

# Teva United States Economic Impact Report



January 2020

Teva Pharmaceutical Industries Ltd. develops, manufactures and delivers innovative specialty medicines and quality, affordable generics for millions of people across the globe, saving patients and healthcare systems billions of dollars every year. The company's operations, including research and development and manufacturing, result in high-quality jobs, tax revenues and growing economic outputs for communities around the world.

Based on independent analyses conducted by Matrix Global Advisors (MGA), this report highlights Teva's wide-ranging economic benefits and quantifies Teva's direct and indirect economic impact in terms of jobs, labor income, gross domestic product (GDP) and generic drug savings. MGA uses IMPLAN models of specific countries to show how Teva's and Teva employees' expenditures ripple through economies around the world. Nineteen key countries are examined in this report. Rotem Strategy provided analytics for one country, Israel.

This report was funded by Teva and conducted based on Teva and industry data. Teva had no role in the design, methodology, determination or interpretation of the results.

## About Teva



Teva Pharmaceutical Industries Ltd. is the world's leading provider of generic medicines, offering quality medicines and treatments to patients. Teva also has a growing portfolio of innovative specialty, or branded, medicines and biopharmaceutical products, with a promising pipeline focused on medicines for central nervous system disorders, oncology and respiratory diseases. Teva's mission is to be a global leader in generics and biopharmaceuticals, improving the lives of patients. The company has 3,500 products in its portfolio and serves around 200 million people each day.

## About Matrix Global Advisors (MGA)



MGA is an economic policy consulting firm in Washington, DC, specializing in fiscal, healthcare and tax policy matters. MGA helps Fortune 500 companies, trade associations, healthcare providers, investment banks and others understand and convey the economics of policy issues.

### About the IMPLAN Model

IMPLAN's regional input-output models are widely used across government, academia, non-profit and corporate settings. Drawing on publicly available historical economic data, the models project economic indicators (e.g., production and employment levels) by industry. Teva's actual payroll and operating expenses data serve as inputs to the IMPLAN model, allowing MGA to capture Teva's positive economic impact.

# Teva's Global Impact

Teva is the world's leading provider of generic medicines, with an innovative biopharmaceutical portfolio, including specialty medicines, over-the-counter products and active pharmaceutical ingredients (APIs). In 2018, the company produced 80 billion tablets and capsules and 650 million sterile units.

In 2018, Teva's workforce consisted of 42,535 employees\* across 60 countries (Figure 1). Of these, 12 countries had more than 1,000 employees each and more than 30 countries had more than 200 employees each.

Manufacturing sites in Bulgaria, Croatia, the Czech Republic, Germany, Hungary, India, Israel, Spain and Poland make up the majority of Teva's production capacity. Teva's API facilities include two large development centers in India and Croatia focused on synthetic products, a center in Hungary specializing in fermentation and semi-synthetic products, a center in Israel for oligonucleotides and a center in the Czech Republic for high-potency APIs.

Teva's research and development (R&D) activities span the breadth of its business, including generic medicines (e.g., finished goods and APIs), specialty pharmaceuticals, biopharmaceuticals and over-the-counter medicines. In 2018, Teva spent more than \$1.2 billion on R&D activities and had more than 1,550 generic products in its pipeline.



