Bank of America Merrill Lynch 2018 Leveraged Finance Conference

Horizon Pharma plc

Paul W. Hoelscher
Executive Vice President,
Chief Financial Officer
December 4, 2018

Isabel McKeehan, RAVICTI® Patient

For us, it's personal

Forward-Looking Statements

This presentation contains forward-looking statements, including, but not limited to, statements related to Horizon Pharma's full-year 2018 net sales and adjusted EBITDA guidance, expected growth in net sales of certain medicines, estimated peak annual net sales of certain medicine and medicine candidates; expected financial performance in future periods; expected timing of clinical trials and regulatory submissions and decisions, including the Phase 3 clinical trial of teprotumumab; expected expansion of investment in Horizon Pharma's rare disease medicine pipeline and marketing of KRYSTEXXA and the impact thereof; potential market opportunity for Horizon Pharma's medicines in approved and potential additional indications; and business and other statements that are not historical facts. These forward-looking statements are based on Horizon Pharma's current expectations and inherently involve significant risks and uncertainties. Actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of these risks and uncertainties, which include, without limitation, risks that Horizon Pharma's actual future financial and operating results may differ from its expectations or goals; Horizon Pharma's ability to grow net sales from existing products; the availability of coverage and adequate reimbursement and pricing from government and third-party payers; risks relating to Horizon Pharma's ability to successfully implement its business strategies; risks inherent in developing novel medicine candidates, such as teprotumumab, and existing medicines for new indications; risks related to acquisition integration and achieving projected benefits; risks associated with regulatory approvals; risks in the ability to recruit, train and retain qualified personnel; competition, including potential generic competition; the ability to protect intellectual property and defend patents; regulatory obligations and oversight, including any changes in the legal and regulatory environment in which Horizon Pharma operates and those risks detailed from time-to-time under the caption "Risk Factors" and elsewhere in Horizon Pharma's filings and reports with the SEC. Horizon Pharma undertakes no duty or obligation to update any forward-looking statements contained in this presentation as a result of new information.

Horizon Pharma is a Rare Disease Focused Company Well-Positioned for Sustainable and Rapid Growth

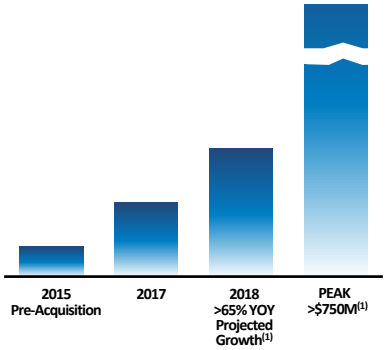
- We **excel at commercializing** innovative medicines that address unmet treatment needs for **rare and rheumatic diseases**
- Our **patients-first** culture fuels our drive to build a **pipeline of breakthrough medicines** and explore all potential uses for our **diverse and durable portfolio**
- Our **uniquely strong in-house business development capability, along with strong cash generation and balance sheet**, enable further additions to our portfolio of development-stage programs and commercial products

Our Strategy is to Drive Value by Capitalizing on Our Defining Strengths

Proven commercial execution

Example:

KRYSTEXXA® pegloticase



KRYSTEXXA U.S. Net Sales

Successful business development

Examples:

Vidara THERAPEUTICS

HYPERION THERAPEUTICS

crealta pharmaceuticals

raptor pharmaceutical corp.

Building our pipeline

Example:

Teprotumumab

- ✓ High unmet need; no FDA-approved therapies exist
- ✓ Impressive Phase 2 efficacy results (p<0.001)
- ✓ Completed enrollment for Phase 3 clinical trial, ahead of schedule
- ✓ U.S. Orphan, Fast-Track and Breakthrough Therapy designations
- ✓ $750M in peak sales potential(2)

Maximizing our medicines' value

Example:

KRYSTEXXA® pegloticase

- Working to enhance KRYSTEXXA® response rate with 3 trials:
  - MIRROR
  - RECIPE(3)
  - TRIPLE(3)
- Exploring in-house next-generation opportunities

(1) Horizon Pharma estimate; for U.S. net sales only. Does not include potential upside from immunomodulation strategy. (2) Horizon Pharma estimate; for U.S. net sales only.
(3) Investigator-initiated trials. YOY: Year-over-year.
MIRROR: **M**ethotrexate to **I**ncrease **R**esponse **R**ates in Patients with Uncontrolled G**O**ut **R**eceiving KRYSTEXXA.
RECIPE: **RE**du**C**ing **I**mmunogenicity to **P**egloticas**E**. TRIPLE: **T**olerization **R**educes **I**ntolerance to **P**egloticase and Prolongs the Urate **L**owering **E**ffect.
Teprotumumab is an investigational candidate, and safety and efficacy have not been established.

