



Teva Canada Economic Impact Report

July 2021



About This Report

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 economic output 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, economic output, 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.

This report examines 15 key countries where Teva operates. The report was funded by Teva and conducted using 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 3,000 products in its portfolio and serves 200 million people around the world 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

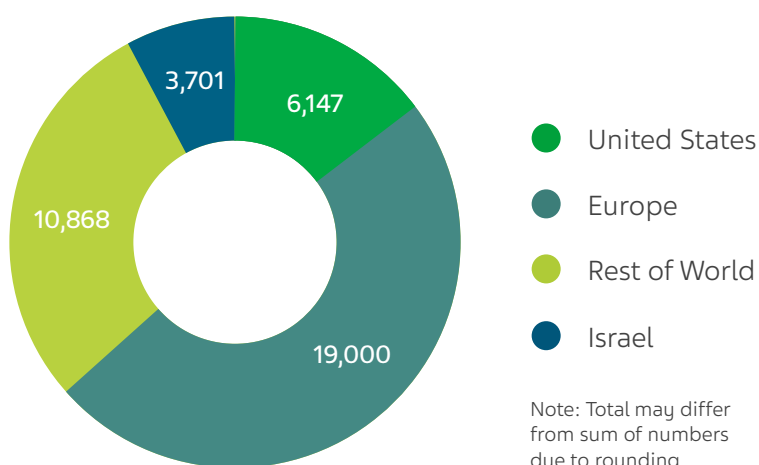
IMPLAN's regional input-output models are widely used across government, academia, nonprofit, and corporate settings. Drawing on publicly available historical economic data, the models project economic indicators (e.g., production and employment levels) by industry. Teva's actual payroll and operating expenses data serve as inputs to the IMPLAN model, allowing MGA to capture Teva's positive economic impact. For more on methodology, see [page 10](#) of this report.

Overview: Teva's Global Impact

Teva is the leading provider of generic medicines in the world, with a portfolio that also includes specialty and biopharmaceutical medicines, over-the-counter products, and active pharmaceutical ingredients (APIs). In 2020, Teva sold 85 billion tablets and capsules and 785 million sterile units. Teva's workforce in 2020 consisted of 39,717 full-time-equivalent employees (FTEs) across 60 countries (see Figure 1). Of these, 12 countries had more than 1,000 FTEs and more than 30 countries had more than 150 FTEs.




Figure 1. Teva's Workforce in 2020 (Full-Time-Equivalent Employees)



Manufacturing sites in Bulgaria, Croatia, the Czech Republic, Germany, Hungary, India, Israel, Poland, and Spain make up the majority of Teva's production capacity. Teva's API facilities include centers in Croatia, Czech Republic, Hungary, India, and Israel.

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 2020, Teva spent nearly \$1 billion on R&D activities, had more than 1,160 generic products in its pipeline, and received approval for 800 new generic medicines and 100 new specialty medicines.

In 2020, Teva:

