

ALLERGAN INC
Form 425
November 17, 2014

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Creating the Most Dynamic Company in Growth Pharma
Filing pursuant to Rule 425 under the
Securities Act of 1933, as amended
Deemed filed under Rule 14a-12 under the
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Filer: Actavis plc
Subject Company: Allergan, Inc.

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Actavis Cautionary Statement Regarding Forward-Looking
Statements

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Statements contained in this communication that refer to Actavis' estimated or anticipated future results, including estimated historical facts are forward-looking statements that reflect Actavis' current perspective of existing trends and information as of the date of this communication. Forward looking statements generally will be accompanied by words such as "anticipate, believe, plan, could, forecast, outlook, guidance, intend, may, might, will, possible, potential, predict, project, or other similar words, phrases or expressions." Forward looking statements include, but are not limited to, statements about the benefits of the Allergan acquisition, including future financial performance.

Actavis or Allergan's plans, objectives, expectations and intentions and the expected timing of completion of the transaction. Actavis goals and expectations are not predictions of actual performance. Actual results may differ materially from Actavis upon a number of factors affecting Actavis' business, Allergan's business and risks associated with acquisition transactions. These factors include, among others, the inherent uncertainty associated with financial projections; restructuring in connection with, and successful closing of, the subsequent integration of the Allergan acquisition and the ability to recognize the anticipated synergies and benefits of the Allergan acquisition; the ability to obtain required regulatory approvals for the transaction (including the approval of antitrust authorities necessary to complete the transaction); obtaining such approvals and the risk that such approvals may result in the imposition of conditions that could adversely affect the expected benefits of the transaction; the ability to obtain the requisite Allergan and Actavis shareholder approvals; the risk that the Allergan acquisition may not be satisfied on a timely basis or at all; the failure of the proposed transaction to close for any reason; the value of the Actavis shares to be issued in the transaction; the anticipated size of the markets and continued demand for Actavis' products; the impact of competitive products and pricing; access to available financing (including financing for the acquisition) on a timely basis and on reasonable terms; the risks of fluctuations in foreign currency exchange rates; the risks and uncertainties not unique to the pharmaceutical industry, including product liability claims and the availability of product liability insurance on reasonable terms; the timing or outcome of pending or future litigation or government investigations; periodic dependence on a small number of products for net revenue or income; variability of trade buying patterns; changes in generally accepted accounting principles; risks that the company's results may be negatively impacted by future events and circumstances; the timing and success of product launches; the difficulty of predicting the outcome of product development efforts and regulatory agency approvals or actions, if any; market acceptance of and continued demand for Actavis' products; costs and efforts to defend or enforce intellectual property rights; difficulties or delays in manufacturing; the availability of sourced products and materials; successful compliance with governmental regulations applicable to Actavis' and Allergan's pharmaceutical businesses; changes in the laws and regulations affecting, among other things, pricing and reimbursement of pharmaceutical products; or interpretations that could increase Actavis' consolidated tax liabilities; the loss of key senior management or scientific staff; and other uncertainties detailed in Actavis' periodic public filings with the Securities and Exchange Commission, including but not limited to its Form 10-K for the year ended December 31, 2013, Current Report on Form 8-K filed on May 20, 2014, in Warner Chilcott Limited's prospectus on Form S-4 effective as of October 16, 2014, and from time to time in Actavis' other investor communications. Except as expressly stated, Actavis disclaims any intent or obligation to update or revise these forward-looking statements.

Important Information for Investors and Shareholders

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of an approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful without registration

or
qualification
under
the

securities
laws
of
any
such
jurisdiction.

In
connection
with
the
proposed
merger
between
Actavis
and

Allergan, Actavis will file with the Securities and Exchange Commission (the SEC) a registration statement on Form S-4 that joint proxy statement of Actavis and Allergan that also constitutes a prospectus of Actavis. The definitive joint proxy statement will be delivered to shareholders of Actavis and Allergan. INVESTORS AND SECURITY HOLDERS OF ACTAVIS AND ALLERGAN ARE URGED TO READ THE DEFINITIVE JOINT PROXY STATEMENT/PROSPECTUS AND OTHER DOCUMENTS THAT ACCOMPANY WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Investors and security holders will be able to obtain free copies of the registration statement and joint proxy statement/prospectus (when available) and other documents filed with the SEC by Actavis and Allergan through the EDGAR system maintained by the SEC at <http://www.sec.gov>. Copies of the documents filed with the SEC by Actavis will be available free of charge.

