial measures, refer to the body of the press release to which these tables are attached. Organic revenue (non-GAAP) for the three months ended March 31, 2018 is calculated as revenue as reported adjusted for the impact for changes in exchange rates (previously defined in this press release). Organic revenue (non-GAAP) for the three months ended March 31, 2017 is calculated as revenue as reported less revenues attributable to divestitures and discontinuances during the twelve months prior to the day of divestiture or discontinuance, as there are no revenues from those businesses and assets included in the comparable current period. Organic revenue is also adjusted for acquisitions, however, during the three months ended March 31, 2018 and 2017, there were no acquisitions.
- (c) Effective in the first quarter of 2018, revenues from the U.S. Solta business included in the U.S. Diversified Products segment in prior periods and revenues from the international Solta business included in the Bausch + Lomb/International segment in prior periods are presented in the Branded Rx segment. Prior period presentations of segment revenues have been conformed to the current segment reporting structure to allow investors to evaluate results between periods on a consistent basis.
- (d) As of the third quarter of 2017, one product has been removed from the Global Surgical business unit and added to the International business unit. This change has been made as management believes that the product better aligns with the International business unit. Prior period presentations of business unit results have been conformed to current reporting structure to allow investors to evaluate results between periods on a consistent basis.
- (f) As of the first quarter of 2018, two products were removed from the Other business unit in the Diversified Segment and added to the Ortho Dermatologics business unit in Branded Rx. This change was made as management believes the products better align with the Ortho Dermatologics business unit. Prior period presentations of segment results have been conformed to current reporting structure to allow investors to evaluate results between periods on a consistent basis.

Reconciliation of reported Growth to Organic Growth (\$M) (Quarter-to-Date)

	Calculation of Organic							
	Three Months Ended March 31, 2018			Three Months Ended March 31, 2017			Change in Organic	
	As Reported	Changes in Exchange Rates (a)	Organic (Non- GAAP) (b)	As Reported	Divested	Organic (Non- GAAP) (b)	Amount	Pct.
Bauch +Lomb / International								
Gross profit	669	(37)	632	693	(66)	627	5	1%
Operating expenses	372	(18)	354	367	(19)	348	(6)	-2%
Bauch +Lomb / International EBITA	297	(19)	278	326	(47)	279	(1)	0%
Branded Rx								
Gross profit	503	(1)	502	522	(54)	468	34	7%
Operating expenses	172	-	172	192	(26)	166	(6)	-4%
Branded Rx EBITA	331	(1)	330	330	(28)	302	28	9%
U.S. Diversified Products								
Gross profit	250	-	250	297	(14)	283	(33)	-12%
Operating expenses	25	-	25	31	(14)	17	(8)	-47%
U.S. Diversified Products EBITA	225	-	225	266	-	266	(41)	-15%
Total								
Gross profit	1,422	(38)	1,384	1,513	(134)	1,379	5	0%
Operating expenses	679	(19)	660	747	(59)	688	28	4%
Total EBITA	\$ 743	\$ (19)	\$ 724	\$ 766	\$ (75)	\$ 691	\$ 33	5%
Total EBITDA	\$ 832	\$ (15)	\$ 817	\$ 861	\$ (75)	\$ 786	\$ 31	4%

(a) The impact for changes in foreign currency exchange rates is determined as the difference in the current period reported revenues at their current period currency exchange rates and the current period reported revenues revalued using the monthly average currency exchange rates during the comparable prior period.

(b) To supplement the financial measures prepared in accordance with U.S. generally accepted accounting principles (GAAP), the Company uses certain non-GAAP financial measures. For additional information about the Company's use of such non-GAAP financial measures, refer to the body of the press release to which these tables are attached. Organic revenue (non-GAAP) for the three months ended March 31, 2018 is calculated as revenue as reported adjusted for the impact for changes in exchange rates (previously defined in this press release). Organic revenue (non-GAAP) for the three months ended March 31, 2017 is calculated as revenue as reported less revenues attributable to divestitures and discontinuances during the twelve months prior to the day of divestiture or discontinuance, as there are no revenues from those businesses and assets included in the comparable current period. Organic revenue is also adjusted for acquisitions, however, during the three months ended March 31, 2018 and 2017, there were no acquisitions.