 Sold **85B** tablets and capsules and **785M** sterile units

 Employed **39,717** full-time-equivalent employees across **60** countries

 Invested **\$1B** in R&D

 Had more than **1,160** generic products in its pipeline

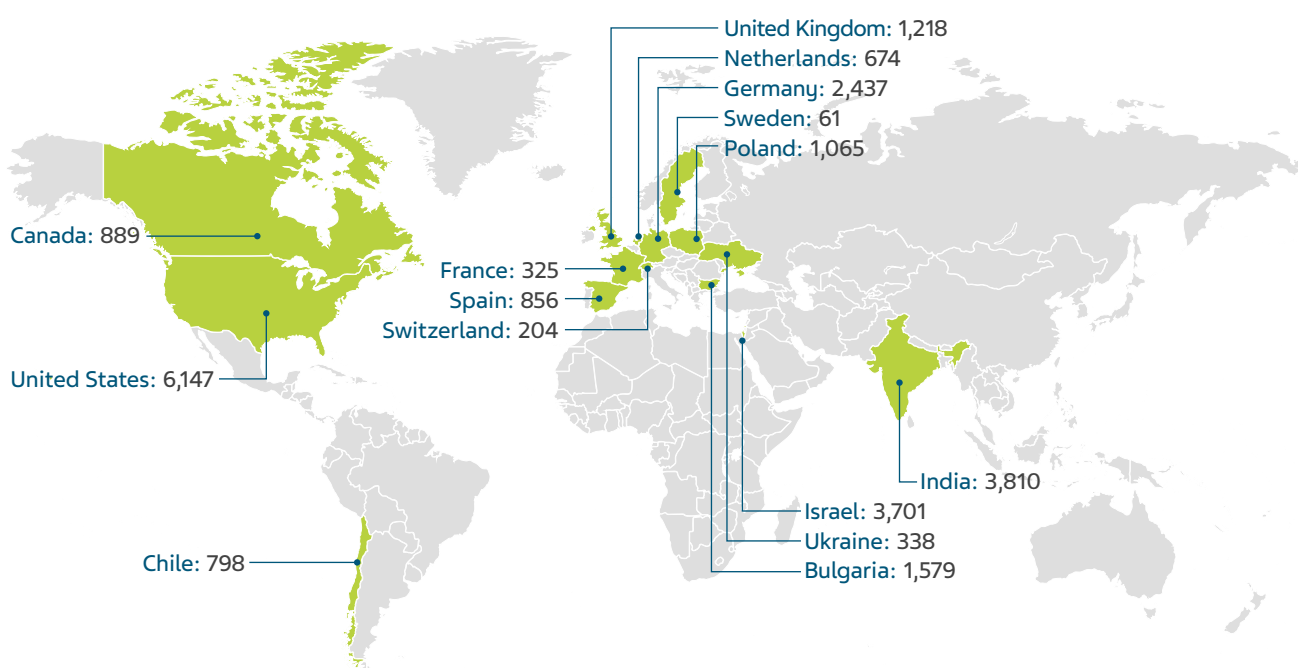
 Received marketing authorizations for **800** new generic medicines and **100** new specialty medicines

Positively Impacting Economies Around the World

As an employer and a manufacturer, Teva creates jobs and contributes to economies in which it operates. Beyond payrolls and other direct expenditures, Teva's spending initiates a series of income creation, spending, and re-spending that supports other jobs and contributes to additional economic output.

The 15 countries in this report comprise **60% of Teva's total global workforce** and **75% of revenues** in 2020