HORIZON PHARMA

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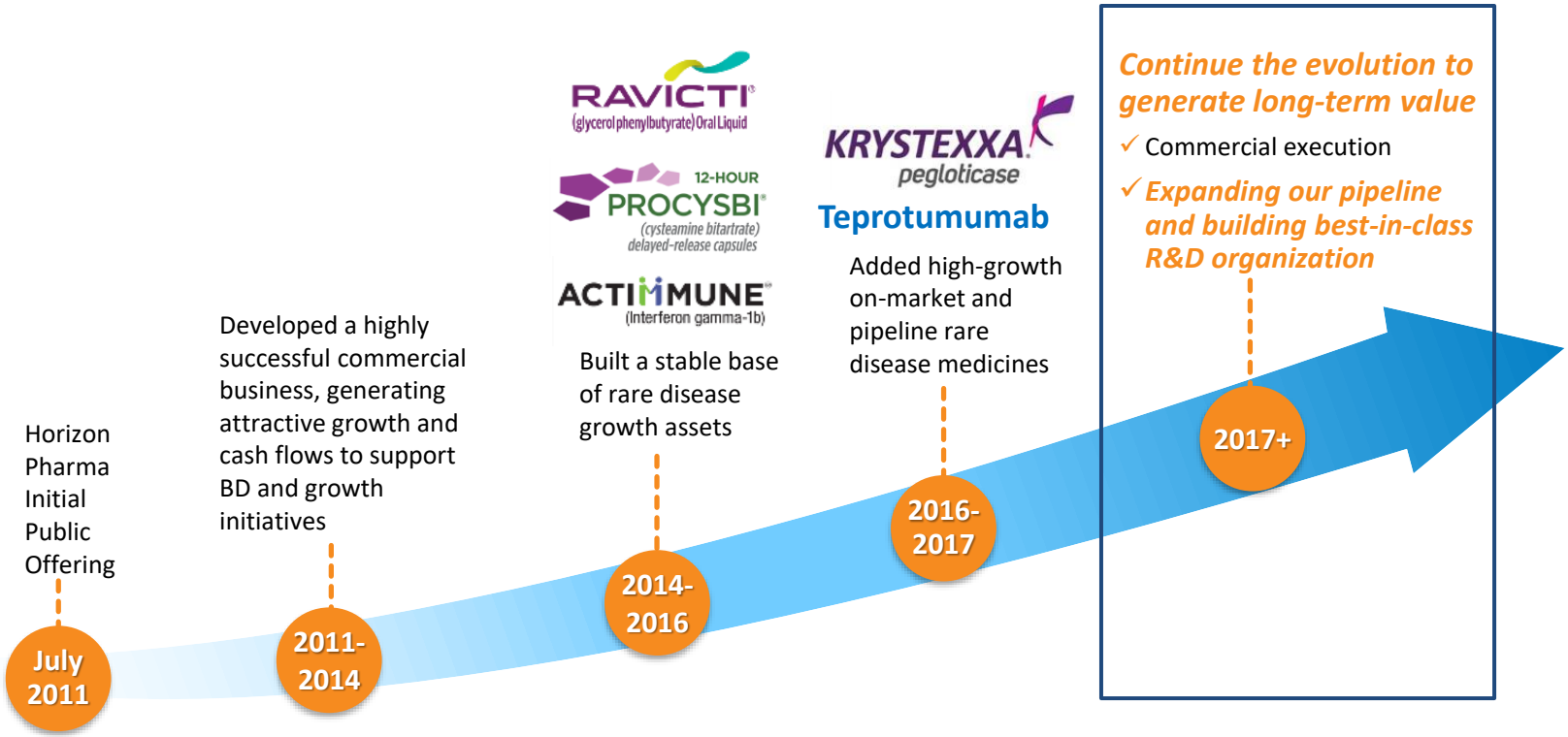
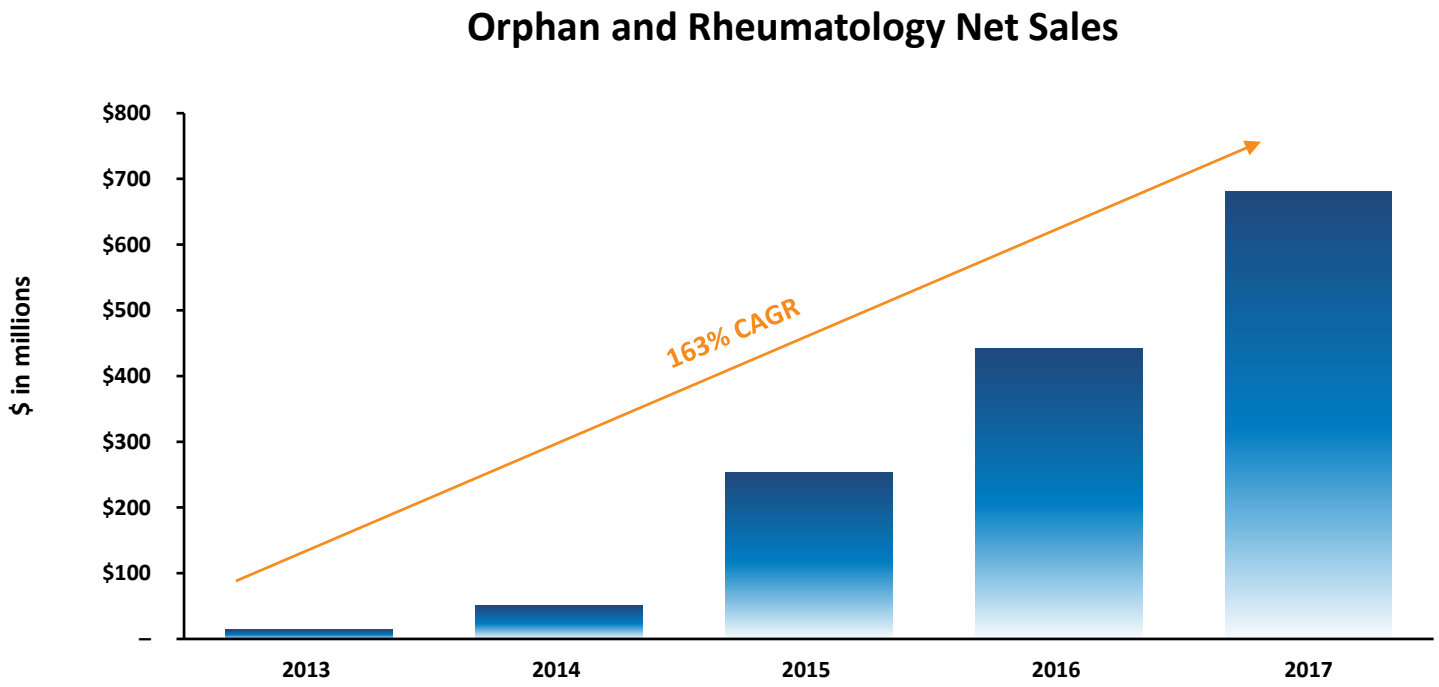
We Have Purposefully and Rapidly Transitioned to a Rare Disease Medicines Company



Teprotumumab is an investigational candidate, and safety and efficacy have not been established.

Orphan and Rheumatology Segment is Generating Strong Net Sales Growth



3Q 2018 Results

Record Quarterly Net Sales and Adjusted EBITDA

($ in millions, except for per share amounts and percent change)	3Q 2018	3Q 2017	% Change
Net sales	$325.3	$271.6	20
Net income (loss)	26.0	(64.0)	NM
Non-GAAP net income	112.6	43.1	161
Adjusted EBITDA	149.9	108.1	39
Earnings (loss) per share – diluted	$0.15	$(0.39)	NM
Non-GAAP earnings per share – diluted	0.65	0.26	150

Note: Non-GAAP net income and adjusted EBITDA are non-GAAP measures; see reconciliation slides at the end of the presentation for a reconciliation of GAAP to non-GAAP measures.
NM: Not meaningful.

Full-Year 2018 Guidance

- Confirming full-year 2018 net sales guidance and **increasing full-year 2018 adjusted EBITDA guidance**

	Current Guidance [1]	Previous Guidance
Net Sales	**$1.170 to $1.200 Billion**	$1.170 to $1.200 Billion
Adjusted EBITDA	**$420 to $430 Million**	$400 to $420 Million

- Segment assumptions:
  - Orphan and rheumatology segment net sales growth of >20 percent, including KRYSTEXXA net sales growth of >65 percent
  - Primary care segment net sales of >$350 million

(1) Reflects guidance provided on Nov. 7, 2018.
Note: Adjusted EBITDA is a non-GAAP measure; see reconciliation slides at the end of the presentation for a reconciliation of GAAP to non-GAAP measures.