## In 2018, Teva:



Produced 80 billion tablets and capsules and 650 million sterile units

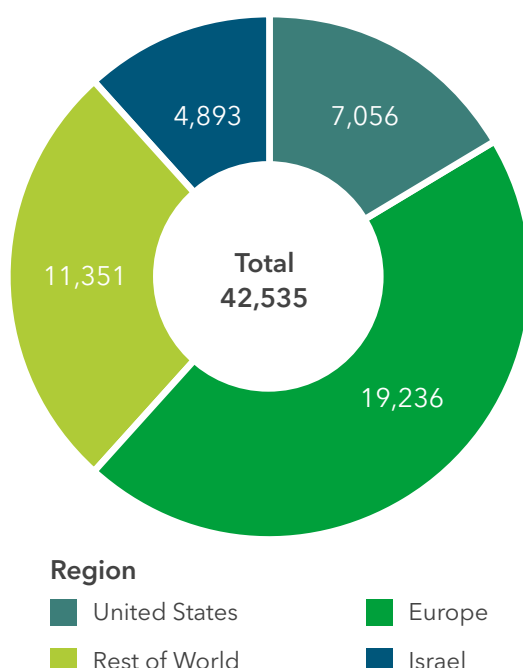


Employed 42,535 people across 60 countries



Spent more than \$1.2B on R&D activities and had more than 1,550 generic products in its pipeline

**Figure 1. Teva's Workforce in 2018**



Note: Total may differ from sum of numbers due to rounding.

\*Refers to full-time equivalent employees.

## Positively Impacting Economies Around the World

As an employer and a manufacturer, Teva creates jobs and contributes to economic output. Beyond direct expenditures, Teva's spending initiates a series of income creation, spending and re-spending that support other jobs and contribute to additional gross domestic product (GDP).

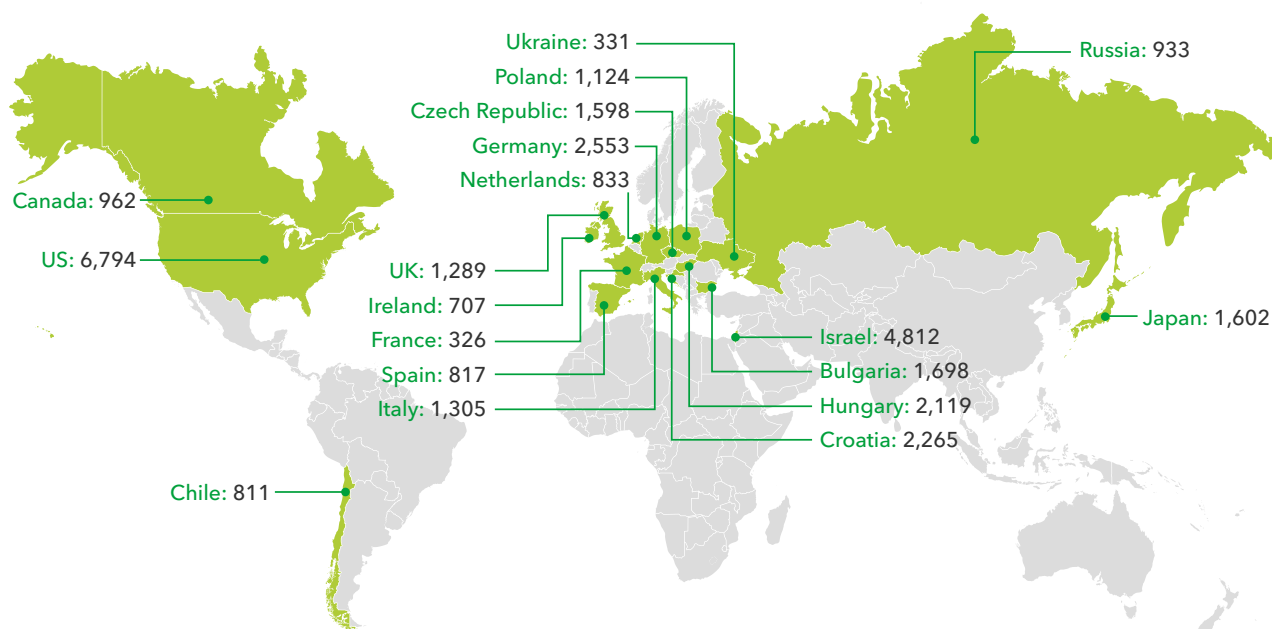
This report, from Matrix Global Advisors (MGA), highlights Teva's global impact on economies, with a focus on 19 of the 60 countries in which Teva operates. Based on a detailed impact analysis, Teva's local purchases and payroll support nearly 230,000 jobs across these 19 countries and contribute \$50.7 billion to GDP. Figure 2 highlights the number of Teva employees in these 19 countries, and Figure 3 summarizes Teva's contribution to employment, GDP and labor income.