Figure 2. Teva Full-Time-Equivalent Employees in Select Countries in 2020

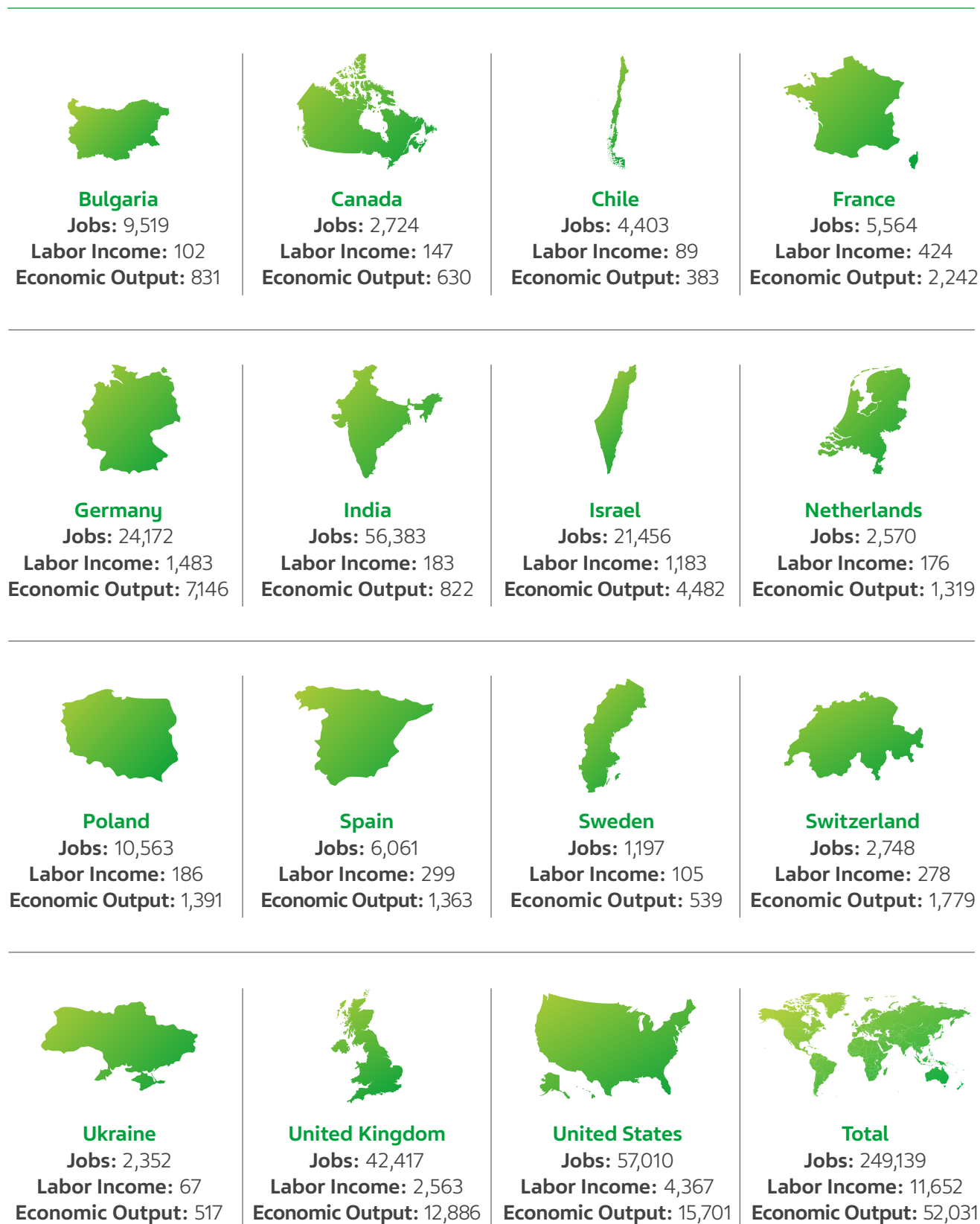


This report, from Matrix Global Advisors (MGA), highlights Teva's impact on economies in 15 of the 60 countries in which Teva operates. These 15 countries comprise 60 percent of Teva's total global workforce and 75 percent of revenues in 2020. Figure 2 highlights the number of Teva FTEs in these 15 countries.

MGA's detailed impact analysis estimates that, in 2020, Teva's local purchases and payroll supported more than 249,000 jobs across these 15 countries, contributed \$52 billion to economic output, and generated \$11.7 billion in labor income.¹ Figure 3 summarizes Teva's contribution to employment, economic output, and labor income.

¹See the appendix to this report for the methodology used for this analysis.

Figure 3. Teva's 2020 Economic Impact in Select Countries (Labor Income and Economic Output in \$ Millions)



Driving Savings and Access with Generic Medicines

As a leading provider of generic medicines globally and a top three provider in many countries, Teva brings savings to healthcare systems around the world through its generic medicines. According to an analysis by MGA, Teva's generic savings in 14 select countries totaled \$43.1 billion in 2020 (see Table 1).¹

Table 1. Teva's 2020 Generic Drug Savings in Select Countries

Country	Teva Generic Savings (\$ Millions)
Bulgaria	25
Canada	3,000
Chile	1,200
France	421
Germany	3,100
Israel	434
Netherlands	1,100
Poland	112
Spain	239
Sweden	200
Switzerland	193
Ukraine	101
United Kingdom	4,300
United States	28,800
Total	43,100

Making a Positive Social Impact

In addition to its economic impact, Teva promotes health and increases access to treatment for patients. Teva supports communities, patients, and caregivers around the world through monetary and product donations, employee volunteering, programs, and partnerships.

In 2020, Teva:



Donated \$571M worth of medicines to patients in need, including \$30M to address COVID-19 needs



Received the EcoVadis Silver Medal, for the second consecutive year, for responsible conduct in environment, labor and human rights practices, ethics, and sustainable procurement

¹See the appendix to this report for the methodology used for this analysis.

Teva in Canada

With nearly 900 employees¹ in Canada, Teva Pharmaceutical Industries Ltd. (hereinafter “Teva”), including all its subsidiaries, has extensive operations that span all aspects of bringing medicines to market. Teva is a leading generic drug company in Canada. Approximately one of every five generic prescriptions in Canada is filled with a Teva product.²



Teva's 2020 Impact in Canada



1 of 5
generic prescriptions
filled with a Teva medicine



C\$4B (\$3B)
in estimated generic
savings attributable to Teva



Teva's economic activity:

C\$845M (\$630M) in economic output	900 employees and more than
C\$197M (\$147M) in labor income	1,800 supported jobs

Teva's Presence in Canada

Teva has provided affordable healthcare solutions to Canadians for over 50 years. In Canada, Teva specializes in the development, production, and marketing of high-quality generic prescription pharmaceuticals and, through its branded division, focuses on a diverse line of innovative products in a variety of therapeutic areas such as central nervous system (CNS), respiratory, and oncology.

