

Company Report

FLASH NOTE
November 3, 2016

Valuation & Research Specialists (VRS)
Equity Research Team
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Share Price (03/11/2016)
NYSE, in \$ **\$39.20**

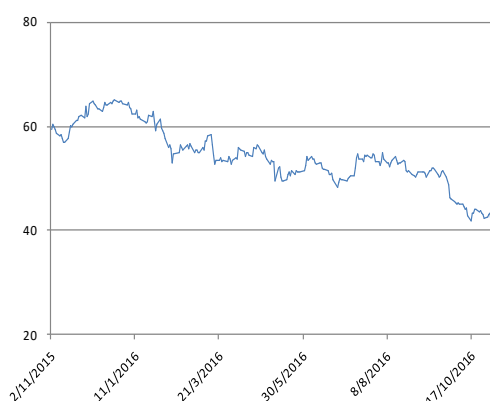
of Shares (mn) 914.09
Market Cap (in \$ mn) 35,832.25
A.D. Volume (p) 6,308,697
Beta Co-efficient 0.69

Statistical Data

Max 52 week 65.07 USD
Min 52 week 39.20 USD
1-M Rtn -13.39%
6-M Rtn -20.96%
12-M Rtn -34.03%

Source: VRS Calculations, Reuters.

Stock Price Performance (1 year, in \$)



Note: Share price performance based on share price closes on NYSE.
Period as day/month/year.

TEVA PHARMACEUTICAL INDUSTRIES LTD

Listed on NYSE, USA, [Bloomberg Ticker: TEVA:US] [Reuters Ticker: TEVA.N]

Business Sector: Health Care, Biotech & Pharma

Corporate & Investment Highlights

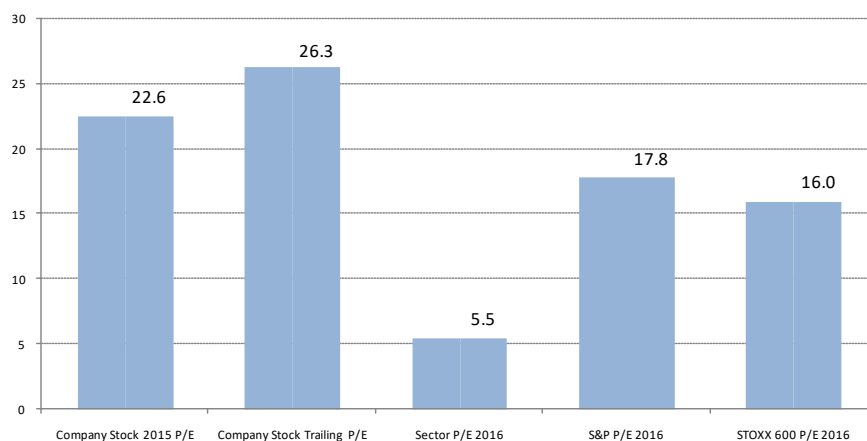
- Teva Pharmaceutical Industries Limited, incorporated on February 13, 1944, is a global pharmaceutical company. The Company is engaged in developing, producing and marketing generic medicines and a portfolio of specialty medicines.

Consolidated Revenue Breakdown per Geographic Area (USD million)

In \$ million	2010	2011	2012	2013	2014	2015
United States	9,907	10,196	10,385	10,461	10,634	11,249
Sales						
Europe	4,855	6,493	8,150	5,988	5,823	4,890
Sales						
Other countries	1,359	1,623	1,782	3,865	3,815	3,513
Sales						
Total	16,121	18,312	20,317	20,314	20,272	19,652
Sales						

Source: The Company.