Employees in these 19 countries represent 77% of Teva's workforce and 85% of Teva's direct economic activity. The remainder of Teva's employees are spread out across 41 other countries, with a large industrial presence in India and Mexico.

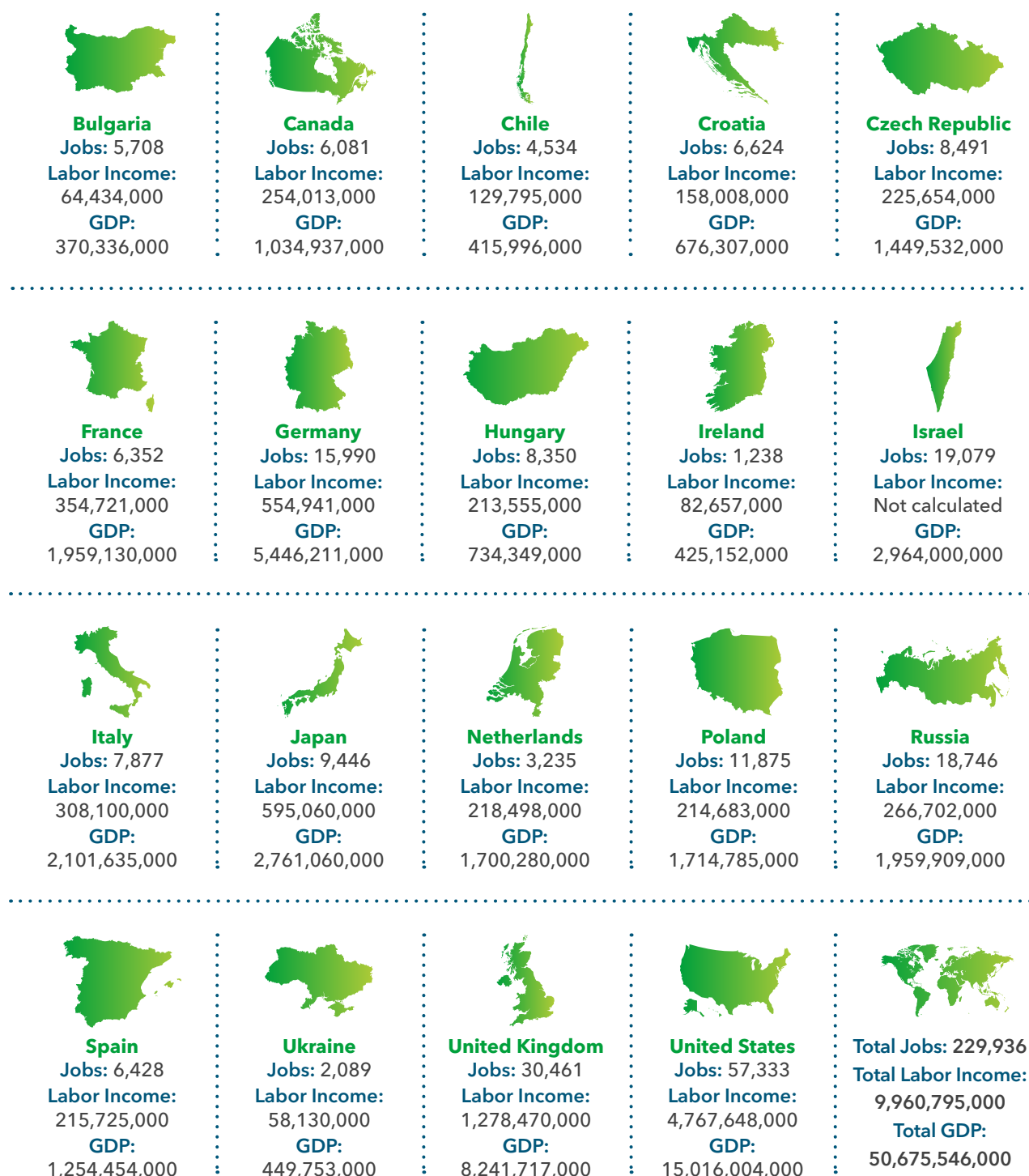
An approximate analysis of Teva's activities in these 41 countries indicates Teva's employment and spending support an additional \$10 billion in economic activity. In total, Teva's economic activity contributed an estimated \$60.7 billion to GDP in 2018.