Reconciliation of TTM¹ adjusted EBITDA (\$M)

	TTM	TTM	TTM	TTM	TTM
	Mar-18	Dec-17	Sep-17	Jun-17	Mar-17
Net income (loss) attributable to Valeant Pharmaceuticals International, Inc.	\$ (917)	\$ 2,404	\$ 1,376	\$ (1,143)	\$ (1,407)
Interest expense, net	1,770	1,828	1,848	1,859	1,873
Benefit from income taxes	(3,224)	(4,145)	(2,677)	(1,090)	(958)
Depreciation and amortization	2,970	2,858	2,746	2,755	2,809
EBITDA	599	2,945	3,293	2,381	2,317
Adjustments:					
Restructuring and integration costs	40	52	96	110	112
Acquired in-process research and development costs	2	5	5	36	37
Goodwill impairments	2,525	312	340	1,077	1,077
Asset impairments	620	714	657	399	544
Share-based compensation	80	87	100	119	129
Acquisition-related adjustments excluding amortization of intangible assets, net of depreciation expense	(277)	(289)	(328)	(79)	(16)
Loss on extinguishment of debt	85	122	65	64	64
Foreign exchange and other	-	-	28	29	16
Other adjustments	(65)	(310)	(448)	(113)	(122)
Adjusted EBITDA (non-GAAP) (a)	\$ 3,609	\$ 3,638	\$ 3,808	\$ 4,023	\$ 4,158
Foreign exchange loss/gain on intercompany transactions	\$ -	\$ -	(28)	(29)	(16)
Adjusted EBITDA (non-GAAP) (as revised) (b)	\$ 3,609	\$ 3,638	\$ 3,780	\$ 3,994	\$ 4,142

(a) This subtotal reflects the Adjusted EBITDA (non-GAAP) reported by the Company for the TTM period using the methodologies for calculating Adjusted EBITDA (non-GAAP) as of those dates.

(b) As of the first quarter of 2017, non-GAAP adjustments no longer include adjustments for Foreign exchange gain/loss arising from intercompany transactions. For the purpose of allowing investors to evaluate Adjusted EBITDA on the same basis for the periods presented, this adjustment has been removed from the results for all TTM periods presented.



Non-GAAP Appendix

Description of Non-GAAP Financial Measures

To supplement the financial measures prepared in accordance with U.S. generally accepted accounting principles (GAAP), the Company uses certain non-GAAP financial measures, as follows. These measures do not have any standardized meaning under GAAP and other companies may use similarly titled non-GAAP financial measures that are calculated differently from the way we calculate such measures. Accordingly, our non-GAAP financial measures may not be comparable to similar non-GAAP measures. We caution investors not to place undue reliance on such non-GAAP measures, but instead to consider them with the most directly comparable GAAP measures. Non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation. They should be considered as a supplement to, not a substitute for, or superior to, the corresponding measures calculated in accordance with GAAP.

Adjusted EBITDA (non-GAAP)

Adjusted EBITDA (non-GAAP) is GAAP net income (its most directly comparable GAAP financial measure) adjusted for certain items, as further described below. Management of the Company believes that Adjusted EBITDA (non-GAAP), along with GAAP measures used by management, most appropriately reflect how the Company measures the business internally and sets operational goals and incentives, especially in light of the Company's new strategies. In particular, the Company believes that Adjusted EBITDA (non-GAAP) focuses management on the Company's underlying operational results and business performance. As a result, the Company uses Adjusted EBITDA (non-GAAP) both to assess the actual financial performance of the Company and to forecast future results as part of its guidance. Management believes Adjusted EBITDA (non-GAAP) is a useful measure to evaluate current performance. Adjusted EBITDA (non-GAAP) is intended to show our unleveraged, pre-tax operating results and therefore reflects our financial performance based on operational factors. In addition, commencing in 2017, cash bonuses for the Company's executive officers and other key employees are based, in part, on the achievement of certain Adjusted EBITDA (non-GAAP) targets.