Actavis
internet
website
at
www.Actavis.com

or
by
contacting
Actavis
Investor
Relations
Department
at
(862)
261-7488.

Copies
of
the

documents filed with the SEC by Allergan will be available free of charge on Allergan's internet website at www.Allergan.com or by contacting Allergan's Investor Relations Department at (714) 246-4766.

Participants in the Merger Solicitation

Actavis, Allergan, their respective directors and certain of their executive officers and employees may be considered participants in the solicitation of proxies in connection with the proposed transaction. Information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of the Actavis and Allergan shareholders in connection with the proposed merger will be set forth in the joint proxy statement/prospectus when it is filed with the SEC. Information about the directors and executive officers of Allergan is set forth in its proxy statement for its 2014 annual meeting of stockholders, which was filed with the SEC on March 26, 2014 and in Allergan's Current Reports on Form 8-K. Information about the directors and executive officers of Actavis is set forth in Actavis, Inc.'s proxy statement for its 2014 annual meeting of stockholders, which was filed with the SEC on March 26, 2014 and in Actavis, Inc.'s Current Reports on Form 8-K.

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for its 2014 annual meeting of stockholders, which was filed with the SEC on March 28, 2014 and certain of Actavis Inc.'s annual reports and Current Reports on Form 8-K. Additional information regarding the participants in the proxy solicitations and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus filed with the above registration statement on Form S-4 and other relevant materials to be filed with the SEC when they become available.

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An Exceptional Transaction

Creates a New Top 10 Global Growth Pharmaceutical
Company

-

\$23B of pro forma revenue in 2015

\$66B cash and stock deal at \$219 per share

-
\$129.22 in cash plus 0.3683 Actavis shares for each share of Allergan common stock (59% cash)

Unanimously approved by both Boards; strongly supported by both management teams

Industry-leading combined management team led by Brent Saunders, CEO and President and Paul Bisaro, Executive Chairman

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Establishing A New Industry Dynamic

Big BioPharma

Spec Pharma

Generics

Source: FactSet and equity research as of 11/14/14

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Enterprise Value (\$bn)

Note: New Actavis enterprise value based on current Actavis plus Allergan at transaction value of \$66bn

Growth BioPharma
Establishing

Growth Pharma. ■

2015

2018 Revenue CAGR

Source: FactSet and equity research as of 11/14/14

9

21x
11
19x
23
32x
16
18x
6
22x
16
15x
23
18x
52
10x
21
17x
56
16x
44
14x
21
21x
10
13x
39
15x
17
13x
41
17x
15
30x
48
14x
25
2015 Rev (\$bn)
2015E P/E
29
20
17x
11x
10%
6
10% branded
business CAGR
Driven By Commitment to R&D
Big BioPharma
Spec Pharma
Generics

Sustainable, Double-Digit Growth Expected

Organic Rx/Gx revenue growth at a CAGR of at least 10%
for foreseeable future

Double-digit accretion in first 12 months

2016 Free Cash Flow \$8+ Billion and accelerating

Substantial Synergies and Savings of more than \$1.8 Billion
without sacrificing future growth

Majority realized in first 12 months

Includes ~\$450 Million financial synergies

Excludes revenue and manufacturing synergies

Excludes Allergan's Project Endurance

Commitment to ~\$1.7 Billion of R&D investment

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Highly Diversified Combined Product Revenues
8
2014 pro forma

\$15 Billion Global Brand Portfolio
6 Blockbuster Franchises & Strong Anti-Infectives/Established Brands Franchises
Women's Health
& Urology
Ophthalmology
CNS
Cardiovascular &
Respiratory
GI &

Cystic Fibrosis
Dermatology &
Aesthetics
~\$3 Billion+
~\$3 Billion+
~\$3 Billion+
\$1 Billion+
\$1 Billion+
\$1 Billion+
Anti-infectives &
Est. Brands
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Unparalleled Commercial Reach

Presence in 100 Countries
with Greater Market and
Product Reach

A leader in growing
markets including Europe,

Southeast Asia, China, India
and Latin America

World-class commercial sales and marketing organization
competing across multiple market segments