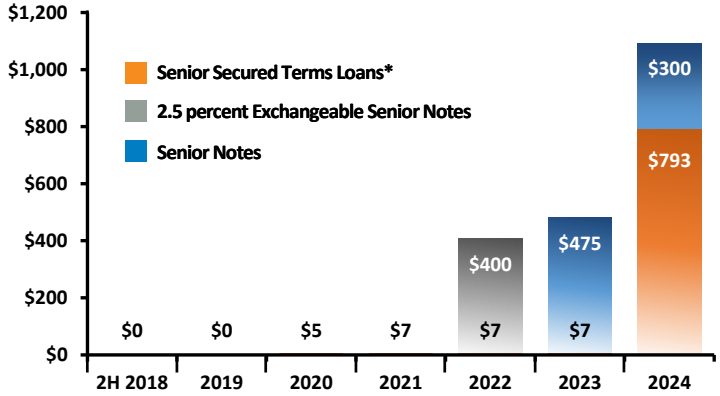
Our Strong Financial Position Supports Our Growth Strategy

Cash and Cash Equivalents of $807M at Sept. 30, 2018

Cash and Debt as of Sept. 30, 2018
(in millions)

Cash and cash equivalents	**$807**
Senior secured term loans – due 2024	818
Senior notes – due 2023	475
Senior notes – due 2024	300
2.5% exchangeable senior notes – due 2022	400
Total principal amount of debt	**$1,993**

Debt Repayment Schedule:
4 Years Until First Maturity



Net debt to LTM adjusted EBITDA leverage ratio of 2.9 times at Sept. 30, 2018(1)

(1) Adjusted EBITDA and net debt are non-GAAP measures; see reconciliation slides at the end of the presentation for a reconciliation of GAAP to non-GAAP measures. LTM: last 12 months ended Sept. 30, 2018.
* Senior Secured Term Loans schedule includes 1 percent annual amortization ($8.5M of principal) and reflects a mandatory prepayment of $23.5M made in June 2018 that is applied 1) to prepay the next eight amortization payments from June 30, 2018; and 2) the remaining amortizations on a pro rata basis.

Senior Secured Credit Facility Terms

Borrower:	**Horizon Pharma USA, Inc.**
Facility:	$818[(1)] million Senior Secured Term Loan B
Guarantors:	Horizon Pharma plc ("Irish HoldCo"), and each direct and indirect existing and subsequently acquired or organized wholly owned subsidiary of Irish HoldCo, subject to certain exceptions
Security:	A first priority lien on substantially all tangible and intangible assets of the U.S. Borrower and Guarantors (limited to 65% of the capital stock of first tier foreign subsidiaries of the U.S. Borrower) and subject to other usual and customary exceptions
Maturity:	March 29, 2024
Pricing:	LIBOR + 300 bps, an additional 25 bps stepdown if gross leverage ratio is at or below 3.5 times, subject to 1.00% LIBOR floor
Amortization:	1% per annum (payable quarterly)
Call Protection:	101 soft-call for 6 months
Mandatory Payments:	Usual and customary for loans of this type, including not limited to: (i) 50% of excess cash flow (subject to leverage-based stepdowns); (ii) 100% of asset sale proceeds (subject to reinvest. rights)
Negative Covenants:	Usual and customary for loans of this type, including, but not limited to, limitations on debt incurrence; liens; restrictions on subsidiary distributions; asset sales; and restricted payments
Financial Covenant:	None (cov-lite)
Admin. Agent:	Citibank, NA

(1) Reflects repayment of approximately $23.474 million on June 21, 2018, and 4 amortization payments of $2.125m since refinancing as at March 2017.

Senior Unsecured (High-Yield) Notes Due 2023

Issuer:	**Horizon Pharma USA, Inc.**
Issue:	$475 million Senior Unsecured Notes
Guarantors:	Same as Senior Secured Term Loan B
Security:	None
Maturity:	May 2023
Call Protection:	Callable at declining prepayment premiums, initially starting at 75% of the coupon
Coupon:	6.625%, payable semi-annually
Covenants:	Usual and customary incurrence-based high yield covenants

Senior Unsecured (High-Yield) Notes Due 2024

Issuer:	**Horizon Pharma USA, Inc.**
Issue:	$300 million Senior Unsecured Notes
Guarantors:	Same as Senior Secured Term Loan B
Security:	None
Maturity:	November 2024
Call Protection:	Non-callable until November 2019; callable thereafter at declining prepayment premiums, initially starting at 75% of the coupon
Coupon:	8.75%, payable semi-annually
Covenants:	Usual and customary incurrence-based high yield covenants

Senior Unsecured Exchangeable Notes (Convertible) Due 2022

Issuer:	**Horizon Pharma Investment Limited (Bermuda)**
Issue:	$400 million Exchangeable Senior Notes
Guarantors:	Horizon Pharma Public Limited Company (Ireland)
Ranking:	Senior unsecured
Maturity:	March 2022
Coupon:	2.50%, payable semiannually
Exchange Rate:	The exchange rate will initially be 34.8979 ordinary shares per $1,000 principal amount of notes (equivalent to an initial exchange price of approximately $28.66 per ordinary share)
Call Feature:	Non-callable until March 2019; provisionally callable thereafter at 130% of conversion price

Debt Summary

Tranche	Principal Amount	Issuance Date	Maturity Date	Ratings (S&P/Moody's)	LIBOR Margin / Coupon	LIBOR Floor
Sr. Secured Term Loan B	$818M(1)	Repriced on Oct. 19, 2018	March 2024	BB- / Ba2	3.00%(2)	1.00%
Sr. Unsecured Notes	$475M	Apr. 2015	May 2023	B- / B3	6.625%	N/A
Sr. Unsecured Notes	$300M	Oct. 2016	Nov. 2024	B- / B3	8.75%	N/A
Exchangeable Sr. Unsecured Notes	$400M	Mar. 2015	Mar. 2022	CCC+ / NR	2.50%	N/A
Total	**$1.993B**			**B / B2 Corp. Ratings**		

(1) Reflects repayment of approximately $23.474 million on June 21, 2018, and 4 amortization payments of $2.125m since refinancing as at March 2017.
(2) Previously was 3.25%.

