BAUSCH Health

Valeant Completes Refinancing Transactions

March 21, 2017

- **Extends Maturities of Term Loan Debt to 2022**

- **Provides Increased Operational Flexibility**

- **Leverage Neutral Transactions**

LAVAL, Quebec, March 21, 2017 /PRNewswire/ -- Valeant Pharmaceuticals International, Inc. (NYSE: VRX) (TSX: VRX) ("Valeant" or the "Company") announced today that it has closed its previously announced refinancing transactions. These transactions include its offering of $1.25 billion aggregate principal amount of 6.50% senior secured notes due 2022 and $2.0 billion aggregate principal amount of 7.00% senior secured notes due 2024, and its borrowing of an additional approximately $3 billion of new term loans maturing in 2022. The Company used the proceeds of the offering and the new term loan together with cash on hand to repay all term loans under its credit facility maturing in 2018, 2019 and 2020, $350 million of revolver borrowings and $1.1 billion of its 6.75% Senior Notes due 2018.

In addition, as part of these transactions, the Company amended its existing credit agreement to remove the financial maintenance covenants from the term loans and modify the financial maintenance covenants under the revolving facility and to make certain other amendments.

"Upon closing these transactions, the issuance of $1.25 billion and $2.0 billion of senior secured notes due 2022 and 2024, respectively, and the tender for $1.1 billion of our Senior Notes due 2018, the amount of our debt maturing prior to 2020 will be substantially reduced," said Joseph C. Papa, Chairman and CEO of Valeant. "In addition, the amended terms of the credit agreement will provide us with improved operating flexibility and a greater margin of safety with respect to financial covenants. Together, these transactions, coupled with our ongoing asset sale process, will enable Valeant to focus on driving the fundamental operating performance of its various businesses. We want to thank the lenders, investors and other financial institutions that supported us in the completion of this important initiative."

See the Annex to this press release for further details about the refinancing and its impact on our capital structure.

About Valeant

Valeant Pharmaceuticals International, Inc. (NYSE/TSX: VRX) is a multinational specialty pharmaceutical company that develops, manufactures and markets a broad range of pharmaceutical products primarily in the areas of dermatology, gastrointestinal disorders, eye health, neurology and branded generics.

Forward-Looking Statements

This press release may contain forward-looking statements, including, but not limited to, our financing plans, including the offering of Notes and the details thereof, the Credit Agreement Amendment and the details thereof, including the proposed use of proceeds therefrom, and the

Tender Offer and the details thereof, and other expected effects of the offering of Notes, the Credit Agreement Amendment and the Tender Offer. Forward-looking statements may generally be identified by the use of the words "anticipates," "expects," "intends," "plans," "should," "could," "would," "may," "will," "believes," "estimates," "potential," "target," or "continue" and variations or similar expressions. These statements are based upon the current expectations and beliefs of management and are subject to certain risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. These risks and uncertainties include, but are not limited to, risks and uncertainties discussed in our most recent annual and quarterly reports and detailed from time to time in our other filings with the Securities and Exchange Commission and the Canadian Securities Administrators, which risks and uncertainties are incorporated herein by reference. 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. We undertake no obligation to update any of these forward-looking statements to reflect events or circumstances after the date of this press release or to reflect actual outcomes, except as required by law.

ANNEX

Changes to Financial Covenants under the Credit Agreement

The refinancing transactions resulted in:

- with respect to the term loans, the removal of financial maintenance covenants;
- with respect to the revolving credit facility, a reduction of the interest coverage ratio maintenance covenant to 1.50:1.00 beginning in the fiscal quarter ending March 31, 2017 through the fiscal quarter ending March 31, 2019 (stepping up to 1.75:1.00 for any fiscal quarter ending June 30, 2019 and thereafter), as compared to a ratio of 2.00:1.00 prior to these transactions;
- with respect to the revolving credit facility, an increase of the secured leverage ratio maintenance covenant to 3.00:1.00 beginning in the fiscal quarter ending March 31, 2017 through the fiscal quarter ending March 31, 2019 (stepping down to 2.75:1.00 for any fiscal quarter ending June 30, 2019 and thereafter), as compared to a ratio of 2.50:1.00 prior to these transactions; and
- An increased amortization rate for term loans from 0.25% per quarter (1% per annum) to 1.25% per quarter (5% per annum).

The revised financial maintenance covenants will apply only with respect to revolving loans and can be waived or amended without the consent of the term loan lenders under the Credit Agreement.

In addition, the definition of EBITDA used to calculate the financial maintenance covenants was revised to permit the addback of payments of certain litigation expenses, actual or prospective legal settlements, fines, judgments or orders for up to $500 million in any twelve-month period, subject to certain limitations.