In 2018, Teva's economic activity supported nearly **230,000** jobs and contributed **\$50.7B** to GDP across 19 countries

**Figure 2.** Teva Employees in Select Countries in 2018



**Figure 3. Teva's Macroeconomic Impact in Select Countries in 2018 (Labor Income and GDP in \$)**



Note: Macroeconomic results reflect the impact of Teva employment and spending in each country in 2018. Total labor income does not include Israel. Total may differ from sum of numbers due to rounding.

## Driving Savings and Access with Generic Medicines

As a leading provider of generic medicines globally, the leading provider in the US and a top three provider in more than 30 countries, Teva provides savings to healthcare systems around the world through its generic medicines. According to an analysis by MGA, Teva's generic savings in select countries totaled \$54.6 billion in 2018 (Table 1).

**Table 1.** Teva's Generic Drug Savings in Select Countries in 2018

Country	Teva Generic Savings (\$ Millions)
Bulgaria	21
Canada	3,000
Chile	132
Czech Republic	37
France	238
Germany	2,100
Hungary	26
Ireland	86
Israel	400
Italy	940
Japan	355
Netherlands	856
Poland	88
Russia	173
Spain	104
Ukraine	18
United Kingdom	4,100
United States	41,900

## Making a Positive Social Impact

In addition to making an economic impact, Teva promotes health and increases access to treatment for patients, while cultivating a culture of compliance, ethics and transparency. Teva supports communities, patients and caregivers around the world through monetary and product donations, employee volunteering, programs and partnerships.

**In 2018, Teva:**



Received more than 900 generic medicine approvals



Donated \$380M worth of medicines to patients around the world



Provided \$43M worth of medicines to patient assistance organizations



Received the EcoVadis Silver Medal (top 16% of pharmaceutical companies) for responsible conduct in environment, labor and human rights practices, ethics and sustainable procurement



# Teva in the United States



With nearly 6,800 employees in the United States (US), Teva Pharmaceutical Industries Ltd. (hereinafter “Teva”), including all its subsidiaries, has extensive operations that span all aspects of bringing medicines to market. Teva is the leading generic drug company in the US, manufacturing more than 500 generic prescription and over-the-counter products in more than 2,000 dosage strengths and package sizes, including oral solid dosage forms, injectable products, inhaled products, liquids, ointments and creams. Approximately one of every seven generic prescriptions in the US is filled with a Teva product.<sup>1</sup>



**1 of 7**  
generic prescriptions  
filled with a Teva product



**\$41.9B**  
in generic savings  
attributable to Teva

## Teva's economic activity:



contributed  
**\$15.0B**  
to gross domestic  
product (GDP)



generated  
**\$4.8B**  
in labor income



supported  
**57,300+**  
jobs

1. MGA estimate based on IQVIA, 2018; MAT 2018.

## Positively Impacting the US Economy

As an employer and a manufacturer, Teva creates jobs and contributes to economic output. Beyond direct expenditures, Teva's spending initiates a series of income creation, spending and re-spending that support other jobs and contribute to additional GDP.

Teva's economic impact in 2018 included supporting more than 57,300 full-time jobs, contributing \$15.0 billion to GDP and generating \$4.8 billion in labor income, a measure of aggregate worker wages. See Table 1 for a breakdown of this impact.