ORPHAN AND RHEUMATOLOGY GROWTH DRIVERS

Ed C., KRYSTEXXA Patient

HORIZON PHARMA

KRYSTEXXA is the Only Medicine for Uncontrolled Gout That Rapidly Reverses Disease Progression[1]

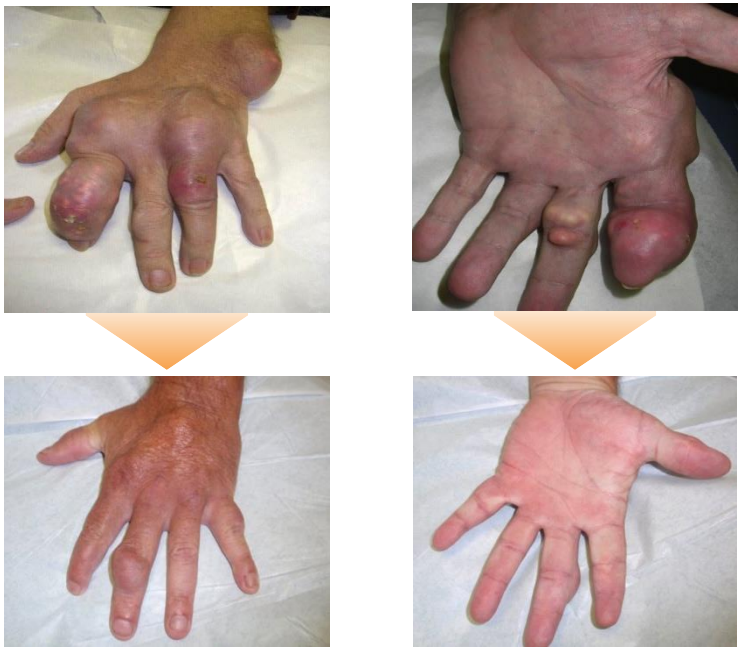
Gout

- Most common form of inflammatory arthritis[2]
- Results in urate crystal deposits on joints, organs or tissues[3]

KRYSTEXXA

- **42%** of patients had complete response defined as reduced serum uric acid[1][4]
- **45%** of KRYSTEXXA patients had complete resolution of tophi[5]

Before and After 5 Months of KRYSTEXXA



(1) Sundy JS, Baraf HSB, Yood RA, et al. Efficacy and Tolerability of Pegloticase for theTreatment of Chronic Gout in Patients Refractory to Conventional Treatment: Two Randomized Controlled Trials. JAMA. 2011; 306(7):711-720. (2) Zhu Y, Pandya BJ, Choi HK. Prevalence of gout and hyperuricemia in the U.S. general population: the National Health and Nutrition Examination Survey 2007-2008. (3) Neogi 2011, Rees 2014; Schumacher HR. Wolters Kluwer Health. 2008; 1 (1):1-12; Eggebeen AT Amer Fam Physic. 2007; 76 (6):801-808. (4) Complete response defined as serum uric acid levels <6mg/DL and maintained for duration of therapy. (5) Baraf H, et al. Arthritis Res Ther: 2013; 15:R137.

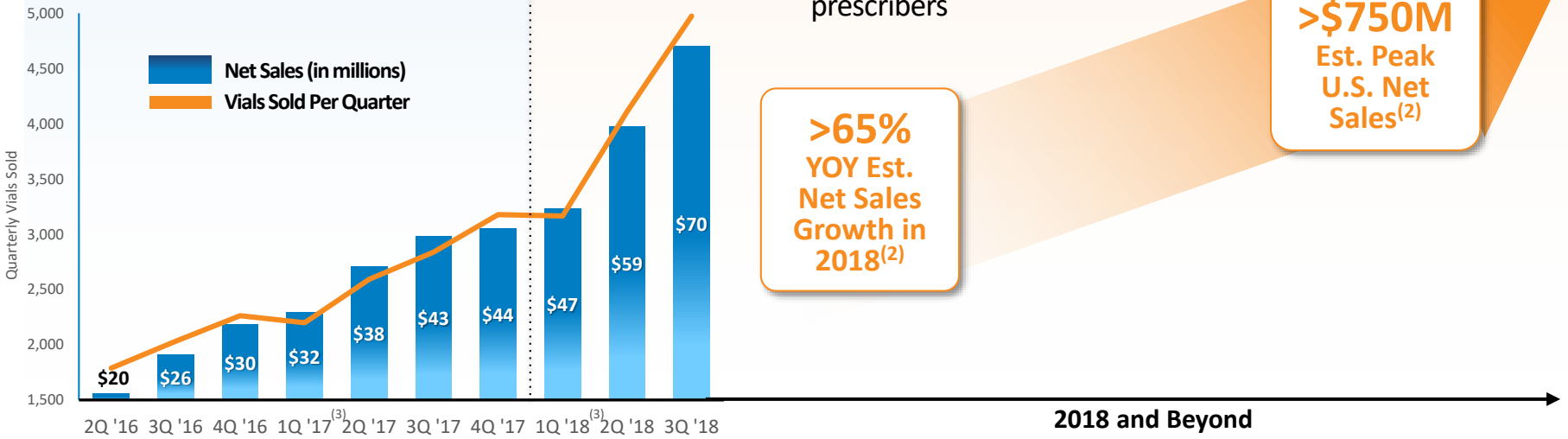
Third-Quarter KRYSTEXXA Growth of 64 Percent Driven by Continued Strong YOY Vial Growth of 75 Percent

Expansion #1 - 2Q 2016

- 50K addressable patients(1)
- 100-member commercial team
- Targeted rheumatologists
- Growth from primarily new prescribers

Expansion #2 - 2018+

- 100K addressable patients(1)
- 200-member commercial team
- Incremental promotional investment
- Targeting rheumatologists and nephrologists
- Growth from both new and existing prescribers



>65% YOY Est. Net Sales Growth in 2018(2)

>$750M Est. Peak U.S. Net Sales(2)

(1) Uncontrolled gout population: ~50K treated by Rheumatologists; ~50K treated by Nephrologists; Horizon Pharma estimate.
(2) Horizon Pharma estimate; for U.S. net sales only. Does not include potential upside from immunomodulation strategy.
(3) Typical seasonality 4Q to 1Q. YOY: Year-over-year.

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RAVICTI

Increasing Penetration of the Diagnosed Patient Population

- **Indicated for urea cycle disorders (UCDs)**
  - UCDs are rare and life-threatening genetic diseases resulting in body's inability to remove ammonia from the blood stream(1)
- **U.S. market**
  - ~2,600 people with UCDs; ~1,000 diagnosed population(2)
- **U.S. market share**
  - ~54% of diagnosed patients
- **Growth drivers**
  - Increase awareness and diagnosis of UCDs
  - Drive conversion from older-generation nitrogen-scavengers to RAVICTI
  - Increase awareness of label expansion to position RAVICTI as first-line therapy

(1) See full prescribing information at www.RAVICTI.com.
(2) Horizon Pharma estimate.