Description of Non-GAAP Financial Measures

Adjusted EBITDA (non-GAAP)

Adjusted EBITDA (non-GAAP)
Adjustments

Adjusted EBITA

EBITA/EBITA Margin

Adjusted Selling, A&P/Adjusted
SG&A

Total Adjusted Operating
Expense

Adjusted Net Income (Loss)
(non-GAAP)

Adjusted Net Income (non-
GAAP) Adjustments

Organic Revenue / Organic
Growth / Organic Change

Constant Currency



Description of Non-GAAP
Financial Measures

Adjusted EBITDA (non-GAAP)

Adjusted EBITDA (non-GAAP)
Adjustments

Adjusted EBITA

EBITA/EBITA Margin

Adjusted Selling, A&P/Adjusted
SG&A

Total Adjusted Operating
Expense

Adjusted Net Income (Loss)
(non-GAAP)

Adjusted Net Income (non-
GAAP) Adjustments

Organic Revenue / Organic
Growth / Organic Change

Constant Currency

Non-GAAP Appendix

Adjusted EBITDA reflect adjustments based on the following items:

Restructuring and integration costs: Since 2016 and for the foreseeable future, while the Company has undertaken fewer acquisitions, the Company has incurred additional restructuring costs as it implements its new strategies, which will involve, among other things, improvements to our infrastructure and other operational improvements, internal reorganizations and impacts from the divestiture of assets and businesses. With regard to infrastructure and operational improvements which the Company has taken to improve efficiencies in the businesses and facilities, these tend to be costs intended to right size the business or organization that fluctuate significantly between periods in amount, size and timing, depending on the improvement project, reorganization or transaction. As a result, the Company does not believe that such costs (and their impact) are truly representative of the underlying business. The Company believes that the adjustments of these items provide supplemental information with regard to the sustainability of the Company's operating performance, allow for a comparison of the financial results to historical operations and forward-looking guidance and, as a result, provide useful supplemental information to investors.

Acquired in-process research and development costs: The Company has excluded expenses associated with acquired in-process research and development, as these amounts are inconsistent in amount and frequency and are significantly impacted by the timing, size and nature of acquisitions. Furthermore, as these amounts are associated with research and development acquired, they are not a representation of the Company's research and development efforts during the period.

Asset Impairments: The Company has excluded the impact of impairments of finite-lived and indefinite-lived intangibles assets, as well as impairments of assets held for sale, as such amounts are inconsistent in amount and frequency and are significantly impacted by the timing and/or size of acquisitions and divestitures. The Company believes that the adjustments of these items correlate with the sustainability of the Company's operating performance. Although the Company excludes intangible impairments from its non-GAAP expenses, the Company believes that it is important for investors to understand that intangible assets contribute to revenue generation.

Share-based Compensation: The Company excludes the impact of costs relating to share-based compensation. The Company believes that the exclusion of share-based compensation expense assists investors in the comparisons of operating results to peer companies. Share-based compensation expense can vary significantly based on the timing, size and nature of awards granted.

Acquisition-related adjustments excluding amortization of intangible assets and depreciation expense: The Company has excluded the impact of acquisition-related contingent consideration non-cash adjustments due to the inherent uncertainty and volatility associated with such amounts based on changes in assumptions with respect to fair value estimates, and the amount and frequency of such adjustments is not consistent and is significantly impacted by the timing and size of the Company's acquisitions, as well as the nature of the agreed-upon consideration. In addition, the Company has excluded the impact of fair value inventory step-up resulting from acquisitions as the amount and frequency of such adjustments are not consistent and are significantly impacted by the timing and size of its acquisitions.