**Table 1.** Teva's Macroeconomic Impact in the US in 2018

	Jobs	Labor Income (\$ Millions)	GDP (\$ Millions)
Teva's Direct Economic Activity	6,794	1,020.5	5,692.3
Economic Activity Supported by Teva	50,539	3,747.1	9,323.6
<b>Total</b>	<b>57,333</b>	<b>4,767.6</b>	<b>15,016.0</b>

Note: Total may differ from sum of numbers due to rounding.

## Driving Savings and Access With Generic Medicines

### Healthcare system savings

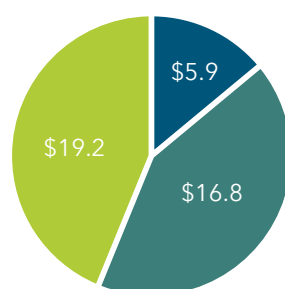
In 2018, generic drugs saved the US healthcare system an estimated \$292.6 billion.<sup>2</sup> As the largest generic medicines manufacturer in the US, Teva is responsible for \$41.9 billion of these savings.<sup>3</sup> See Figure 1 for savings attributable to Teva by payor. See Figure 2 and Tables 2 and 3 for savings attributable to Teva by state and category.

Affordable generic medicines also improve patient access and medication adherence. Medication non-adherence occurs when patients do not take prescription medicines as directed, and this can lead to additional costs. Prescription cost is one contributing factor to patients not taking medicines as prescribed. As a result, generic drugs play an important role in addressing non-adherence.<sup>4</sup>

**Teva saved the US healthcare system \$41.9B in 2018, including \$5.9B in savings to patients**

### Patient savings and access

Teva's generic medicines provide significant out-of-pocket savings to patients. In the US, the average copay for a generic medicine (\$5.63) is roughly one-seventh of the average copay for a branded medicine (\$40.65), and more than 95% of generic medicine prescriptions cost patients \$20 or less.<sup>2</sup>



**Figure 1.** Teva's \$41.9 Billion in US Generic Savings by Payor (\$ Billions)

■ Out of Pocket  
■ Private Insurance  
■ Government

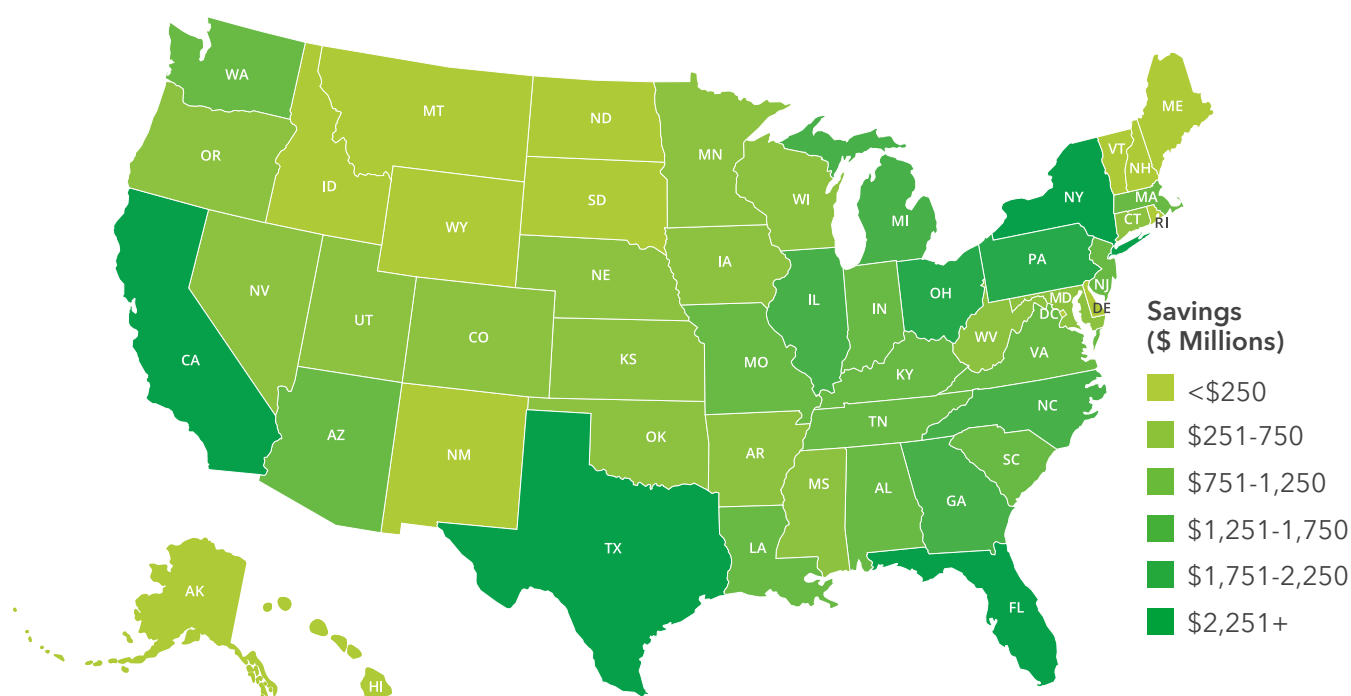
2. Association for Accessible Medicines (AAM), 2019. Generic Drug and Biosimilars Access and Savings in the U.S. Available: <https://accessiblemeds.org/resources/blog/2019-generic-drug-and-biosimilars-access-savings-us-report>