PROCYSBI

Driving Additional Uptake

- **Indicated for nephropathic cystinosis (NC)**
  - NC is a rare and life-threatening metabolic disorder(1)
  - Without cysteamine-depleting treatment, high intracellular cystine concentrations can occur in virtually all organs and tissues, leading to irreversible cellular damage, progressive multi-organ failure and death
- **U.S. market**
  - ~500-600 diagnosed patients; ~400-450 diagnosed patients on cystine-depleting therapy(2)
- **U.S. market share**
  - ~55% of diagnosed patients
- **Growth drivers**
  - Drive conversion of patients from older-generation therapy
  - Drive uptake of diagnosed but untreated patients
  - Increase awareness of label expansion (>1 year) to position PROCYSBI as first line of therapy
  - Identify undiagnosed patients

(1) See full prescribing information at www.PROCYSBI.com.
(2) Horizon Pharma estimate.

OUR PIPELINE

Our Pipeline

MEDICINE / CANDIDATE	DESCRIPTION	PRE-CLINICAL	PHASE 1	PHASE 2	PHASE 3	PHASE 3b / 4
KRYSTEXXA®	Immunomodulation Studies: • MIRROR: KRYSTEXXA + methotrexate • RECIPE*: KRYSTEXXA + mycophenolate mofetil • TRIPLE*: KRYSTEXXA + azathioprine					
RAVICTI®	• Label expansion: birth to 2 months					
HZN-001 (teprotumumab)(1)	• OPTIC trial: Phase 3 • OPTIC-X trial: Phase 3 extension					
HZN-003	• Optimized uricase and optimized PEGylation for uncontrolled gout					
PASylation(2)	• Optimized uricase and PASylation for uncontrolled gout					

= rare disease

* Investigator-initiated trial

(1) Teprotumumab is a fully human monoclonal antibody (mAb) IGF-1R inhibitor in development for moderate-to-severe thyroid eye disease (TED).
(2) Being developed under a collaboration agreement.
MIRROR: **M**ethotrexate to **I**ncrease **R**esponse **R**ates in Patients with Uncontrolled G**O**ut **R**eceiving KRYSTEXXA.
RECIPE: **RE**du**C**ing **I**mmunogenicity to **P**egloticas**E**. TRIPLE: **T**olerization **R**educes **I**ntolerance to **P**egloticase and Prolongs the Urate **L**owering **E**ffect.
TRIPLE: **T**olerization **R**educes **I**ntolerance to **P**egloticase and Prolongs the Urate **L**owering **E**ffect.
OPTIC: Treatment of Graves' **O**rbitopathy (Thyroid Eye Disease) to Reduce **P**roptosis with **T**eprotumumab **I**nfusions in a Randomized, Placebo-Controlled, **C**linical Study.
Teprotumumab and HZN-003 are investigational candidates, and safety and efficacy have not been established.

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Maximizing KRYSTEXXA and Our Leadership in Uncontrolled Gout

Three Immunomodulation Studies Underway to Improve Patient Response Rate

MIRROR

- ✓ Company-sponsored trial
- ✓ KRYSTEXXA plus methotrexate
- ✓ Trial being adapted to support potential for registration
- ✓ Methotrexate is the most commonly used immunomodulator by rheumatologists

RECIPE

- ✓ Investigator-initiated trial
- ✓ KRYSTEXXA plus mycophenolate mofetil (MMF)
- ✓ Commonly used immunomodulator

TRIPLE

- ✓ Investigator-initiated trial
- ✓ KRYSTEXXA plus azathioprine
- ✓ Commonly used immunomodulator

Next generation uncontrolled gout pre-clinical programs underway targeting subcutaneous formulation and improved response rate

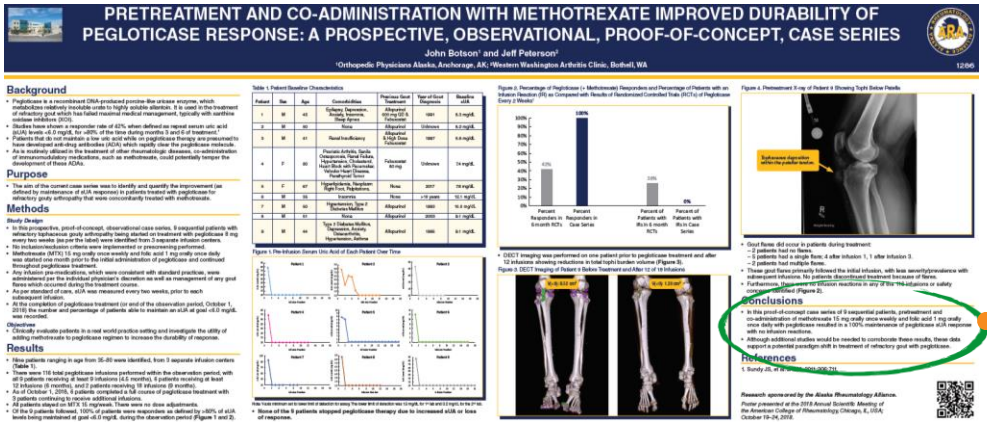
MIRROR: **M**ethotrexate to **I**ncrease **R**esponse **R**ates in Patients with Uncontrolled G**O**ut **R**eceiving KRYSTEXXA.
RECIPE: **RE**du**C**ing **I**mmunogenicity to **P**egloticas**E**.
TRIPLE: **T**olerization **R**educes **I**ntolerance to **P**egloticase and Prolongs the Urate **L**owering **E**ffect.

External Case Series Presented at ACR

Nine of Nine Patients Responded Adding Methotrexate to KRYSTEXXA

Conclusion

- In this proof-of-concept case series of 9 sequential patients, pretreatment and co-administration of methotrexate 15 mg orally once weekly and folic acid 1 mg orally once daily with pegloticase resulted in a 100% maintenance of pegloticase sUA response with no infusion reactions
- Although additional studies would be needed to corroborate these results, these data support a potential paradigm shift in treatment of refractory gout with pegloticase



PRETREATMENT AND CO-ADMINISTRATION WITH METHOTREXATE IMPROVED DURABILITY OF PEGLOTICASE RESPONSE: A PROSPECTIVE, OBSERVATIONAL, PROOF-OF-CONCEPT, CASE SERIES

John Botson[1] and Jeff Peterson[2]

[1]Orthopedic Physicians Alaska, Anchorage, AK; [2]Western Washington Arthritis Clinic, Bothell, WA