Description of Non-GAAP Financial Measures

Adjusted EBITDA (non-GAAP)

Adjusted EBITDA (non-GAAP) Adjustments

Adjusted EBITA

EBITA/EBITA Margin

Adjusted Selling, A&P/Adjusted
SG&A

Total Adjusted Operating
Expense

Adjusted Net Income (Loss)
(non-GAAP)

Adjusted Net Income (non-
GAAP) Adjustments

Organic Revenue / Organic
Growth / Organic Change

Constant Currency

Non-GAAP Appendix

Loss on extinguishment of debt: The Company has excluded loss on extinguishment of debt as this represents a cost of refinancing our existing debt and is not a reflection of our operations for the period. Further, the amount and frequency of such charges are not consistent and are significantly impacted by the timing and size of debt financing transactions and other factors in the debt market out of management's control.

Other Non-GAAP Charges: The Company has excluded certain other amounts including legal and other professional fees incurred in connection with recent legal and governmental proceedings, investigations and information requests respecting certain of our distribution, marketing, pricing, disclosure and accounting practices, litigation and other matters, and net (gain)/loss on sale of assets. In addition, the Company has excluded certain other expenses that are the result of other, non-comparable events to measure operating performance. These events arise outside of the ordinary course of continuing operations. Given the unique nature of the matters relating to these costs, the Company believes these items are not normal operating expenses. For example, legal settlements and judgments vary significantly, in their nature, size and frequency, and, due to this volatility, the Company believes the costs associated with legal settlements and judgments are not normal operating expenses. In addition, as opposed to more ordinary course matters, the Company considers that each of the recent proceedings, investigations and information requests, given their nature and frequency, are outside of the ordinary course and relate to unique circumstances. The Company believes that the exclusion of such out-of-the-ordinary-course amounts provides supplemental information to assist in the comparison of the financial results of the Company from period to period and, therefore, provides useful supplemental information to investors. However, investors should understand that many of these costs could recur and that companies in our industry often face litigation.

Finally, to the extent not already adjusted for above, Adjusted EBITDA (non-GAAP) reflects adjustments for interest, taxes, depreciation and amortization (EBITDA represents earnings before interest, taxes, depreciation and amortization).

Please also see the reconciliation tables in this appendix for further information as to how these non-GAAP measures are calculated for the periods presented.

Non-GAAP Appendix

Adjusted EBITA

Management uses these non-GAAP measures (the most directly comparable GAAP financial measure for which is Total GAAP Revenue less total operating expenses (GAAP)) to assess performance of its business units and operating and reportable segments, and the Company, in total, without the impact of foreign currency exchange fluctuations, fair value adjustments to inventory in connection with business combinations and integration related inventory charges and technology transfer costs. In addition, it excludes certain acquisition related contingent consideration, acquired in-process research and development, asset impairments, restructuring, integration and acquisition-related expenses, amortization of finite-lived intangible assets, other non-GAAP charges for wind down operating costs, and legal and other professional fees relating to legal and governmental proceedings, investigations and information requests respecting certain of our distribution, marketing, pricing, disclosure and accounting practices. The Company believes the exclusion of such amounts provides supplemental information to management and the users of the financial statements to assist in the understanding of the financial results of the Company from period to period and, therefore, provides useful supplemental information to investors. Please also see the reconciliation tables in this appendix for further information as to how these non-GAAP measures are calculated for the periods presented.

EBITA/EBITA Margin

EBITA represents earnings before interest, taxes and amortizations.

Adjusted Selling, A&P/Adjusted G&A/Adjusted SG&A

Management uses these non-GAAP measures (the most directly comparable GAAP financial measure for which is selling, general and administrative) as a supplemental measure for period-to-period comparison. Adjusted Selling, General and Administrative excludes, as applicable, certain costs primarily related to legal and other professional fees relating to legal and governmental proceedings, investigations and information requests respecting certain of our distribution, marketing, pricing, disclosure and accounting practices. See the discussion under "Other Non-GAAP charges" above. Please also see the reconciliation tables in this appendix for further information as to how this non-GAAP measure is calculated for the periods presented.