Each day, more than 192,000 prescriptions are filled in Canada with a Teva product. Teva covers 76 percent of the generic market in Canada, manufacturing more than 360 generic products in more than 840 SKUs.

In Canada, Teva has a commercial site and three manufacturing sites:

- **Montreal**—Houses a commercial innovation site supporting specialty products, biosimilars, and clinical research
- **Markham**—Produces 300 million capsules and 11 million suspension units per year
- **Stouffville**—Produces 3.3 billion doses per year, 96 percent of which are for the Canadian market
- **Toronto**—Houses Teva's Centre of Excellence for Packaging

Teva's pipeline in Canada includes 20 specialty medicines, and Teva has eight studies in respiratory, CNS, and movement disorders underway.

¹Refers to full-time-equivalent employees and may be less than total head count.

²Estimate based on IQVIA CDH Compuscript – YR 2020.

Positively Impacting Canada's Economy

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

Teva's economic impact in 2020 included supporting more than 2,700 full-time jobs, contributing C\$845 million (\$630 million) to economic output, and generating C\$197 million (\$147 million) in labor income (a measure of aggregate worker wages).³ See Table 1 for a breakdown of this impact.

Table 1. Teva's Macroeconomic Impact in Canada in 2020

	Jobs	Labor Income (Millions)		Economic Output (Millions)	
		C\$	\$	C\$	\$
Teva's Direct Economic Activity	889	76	57	238	178
Economic Activity Supported by Teva	1,835	121	90	607	453
Total	2,724	197	147	845	630

Note: Totals may differ from sum of numbers due to rounding. Source: Economic impact estimates are derived from the IMPLAN macroeconomic model for Canada supported by proprietary cost and expenditure data provided by Teva.

Driving Savings and Access with Generic Medicines

Generic drugs provide significant savings to Canada's healthcare system. As a leading generic drug company in Canada, Teva was responsible for an estimated C\$4 billion (\$3 billion) of these savings.³

Teva's generic medicines saved Canada's healthcare system an estimated **C\$4B (\$3B)** in 2020

³See the appendix to this report for the methodology used for this analysis.

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 Canada and their patients and caregivers through monetary and product donations, employee volunteering, programs, and partnerships.

Teva's Role in Education and Patient Support **Teva Gives Back**

Teva Support Solutions[®] is a personalized program for patients with migraines, eosinophilic severe asthma, rheumatoid arthritis, granulomatosis with polyangiitis, and microscopic polyangiitis.

Shared Solutions[®] is Teva's personalized support program for patients with relapsing and remitting multiple sclerosis.

Teva also provides patient support programs for its generic products, including Teva-Everolimus, Teva-Fingolimod, and Teva-Teriparatide.

Caregiver-Friendly Pharmacy is a national program that supports caregivers with online tools and resources and empowers pharmacists to identify and engage with caregivers. More than 2,600 pharmacists have completed the accredited training, and a mapping tool helps caregivers find a pharmacy in their local area that specializes in their needs.

Teva has donated nearly C\$120 million (\$89 million) worth of medicines to Health Partners International of Canada since 1985, and nearly C\$2 million (\$1.5 million) to Childhood Cancer Canada Foundation, including more than 1,000 Survivor Scholarships awarded since 2008 to support the postsecondary academic aspirations of adult cancer survivors.

Teva and its employees in Canada have donated more than C\$70,000 (\$52,000) to the United Way/Centraide over the last two years.

Teva Economic Impact Report Methodology

To conduct the independent analysis of Teva's macroeconomic impact and generic drug savings presented in the Teva Economic Impact Report, Matrix Global Advisors (MGA) used the following methodologies. Please refer to the relevant generic savings methodology below for details specific to this report.