1266

Background

Purpose

Methods

Results

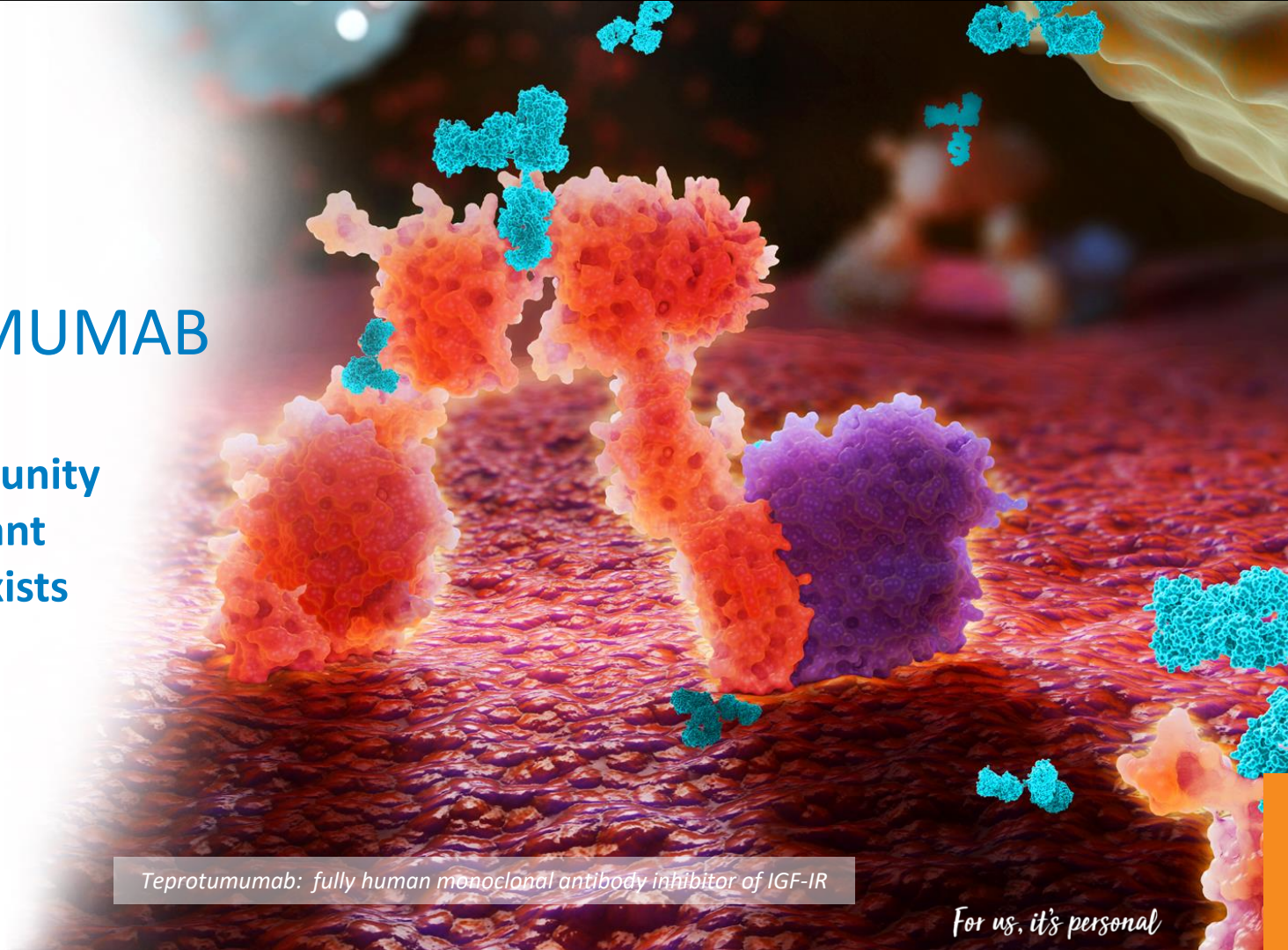
Conclusions

References

ACR: American College of Rheumatology medical meeting poster presentation on Oct.22, 2018.

TEPROTUMUMAB

Meaningful Growth Opportunity Where Significant Unmet Need Exists



Teprotumumab: fully human monoclonal antibody inhibitor of IGF-IR

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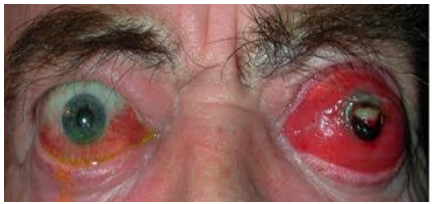
Thyroid Eye Disease (TED)

- **Debilitating** autoimmune inflammatory disease of the orbit (area around the eye)
  - Associated with Graves' Disease, but TED is a separate and distinct disease
  - Impacts more women than men; typically happens mid-life; smoking worsens severity
- Inflammation behind the eye causes **proptosis** (bulging of the eyes)
  - Over time turns fibrotic causing permanent structural damage
- **Proptosis causes** diplopia (double-vision), strabismus (misalignment), compressed optic nerve (can threaten sight), ulcerations, pain, and can be disfiguring and emotionally debilitating
- Begins as **treatable active TED** and moves to inactive TED

Orbital Inflammation & Swelling

Proptosis



Corneal Ulceration

Teprotumumab Exemplifies the Next Phase of Our Strategy: Building a Pipeline for Sustainable Long-Term Growth

Pipeline Candidate Criteria	*Teprotumumab*
High unmet need with preference for rare diseases	✓ No FDA-approved therapies exist for thyroid eye disease ✓ Standard of care proven ineffective; safety concerns ✓ Surgery is invasive, complex and often ineffective
Compelling clinical trial data or proof of concept	✓ Impressive Phase 2 results published in *The New England Journal of Medicine* ✓ Phase 3 trial underway; enrollment completed ahead of schedule
Key regulatory designations	✓ U.S. Orphan; Fast-Track; Breakthrough Therapy
Compelling IP	✓ 12-year biologic exclusivity

Teprotumumab meets ALL pipeline candidate criteria and has potential to be first therapy for thyroid eye disease (TED)

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Teprotumumab is an investigational candidate, and safety and efficacy have not been established.

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Phase 2 Trial Key Takeaways

Shows Potential to Be Disease-Modifying and Durable

Early and Continued Response

- At Week 24, percentage of patients with reduction of ≥2 mm of proptosis and ≥2 points in CAS with p<0.001:
  - **Teprotumumab patients: 69 percent**
  - Placebo patients: 20 percent
- At Week 24, percentage of proptosis responders with p<0.001:
  - **Teprotumumab patients: 71 percent**
  - Placebo patients: 20 percent

Proptosis and Diplopia: Durable Response

- Proptosis:
  - Week 24: 71 percent of patients were responders
  - Week 72: 53 percent of responders maintained response approximately 1 year off treatment
- Diplopia:
  - Week 24: 62 percent of patients were responders
  - Week 72: 69 percent of responders maintained response approximately 1 year off treatment

Well Tolerated

Additional information on length of treatment and potential retreatment will be provided with OPTIC and OPTIC-X

Clinical Activity Score (CAS): A 7-point scale that measures change in orbital inflammation and pain; a score of >3 indicates active TED.
Diplopia (double vision) response: improvement of at least one grade of diplopia
Teprotumumab is an investigational candidate, and safety and efficacy have not been established.