Total Adjusted Operating Expense

Management uses this non-GAAP measure (the most directly comparable GAAP financial measure for which is total operating expenses (GAAP)) as a supplemental measure for period-to-period comparison. This non-GAAP measure allows investors to supplement the evaluation of operational efficiencies of the underlying business without the variability of items that the Company believes are not normal course of business. Please see the reconciliation tables in this appendix for further information as to how this non-GAAP measure is calculated for the period presented.



Description of Non-GAAP
Financial Measures

Adjusted EBITDA (non-GAAP)

Adjusted EBITDA (non-GAAP)
Adjustments

Adjusted EBITA

EBITA/EBITA Margin

Adjusted Selling, A&P/Adjusted
SG&A

Total Adjusted Operating
Expense

Adjusted Net Income (Loss)
(non-GAAP)

Adjusted Net Income (non-
GAAP) Adjustments

Organic Revenue / Organic
Growth / Organic Change

Constant Currency

Non-GAAP Appendix

Adjusted Net Income (Loss) (non-GAAP)

Historically, management has used adjusted net income (loss) (non-GAAP) (the most directly comparable GAAP financial measure for which is GAAP net income (loss)) for strategic decision making, forecasting future results and evaluating current performance. This non-GAAP measure excludes the impact of certain items (as further described below) that may obscure trends in the Company's underlying performance. By disclosing this non-GAAP measure, it was management's intention to provide investors with a meaningful, supplemental comparison of the Company's operating results and trends for the periods presented. It was management belief that this measure was also useful to investors as such measure allowed investors to evaluate the Company's performance using the same tools that management had used to evaluate past performance and prospects for future performance. Accordingly, it was the Company's belief that adjusted net income (loss) (non-GAAP) was useful to investors in their assessment of the Company's operating performance and the valuation of the Company. It is also noted that, in recent periods, our GAAP net income was significantly lower than our adjusted net income (non-GAAP). Commencing in 2017 of the Company identified and began using certain new primary financial performance measures to assess Company financial performance. However, management still believes that adjusted net income (loss) (non-GAAP) may be useful to investors in their assessment of the Company and its performance.



Description of Non-GAAP
Financial Measures

Adjusted EBITDA (non-GAAP)

Adjusted EBITDA (non-GAAP)
Adjustments

Adjusted EBITA

EBITA/EBITA Margin

Adjusted Selling, A&P/Adjusted
SG&A

Total Adjusted Operating
Expense

**Adjusted Net Income (Loss)
(non-GAAP)**

Adjusted Net Income (non-
GAAP) Adjustments

Organic Revenue / Organic
Growth / Organic Change

Constant Currency

Non-GAAP Appendix

In addition to certain of the adjustments made to Adjusted EBITDA and described above (namely restructuring and integration costs, acquired in-process research and development costs, loss on extinguishment of debt, acquisition-related adjustments excluding amortization, asset impairments and other non-GAAP changes), adjusted net income (non-GAAP) also reflects adjustments based on the following additional items:

Amortization of intangible assets: The Company has excluded the impact of amortization of intangible assets, as such amounts are inconsistent in amount and frequency and are significantly impacted by the timing and/or size of acquisitions. The Company believes that the adjustments of these items correlate with the sustainability of the Company's operating performance. Although the Company excludes amortization of intangible assets from its non-GAAP expenses, the Company believes that it is important for investors to understand that such intangible assets contribute to revenue generation. Amortization of intangible assets that relate to past acquisitions will recur in future periods until such intangible assets have been fully amortized. Any future acquisitions may result in the amortization of additional intangible assets.

Tax: The Company has included the tax impact of the non-GAAP adjustments using an annualized effective tax rate of 13.2%.

Please see the reconciliation tables in this appendix for further information as to how this non-GAAP measure is calculated for the periods presented.