Capitalization Table

The following table sets forth the Company's cash and cash equivalents and capitalization as of December 31, 2016,

- on an actual basis; and
- on an as adjusted basis to give effect to the refinancing transactions.

This table should be read in conjunction with the press release to which this Annex is attached and our audited consolidated financial statements appearing in our Annual Report on Form 10-K for the year ended December 31, 2016.

	As of December 31, 2016	
(in millions)	Actual	As adjusted
Cash and cash equivalents	$ 542	$ 319
Credit Facilities[1]		
Revolving Credit Facility[2]	$ 875	$ 525
Term Loan Facilities[3]	9,939	6,917
Senior Secured Notes:		
2022 notes[1]	—	1,250
2024 notes[1]	—	2,000
Senior Unsecured Notes:[1]		
6.75% Senior Notes due 2018[4]	1,600	500
5.375% Senior Notes due 2020	2,000	2,000
6.375% Senior Notes due 2020	2,250	2,250
7.00% Senior Notes due 2020	690	690
5.625% Senior Notes due 2021	900	900
6.75% Senior Notes due 2021	650	650
7.50% Senior Notes due 2021	1,625	1,625
7.25% Senior Notes due 2022	550	550
4.50% Senior Notes due 2023[5]	1,578	1,578
5.50% Senior Notes due 2023	1,000	1,000
5.875% Senior Notes due 2023	3,250	3,250
6.125% Senior Notes due 2025	3,250	3,250
Other	12	12

Total Debt	30,169	28,947
Total Equity[6]	3,258	3,258
Total Capitalization[6]	$ 33,427	$ 32,205

(1) Balances of our Credit Facilities, the 2022 and 2024 notes and the Senior Unsecured Notes reflect the full outstanding principal amount of those obligations without reduction for unamortized debt discounts and debt issuance costs.

(2) As of December 31, 2016, we had drawn $875 million under the Revolving Credit Facility and $582 million was available for borrowing under the Revolving Credit Facility, after adjusting for outstanding standby letters of credit of $43 million. As adjusted, $932 million was available for borrowing under the Revolving Credit Facility, after adjusting for outstanding standby letters of credit of $43 million.

(3) As of December 31, 2016, consisted of $1,032 million of Series A-3 Tranche A Term Loan Facilities due 2018, $668 million of Series A-4 Tranche A Term Loan Facilities due 2020, $1,068 million of Series D-2 Tranche B Term Loan Facilities due 2019, $823 million of Series C-2 Tranche B Term Loan Facilities due 2019, $2,456 million of Series E-1 Tranche B Term Loan Facilities due 2020 and $3,892 million of Series F Tranche B Term Loan Facilities due 2022. On March 3, 2017, we completed sale of our CeraVe®, AcneFree™ and AMBI® skincare brands (the "Skincare Sale"), the net proceeds of which were used to pay down an aggregate principal amount of $1.1 billion of the term loans outstanding under the Credit Agreement across certain series of term loans. In addition, earlier during 2017 we paid down approximately $35 million of term loans outstanding under the Credit Agreement. As adjusted consists of an incremental amount of $3,060 million under the Series F-3 Tranche B Term Loan Facility due 2022 resulting from the refinancing of our Credit Agreement.

(4) Adjusted to reflect the purchase of $1,100 million aggregate principal amount of the 6.75% Senior Notes due 2018 (including under the previously announced tender offer.)

(5) Euro Notes are shown in U.S. dollars at an exchange rate of $1.05 per €1.00.

(6) Total Capitalization has not been adjusted for unamortized debt discounts and debt issuance costs included in the balances of our Credit Facilities, the 2022 and 2024 notes and the Senior Unsecured Notes and Total Equity does not give effect to (i) the gain, if any, associated with asset sales, including the Skincare Sale, (ii) interest expense associated with unamortized debt discounts and debt issuance costs paid from the application of proceeds as contemplated by the refinancing transactions and the Skincare

Sale and (iii) any gain or loss associated with the offering of the 2022 notes and the 2024 notes or the use of proceeds related to the refinancing transactions and the Skincare Sale.

Contact Information:
Elif McDonald
elif.mcdonald@valeant.com

514-856-3855
877-281-6642 (toll free)

Media:
Renée Soto
or
Chris Kittredge/Jared Levy
Sard Verbinnen & Co.
212-687-8080

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SOURCE Valeant Pharmaceuticals International, Inc.

Investor Inquiries
ir@bauschhealth.com
877-281-6642
514-856-3855 (Canada)

Media inquiries
Corporate.communications@bauschhealth.com
848-264-0934

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