Teprotumumab Phase 3 Clinical Trial (OPTIC)

Enrollment of Confirmatory Trial Completed Ahead of Schedule

Patient Criteria

- Active TED
- 18 to 80 years
- <9 months since active TED onset with no prior treatment
- CAS ≥4
- FT4 and FT3 <50% above or below normal limits

OPTIC™ 24-Week treatment period

Screening → Randomization

- Teprotumumab 8 infusions: 1 every three weeks
- Placebo 8 infusions: 1 every three weeks

Estimated Milestones

- **2Q 2019** Data anticipated
- **Mid 2019** BLA submission anticipated
- **2020** Potential FDA approval(1)

Primary endpoint at Week 24

- Proptosis responder rate defined as percentage of participants with ≥2 mm reduction in study eye without deterioration (≥2 mm increase) of proptosis in the fellow eye
  - Proptosis selected as primary endpoint because it is objective, measurable and agreed upon by the FDA

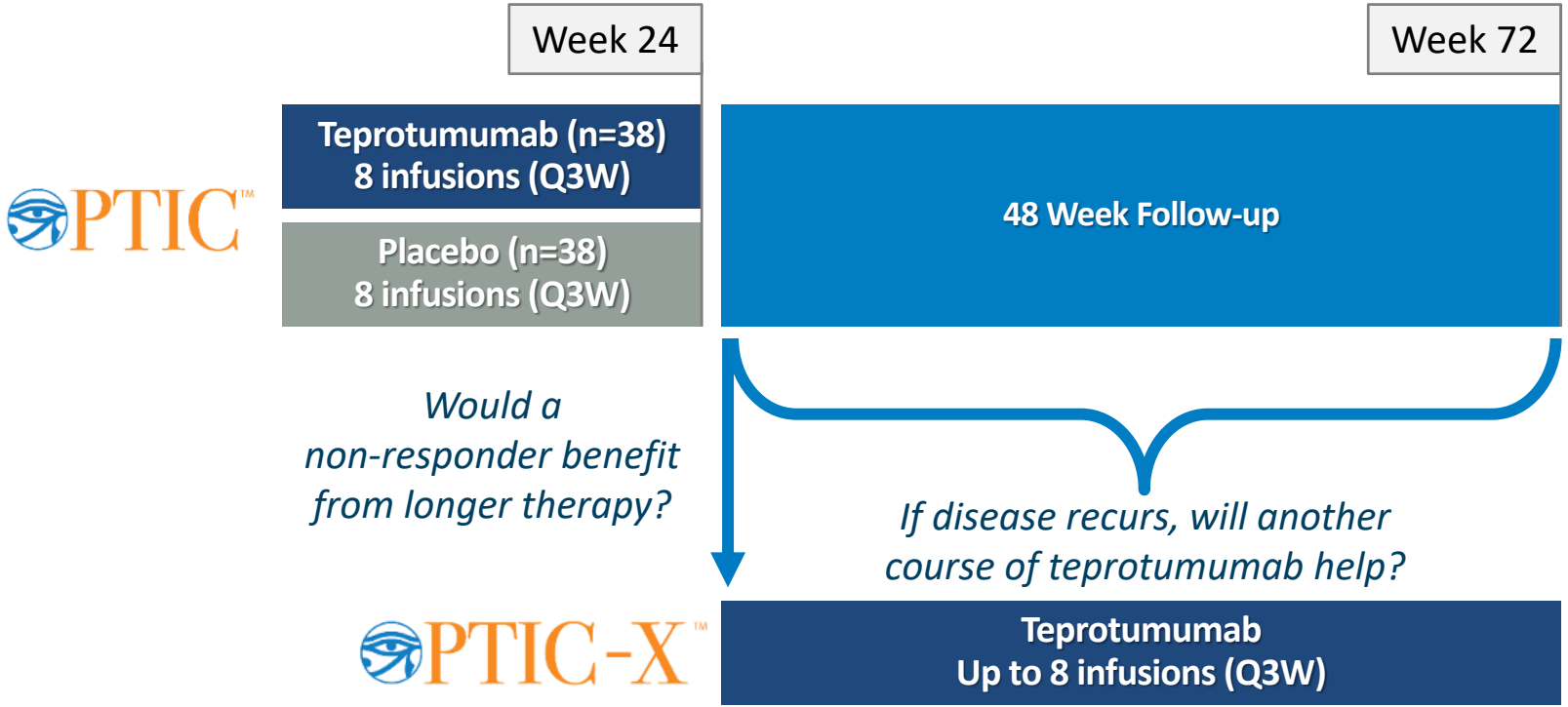
Secondary endpoints at Week 24

- Percentage of participants with ≥2 point reduction in Clinical Activity Score (CAS) AND ≥2 mm reduction in proptosis in the study eye without deterioration in fellow eye
- Percentage of participants with CAS of 0 or 1
- Mean change in proptosis from baseline
- Mean change in QoL questionnaire overall score from baseline

(1) Assuming positive data and assuming priority review given fast-track designation.
OPTIC: Treatment of Graves' **O**rbitopathy (TED) to reduce **P**roptosis with **T**eprotumumab **I**nfusions in a randomized, placebo-controlled **C**linical study.
BLA: Biologic License Application. Clinical Activity Score (CAS): 7-point scale that measures change in orbital inflammation and pain; a score of >3 indicates active TED.
Teprotumumab is an investigational candidate, and safety and efficacy have not been established.

OPTIC-X Open Label Extension Trial Design

Additional Information on Length of Treatment and Potential Retreatment



OPTIC: Treatment of Graves' **O**rbitopathy (TED) to reduce **P**roptosis with **T**eprotumumab **I**nfusions in a randomized, placebo-controlled **C**linical study.
Q3W: Once every 3 weeks
Teprotumumab is an investigational candidate, and safety and efficacy have not been established.

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Expect Annual Addressable TED Patient Population of 15,000 to 20,000[1] and U.S. Peak Net Sales Potential of >$750M[2]

ANNUAL U.S. TREATABLE POPULATION

- 15,000 to 20,000 patients eligible for treatment[1]
- Active disease lasts up to 3 years

EPIDEMIOLOGY

Bottoms-up market model uses patient-level data

- Multi-year
- Hospital admissions, diagnostic, insurance claims

Literature informative, however

- Limited data
- Varies widely

U.S. PEAK NET SALES POTENTIAL OF >$750M[2]

- No FDA-approved therapies exist
- Current treatment paradigm is suboptimal
- Teprotumumab can potentially be disease modifying[3]

(1) Company analysis of claims data and market research.
(2) Horizon Pharma estimate.
(3) Smith TJ, et al. N Engl J Med 2017;376:1748-61.
Teprotumumab is an investigational candidate, and safety and efficacy have not been established.