Company Historic P/E Multiple versus Market P/E Multiples (x)



Source: VRS calculations based on consolidated accounts, FACTSET

Important Note:

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BASIC FINANCIAL INDICATORS

(in \$ mn)	Sales	EBITDA	EBT	EATAM	P/E (x)	P/BV (x)	EV/EBITDA (x)	DEBT / EQUITY (x)	ROE %
2010	16,121	4,848	3,646	3,331	10.8	1.6	11.7	0.25	15%
2011	18,312	4,178	2,956	2,759	13.0	1.6	13.6	0.63	12%
2012	20,317	3,913	1,819	1,963	18.3	1.6	12.2	0.65	9%
2013	20,314	3,291	1,250	1,269	28.2	1.6	14.3	0.54	6%
2014	20,272	5,459	3,638	3,055	11.7	1.5	8.0	0.44	13%
2015	19,652	4,660	2,352	1,588	22.6	1.2	8.3	0.33	5%

Notes: (1) EATAM and equity are calculated excluding minorities. (2) P/E, P/BV and EV/EBITDA are based on current share price. Source: Official Consolidated Financial Statements, VRS Calculations. n/c stands for non calculable.

Working Capital Ratios

in \$ million		2010	2011	2012	2013	2014	2015
Revenues	\$ mn	16,121	18,312	20,317	20,314	20,272	19,652
Cost (net of depreciation)	\$ mn	7,056	8,797	9,665	9,607	9,216	8,296
Gross Profit Margin	%	56.23%	51.96%	52.43%	52.71%	54.54%	57.79%
Net Income / Profit	\$ mn	3,331	2,759	1,963	1,269	3,055	1,588
Net Profit Margin	%	20.7%	15.1%	9.7%	6.2%	15.1%	8.1%
Cash & Cash Equivalents	\$ mn	1,248	1,096	2,879	1,038	2,226	6,946

Stock Days

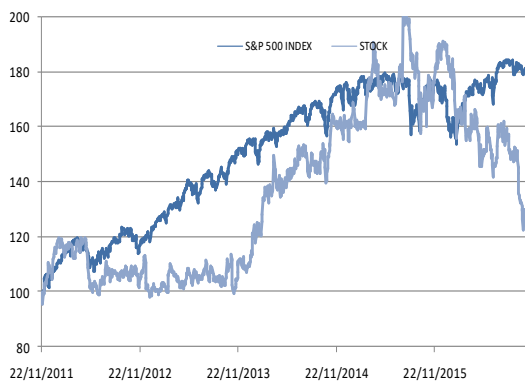
	Days	200	208	208	192	173	174
Stock Inventory	\$ mn	3,866	5,012	5,502	5,053	4,371	3,966
Debtors Days	Days	124	124	100	96	97	99
Debtors - Receivables	\$ mn	5,476	6,213	5,572	5,338	5,408	5,350
Creditors Days	Days	128	155	127	126	126	158
Creditors - Suppliers	\$ mn	2,467	3,743	3,376	3,317	3,171	3,594
Operating Cycle (Days)	Days	324	332	308	288	270	274
Cash Cycle (Days)	Days	196	176	180	162	145	116

Source: Official Consolidated Financial Statements, VRS Calculations. Gross profit is calculated by deducting cost of sales (net of depreciation, wherever applicable) from revenues.

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Stock Versus S&P 500 Index (Last 5 Years, Base = 100)



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1st Half 2016 Results (USD million)

(USD million)	GM 2016	%	GM 2015
Revenues	9,848	-1.01%	9,948
Gross Profit	5,668	-1.22%	5,738
EBITDA	3,328	-1.01%	3,362
EBT	1,123	-4.67%	1,178
EATAM	758	-23.05%	985

Source: The Company.

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Covered Company	Bloomberg	Reuters	Stock Price	Date	Disclosure
TEVA PHARM. IND. LTD	TEVA:US	TEVA.N	\$ 39.20	November 3, 2016	----

1. VRS has acted as financial consultant for the covered company within the past 24 months.
2. VRS has sent the research report to the covered company, prior to publication or dissemination, for factual verification.
3. VRS has changed the contents of the initially sent report, with respect to: factual changes have been made.
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