Description of Non-GAAP
Financial Measures

Adjusted EBITDA (non-GAAP)

Adjusted EBITDA (non-GAAP)
Adjustments

Adjusted EBITA

EBITA/EBITA Margin

Adjusted Selling, A&P/Adjusted
SG&A

Total Adjusted Operating
Expense

Adjusted Net Income (Loss)
(non-GAAP)

Adjusted Net Income (non-
GAAP) Adjustments

Organic Revenue / Organic
Growth / Organic Change

Constant Currency



Non-GAAP Appendix

Organic Revenue / Organic Growth / Organic Change

Organic growth, a non-GAAP metric, is defined as an increase on a period-over-period basis in revenues on a constant currency basis (if applicable) excluding the impact of recent acquisitions, divestitures and discontinuations. Organic Growth / Organic Change is change in GAAP Revenue (its most directly comparable GAAP financial measure) adjusted for certain items, as further described below, of businesses that have been owned for one or more years. The Company uses organic revenue, organic growth and organic change to assess performance of its business units and operating and reportable segments, and the Company in total, without the impact of foreign currency exchange fluctuations and recent acquisitions, divestitures and product discontinuations. The Company believes that such measures are useful to investors as it provides a supplemental period-to-period comparison.

Organic revenue growth reflects adjustments for: (i) the impact of period-over-period changes in foreign currency exchange rates on revenues and (ii) the revenues associated with acquisitions, divestitures and discontinuations of businesses divested and/ or discontinued. These adjustments are determined as follows:

- *Foreign currency exchange rates:* Although changes in foreign currency exchange rates are part of our business, they are not within management's control. Changes in foreign currency exchange rates, however, can mask positive or negative trends in the business. The impact for changes in foreign currency exchange rates is determined as the difference in the current period reported revenues at their current period currency exchange rates and the current period reported revenues revalued using the monthly average currency exchange rates during the comparable prior period.

- *Acquisitions, divestitures and discontinuations:* In order to present period-over-period organic revenues (non-GAAP) on a comparable basis, revenues associated with acquisitions, divestitures and discontinuations are adjusted to include only revenues from those businesses and assets owned during both periods. Accordingly, organic revenue (non-GAAP) growth excludes from the current period, revenues attributable to each acquisition for twelve months subsequent to the day of acquisition, as there are no revenues from those businesses and assets included in the comparable prior period. Organic revenue (non-GAAP) growth excludes from the prior period (but not the current period), all revenues attributable to each divestiture and discontinuance during the twelve months prior to the day of divestiture or discontinuance, as there are no revenues from those businesses and assets included in the comparable current period.

Please also see the reconciliation in this Appendix for further information as to how this non-GAAP measure is calculated for the periods presented.

Description of Non-GAAP
Financial Measures

Adjusted EBITDA (non-GAAP)

Adjusted EBITDA (non-GAAP)
Adjustments

Adjusted EBITA

EBITA/EBITA Margin

Adjusted Selling, A&P/Adjusted
SG&A

Total Adjusted Operating
Expense

Adjusted Net Income (Loss)
(non-GAAP)

Adjusted Net Income (non-
GAAP) Adjustments

Organic Revenue / Organic
Growth / Organic Change

Constant Currency



Constant Currency Appendix

Constant Currency

Changes in the relative values of non-US currencies to the US dollar may affect the Company's financial results and financial position. To assist investors in evaluating the Company's performance, we have adjusted for foreign currency effects.

Constant currency impact is determined by comparing 2018 reported amounts adjusted to exclude currency impact, calculated using 2017 monthly average exchange rates, to the actual 2017 reported amounts.

Description of Non-GAAP
Financial Measures

Adjusted EBITDA (non-GAAP)

Adjusted EBITDA (non-GAAP)
Adjustments

Adjusted EBITA

EBITA/EBITA Margin

Adjusted Selling, A&P/Adjusted
SG&A

Total Adjusted Operating
Expense

Adjusted Net Income (Loss)
(non-GAAP)

Adjusted Net Income (non-
GAAP) Adjustments

Organic Revenue / Organic
Growth / Organic Change

Constant Currency