1. Macroeconomic Impact Analysis

In the countries in which Teva operates, Teva's local expenditures—whether employee wages, payments to suppliers, or other purchases—result in additional economic activity and support jobs and labor income beyond the direct economic impact of Teva in a market. To estimate these impacts, MGA used country-specific input-output models, built by IMPLAN and populated with expenditure data provided by Teva.

Input-output models, which are widely used across government, academia, nonprofit, and corporate settings, draw on publicly available historical economic data to mimic the relationships between and among firms and industries in an economy. These models can estimate the broader employment, economic output, and labor income that a company's expenditures support in a country or region. IMPLAN is a leading provider of input-output models. For this analysis, Teva payroll and domestic operating expenses for 2020 served as inputs to the IMPLAN model for each country. Because no IMPLAN model is available for Ukraine, MGA used an alternative proprietary input-output model. In the report, Teva employees refer to full-time-equivalent employees unless noted otherwise.

2. Generic Drug Savings Analysis

To estimate Teva's contribution to generic drug savings, MGA used one methodology for 12 of the countries analyzed. For the United States and Israel, MGA used a separate methodology. All three methodologies are described below.

Primary Generic Savings Methodology

For 12 countries (Bulgaria, Canada, Chile, France, Germany, the Netherlands, Poland, Spain, Sweden, Switzerland, Ukraine, and the United Kingdom), MGA calculated national generic drug savings using 2020 IQVIA data on the oral solids prescription drug market in each country. These data excluded biologics, vaccines, over-the-counter medicines, products with unknown protection status, and all non-oral solid formulations.

Generic drug savings are equivalent to what would have been spent in the absence of generics, assuming no change in brand drug prices. Savings are calculated as the average brand price per unit multiplied by total generic units, minus total generic sales. IQVIA sales and unit volume data were available in four categories: branded, generic, IP protected, and non-protected. To determine the average brand price for multisource products, MGA divided total sales for non-protected brand drugs by the number of non-protected brand units. MGA multiplied this average price by the total number of generic units before subtracting actual total generic sales to arrive at a national generic savings estimate.

To calculate Teva's share of generic savings, MGA multiplied these national savings estimates by Teva's 2020 generic market share by volume in each country. Teva's generic market share was derived from IQVIA.

Israel Generic Savings Methodology

MGA's estimate of Teva's generic savings in Israel in 2020 is based on a 2018 analysis conducted by the Israeli firm Rotem Strategy (the most recent analysis available).¹ To arrive at Teva's generic savings for 2020, MGA adjusted the Rotem Strategy estimate by the growth in Teva's generic sales in Israel from 2018 to 2020.

US Generic Savings Methodology

2020 and 10-Year Savings. MGA's estimate of Teva's generic savings in the United States in 2020 is based on the national generic savings estimate calculated by IQVIA for the Association for Accessible Medicines.² Because an estimate of US generic savings for 2020 is not yet available, MGA forecast national generic savings for 2020 based on the trend in generic savings of the previous decade. To calculate Teva's share of these savings, MGA multiplied this savings estimate by Teva's 2020 US generic market share by volume, derived from IQVIA. For the 10-year generic savings estimate, MGA multiplied each year's US generic drug savings from the Association for Accessible Medicines by Teva's US generic market share by volume in that year.

Savings by Payer. To break down Teva's US generic savings by payer, MGA used data on prescription drug spending from the National Health Expenditure Accounts.³ MGA's analysis assumes that generic savings accrue to different payers in the same proportion that payers bear prescription drug spending.

Savings by State and Payer. To break down Teva's US generic savings by state and category, MGA used Kaiser Family Foundation pharmacy prescription data, which originates from IQVIA.⁴ MGA assumes that Teva's share of generic sales is constant across states. It should be noted that "cash" refers to cash payments and does not include copays. Therefore, it is not comparable to "out-of-pocket" savings in the national analysis of generic savings by payer. Patient copays are included in each payer category. For example, the commercial plan drug spending in a state reflects both payments by the plans and copays by the patient.

¹ Rotem Strategy, "Teva's Economic Contribution to the State of Israel," 2018.

² Association for Accessible Medicines, *2020 Generic Drug and Biosimilars Access and Savings in the U.S. Report*, September 2020.

³ Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group, "Table 19: National Health Expenditures by Type of Expenditure and Program: Calendar Year 2019."

⁴ Kaiser Family Foundation, "State Health Facts: Retail Sales for Prescription Drugs Filled at Pharmacies by Payer," 2019.