3. MGA estimate based on Teva's generic market share in the US in 2018 and National Health Expenditure Accounts, CY 2018, Table 19.

4. Express Scripts, 2015. The Costs of Nonadherence.



**Figure 2.** Teva's Generic Savings by State in 2018



**Table 2.** Teva's Generic Savings by State in 2018 (\$ Millions)

State	Total	State	Total	State	Total
Alabama	\$847	Kentucky	\$908	North Dakota	\$89
Alaska	\$53	Louisiana	\$844	Ohio	\$1,760
Arizona	\$781	Maine	\$168	Oklahoma	\$497
Arkansas	\$525	Maryland	\$700	Oregon	\$443
California	\$3,693	Massachusetts	\$949	Pennsylvania	\$1,906
Colorado	\$470	Michigan	\$1,388	Rhode Island	\$181
Connecticut	\$482	Minnesota	\$606	South Carolina	\$770
Delaware	\$131	Mississippi	\$528	South Dakota	\$100
District of Columbia	\$72	Missouri	\$856	Tennessee	\$1,084
Florida	\$2,724	Montana	\$120	Texas	\$3,283
Georgia	\$1,398	Nebraska	\$268	Utah	\$326
Hawaii	\$139	Nevada	\$340	Vermont	\$76
Idaho	\$191	New Hampshire	\$177	Virginia	\$1,032
Illinois	\$1,556	New Jersey	\$1,145	Washington	\$762
Indiana	\$936	New Mexico	\$227	West Virginia	\$361
Iowa	\$453	New York	\$3,023	Wisconsin	\$665
Kansas	\$386	North Carolina	\$1,423	Wyoming	\$60
				<b>United States</b>	<b>\$41,901</b>

Note: Total may differ from sum of numbers due to rounding.