Brands, generics, branded-generics, OTC

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BOTOX CFL Asia

BOTOX Forehead Lines

BOTOX Spasticity Adult LL, Adult UL, Ped LL,
Ped UL

RESTASIS

®

EU

Bimatoprost SR

DARPin

®

AMD

SEMPRANA

®

Headache

LATISSE

®

Brow

Oxymetazoline Rosacea

ACZONE®

X

SER-120

OZURDEX

®

RVO

China

LASTACAFT

®

Japan

Bystolic + valsartan

Namenda + donepezil

Lilleta

CAZ-AVI

Viibryd Low-
Dose

Eluxadoline

Cariprazine

Esmya

Sarecycline

Industry-leading Generics Pipeline

60+ First to Files, 228 pending ANDAs

1,200+ Pending MAAs Internationally

Actavis Brands

Allergan

~\$1.7 Billion Commitment to R&D

Strong Late Stage Pipeline

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Actavis Generics

Allergan Overview
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Multi-specialty health care company

Focused on developing and commercializing pharmaceuticals, biologics, medical devices and over-the-counter products

Presence in ~100 countries

Key therapeutic areas include:
ophthalmic, neurological, aesthetics,
medical dermatology/plastic surgery,
urology

~11,500 employees

Allergan: Company Overview

Sales by geography-

2013

Sales by product-

2013

13

Long-Term Focus and Investment
Allergan Has Built Global Leading Brands
2014 Full Year
Allergan Guidance
Q2 2014 Allergan
\$
Market
Share

1

Allergan Brands

Eye Care

Neuromodulators

Dermal Facial

Fillers

Breast Aesthetics

~\$3.3B

23%

2

Q2 2014 Allergan

Market

Position

1

#2

~\$2.2B

76%

#1

~\$0.7B

48%

#1

~\$0.4B

41%

#1

1

Mixture of public information (earnings releases, earnings calls, 10K s, 10Q s), AGN internal data, syndicated marketing research reports, analyst reports, GuidePoint Global.

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Excluding Retina

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Allergan Operates in Large, Growing Therapeutic
Categories Built & Developed by Strategic Investment

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WW Ophthalmic

Therapeutic Category(\$B)

WW Neuromodulator

Therapeutic Category (\$B)

WW Aesthetics

Therapeutic Category (\$B)

In the Next Five Years, Allergan Expects Multiple Major
Product Growth Drivers

BOTOX
®
Therapeutic

BOTOX

®
Cosmetic

RESTASIS
®

JUVÉDERM
®

/
VYCROSS
®
Franchise

OPTIVE
®

OZURDEX
®

Bimatoprost Sustained Release (Glaucoma)*

SEMPRANA
®*

DARPin
®

AMD
*

(Approval expected at the end of the planning period)
Limited regulatory approval risk during 5 year planning period

* Indications/compounds under investigation

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Summary
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Financing Strategy and Expected Capital Structure at Close

Bridge
financing
provided
by
J.P.
Morgan,

Mizuho
and
Wells
Fargo
to
support
the
total transaction value

Permanent
financing
expected
to
consist
of
a
combination
of
cash
on
hand,
new
debt, and new equity and equity-linked securities

~\$27.5bn of new debt issued (~\$45bn total debt at closing)

~\$28bn of new equity issued to Allergan shareholders

~\$9bn of new equity and mandatory convertible preferred to be issued to the
market (100% equity credit)

~420mm fully diluted shares for the 12 month period post-closing

~15% effective tax rate post-closing

Upsized existing revolver to \$1bn (undrawn at closing)

Strong cash flow generation to be applied to de-levering the balance sheet

<3.5x leverage expected 12 months post-closing

Expect to maintain investment grade ratings from all rating agencies

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The Combination
Exceptional Names, Exceptional
Management

Will capitalize on Allergan global brand and consumer awareness

Brent Saunders, CEO and President

Paul Bisaro, Executive Chairman

Combined management team will reflect strong talent from both companies

Allergan will be invited to have two members join Actavis Board of Directors

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Combined Proven Track Record of Integration Success

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Rejuvenate

Timing

Synergies/Costs

Faster

Overachieved

Faster

Overachieved
Faster
Overachieved
Faster
Overachieved
Faster
Overachieved

Next Steps

Successful completion of transaction requires:

Approval by shareholders of both companies

Regulatory reviews and approvals including Hart-Scott-Rodino review

Anticipated close in Q2 2015

Management teams from both companies to immediately begin pre-integration planning to maximize potential at close

Both companies will continue to execute on delivering strong business results

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The Most Dynamic Company in Growth Pharma
An Exceptional Company by the Numbers
Double-
Digit %
Accretion
10+ %
Revenue
Growth

Target
>30,000
Employees
\$8B
Free Cash
Flow in 2016
~\$23B
Global
Revenue
~\$1.7B
R&D Spend
~\$147B
Enterprise
Value
22
2017
Aspiration
\$25 EPS