**Table 3.** Teva's Generic Savings by State and Category in 2018 (\$ Millions)

State	Commercial	Medicare	Medicaid	Cash	Total
Alabama	\$451	\$257	\$70	\$69	\$847
Alaska	\$33	\$8	\$9	\$3	\$53
Arizona	\$392	\$213	\$142	\$34	\$781
Arkansas	\$276	\$155	\$51	\$42	\$525
California	\$1,689	\$1,032	\$811	\$162	\$3,693
Colorado	\$260	\$111	\$75	\$23	\$470
Connecticut	\$242	\$128	\$95	\$16	\$482
Delaware	\$62	\$37	\$27	\$5	\$131
District of Columbia	\$37	\$13	\$20	\$3	\$72
Florida	\$1,372	\$897	\$272	\$183	\$2,724
Georgia	\$749	\$388	\$161	\$100	\$1,398
Hawaii	\$64	\$36	\$33	\$6	\$139
Idaho	\$108	\$50	\$20	\$13	\$191
Illinois	\$809	\$426	\$250	\$72	\$1,556
Indiana	\$488	\$255	\$147	\$46	\$936
Iowa	\$224	\$136	\$74	\$20	\$453
Kansas	\$229	\$105	\$30	\$22	\$386
Kentucky	\$358	\$254	\$244	\$52	\$908
Louisiana	\$387	\$222	\$191	\$44	\$844
Maine	\$83	\$60	\$20	\$6	\$168
Maryland	\$388	\$146	\$138	\$27	\$700
Massachusetts	\$464	\$274	\$184	\$26	\$949
Michigan	\$641	\$390	\$292	\$65	\$1,388
Minnesota	\$305	\$165	\$104	\$32	\$606
Mississippi	\$282	\$169	\$23	\$55	\$528
Missouri	\$442	\$270	\$95	\$49	\$856
Montana	\$55	\$34	\$23	\$8	\$120
Nebraska	\$148	\$76	\$27	\$17	\$268
Nevada	\$178	\$83	\$63	\$16	\$340
New Hampshire	\$106	\$48	\$17	\$6	\$177
New Jersey	\$615	\$274	\$203	\$53	\$1,145
New Mexico	\$126	\$57	\$33	\$12	\$227
New York	\$1,312	\$827	\$782	\$102	\$3,023
North Carolina	\$750	\$441	\$150	\$82	\$1,423
North Dakota	\$49	\$24	\$7	\$8	\$89
Ohio	\$819	\$462	\$414	\$64	\$1,760
Oklahoma	\$281	\$136	\$49	\$31	\$497
Oregon	\$211	\$132	\$79	\$21	\$443
Pennsylvania	\$920	\$582	\$337	\$67	\$1,906
Rhode Island	\$83	\$50	\$43	\$5	\$181
South Carolina	\$403	\$237	\$84	\$46	\$770
South Dakota	\$55	\$31	\$8	\$7	\$100
Tennessee	\$562	\$327	\$126	\$69	\$1,084
Texas	\$1,922	\$820	\$333	\$208	\$3,283
Utah	\$221	\$61	\$21	\$22	\$326
Vermont	\$34	\$25	\$16	\$2	\$76
Virginia	\$642	\$248	\$91	\$51	\$1,032
Washington	\$419	\$172	\$140	\$31	\$762
West Virginia	\$146	\$109	\$91	\$15	\$361
Wisconsin	\$337	\$194	\$105	\$29	\$665
Wyoming	\$37	\$14	\$4	\$4	\$60
<b>United States</b>	<b>\$21,267</b>	<b>\$11,658</b>	<b>\$6,826</b>	<b>\$2,151</b>	<b>\$41,901</b>

Note: These calculations are based on a national estimate of Teva's generic savings in the US and a distribution of pharmacy prescriptions by state and category from Kaiser Family Foundation. "Cash" refers to patients who pay cash for their prescriptions and does not include copays or coinsurance payments. Total may differ from sum of numbers due to rounding.

## Making a Positive Social Impact

Teva promotes health and increases access to treatment for patients, while cultivating a culture of compliance, ethics and transparency. Teva supports communities in the US and their patients and caregivers through monetary and product donations, employee volunteering, programs and partnerships.

### Teva's 2018 Social Impact highlights in the US:

- Contributed \$23.4 million worth of medications to patients who struggle to afford medicines through Teva Cares Foundation Patient Assistance Programs
- Provided \$20 million worth of medicines through the AssistRX-run HUB service
- Worked with Volunteers in Medicine to provide healthcare services to those without access
- Provided funding for Enhancing Access2Care, which helps patients with multiple chronic conditions receive access to primary and preventive healthcare
- Sponsored Miles for Migraine, which hosts walk/run events and Patient Education Days
- Funded a STEM program for high school students with The College of Physicians of Philadelphia

### Teva's US Supplier Diversity in 2018



**330**  
small businesses



**50**  
women-owned  
small businesses



**5**  
small,  
disadvantaged  
businesses