Horizon Pharma is Well-Positioned for Sustainable and Rapid Growth

- Durable base of rare disease medicines
- Multiple growth opportunities

High-Growth Opportunities

- **KRYSTEXXA**: estimated peak annual net sales of >$750M(1)
- **Teprotumumab**: estimated peak annual net sales of >$750M(1)

Building a Pipeline for Long-Term Growth

- Additional rheumatology candidates
- Acquire development-stage assets through business-development initiatives

(1) Horizon Pharma estimate; for U.S. sales only. KRYSTEXXA peak net sales estimate does not include potential upside from immunomodulation strategy. Teprotumumab is an investigational candidate, and safety and efficacy have not been established.

RECONCILIATIONS OF GAAP TO NON-GAAP MEASURES

Note Regarding Use of Non-GAAP Financial Measures

EBITDA, or earnings before interest, taxes, depreciation and amortization, and adjusted EBITDA are used and provided by Horizon Pharma as non-GAAP financial measures. Horizon Pharma provides certain other financial measures such as non-GAAP net income, non-GAAP diluted earnings per share, non-GAAP gross profit and gross profit ratio, non-GAAP operating expenses, non-GAAP operating income, non-GAAP tax rate, non-GAAP operating cash flow and net debt, each of which include adjustments to GAAP figures. These non-GAAP measures are intended to provide additional information on Horizon Pharma's performance, operations, expenses, profitability and cash flows. Adjustments to Horizon Pharma's GAAP figures as well as EBITDA exclude acquisition and/or divestiture-related expenses, charges related to the discontinuation of ACTIMMUNE development for Friedreich's ataxia, gain from divestiture, gain from sale of assets, an upfront fee for a license of a patent, litigation settlements, loss on debt extinguishment, costs of debt refinancing, drug manufacturing harmonization costs, restructuring and realignment costs, as well as non-cash items such as share-based compensation, depreciation and amortization, royalty accretion, non-cash interest expense, long-lived asset impairment charges, impacts of contingent royalty liability remeasurements and other non-cash adjustments. Certain other special items or substantive events may also be included in the non-GAAP adjustments periodically when their magnitude is significant within the periods incurred. Horizon maintains an established non-GAAP cost policy that guides the determination of what costs will be excluded in non-GAAP measures. Horizon Pharma believes that these non-GAAP financial measures, when considered together with the GAAP figures, can enhance an overall understanding of Horizon Pharma's financial and operating performance. The non-GAAP financial measures are included with the intent of providing investors with a more complete understanding of the Company's historical and expected 2018 financial results and trends and to facilitate comparisons between periods and with respect to projected information. In addition, these non-GAAP financial measures are among the indicators Horizon Pharma's management uses for planning and forecasting purposes and measuring the Company's performance. For example, adjusted EBITDA is used by Horizon Pharma as one measure of management performance under certain incentive compensation arrangements. These non-GAAP financial measures should be considered in addition to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. The non-GAAP financial measures used by the Company may be calculated differently from, and therefore may not be comparable to, non-GAAP financial measures used by other companies. Horizon Pharma has not provided a reconciliation of its full-year 2018 adjusted EBITDA outlook to an expected net income (loss) outlook because certain items such as acquisition/divestiture-related expenses and share-based compensation that are a component of net income (loss) cannot be reasonably projected due to the significant impact of changes in Horizon Pharma's stock price, the variability associated with the size or timing of acquisitions/divestitures and other factors. These components of net income (loss) could significantly impact Horizon Pharma's actual net income (loss).

GAAP to Non-GAAP Reconciliation

EBITDA and Adjusted EBITDA – Three and Six Months Ended Sept. 30

($ in thousands)	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017
GAAP net income (loss)	**$ 26,030**	**$ (63,971)**	**$ (164,134)**	**$ (364,078)**
Depreciation	1,523	1,476	4,627	5,037
Amortization, accretion and step-up:				
Intangible amortization expense	67,725	68,666	202,069	208,118
Accretion of royalty liabilities	14,945	12,720	44,460	38,415
Amortization of deferred revenue	-	(225)	-	(636)
Inventory step-up expense	83	21,170	17,212	95,659
Interest expense, net (including amortization of debt discount and deferred financing costs)	30,437	31,706	91,921	95,297
(Benefit) expense for income taxes	(1,733)	7,181	1,863	(42,138)
EBITDA	**$ 139,010**	**$ 78,723**	**$ 198,018**	**$ 35,674**
Other non-GAAP adjustments:				
Acquisition/divestiture-related costs	425	5,561	6,185	168,985
Restructuring and realignment costs	4,582	(290)	14,889	4,903
Litigation settlements	1,500	-	5,750	-
Impairment of long-lived assets	1,603	-	39,455	22,270
Remeasurement of royalties for medicines acquired through business combinations	-	-	(2,151)	(2,944)
Share-based compensation	28,428	31,698	86,981	87,935
Charges relating to discontinuation of Friedreich's ataxia program	254	(1,116)	1,476	(4,219)
Drug substance harmonization costs	301	5,654	1,579	10,698
Upfront and milestone payments related to license agreements	(100)	-	(10)	-
Fees related to term loan refinancings	40	16	82	4,114
Loss on debt extinguishment	-	-	-	533
Gain on sale of assets	(12,303)	-	(12,303)	-
Gain on divestiture	-	(112)	-	(5,968)
Royalties for medicines acquired through business combinations	(13,831)	(12,031)	(39,611)	(34,970)
Total of other non-GAAP adjustments	10,899	29,380	102,322	251,337
Adjusted EBITDA	**$ 149,909**	**$ 108,103**	**$ 300,340**	**$ 287,011**

GAAP to Non-GAAP Reconciliation

EBITDA and Adjusted EBITDA – Full-Years 2017 and 2016

($ in thousands)	Twelve Months Ended December 31, 2017	2016
EBITDA and Adjusted EBITDA:		
GAAP net loss	**$ (410,526)**	**$ (166,834)**
Depreciation	6,631	4,962
Amortization, accretion and inventory step-up:		
Intangible amortization expense	276,784	216,875
Accretion of royalty liabilities	51,263	40,616
Amortization of deferred revenue	(860)	(836)
Inventory step-up expense	119,151	71,137
Interest expense, net (including amortization of debt discount and deferred financing costs)	126,523	86,610
Expense Benefit for income taxes	(102,749)	(61,251)
EBITDA	**$ 66,217**	**$ 191,279**
Other non-GAAP adjustments:		
Remeasurement of royalties for medicines acquired through business combinations	21,774	386
Acquisition/divestiture-related costs	177,035	52,874
Restructuring and realignment costs	4,883	-
Gain on divestiture	(6,267)	-
Loss on debt extinguishment	978	-
Fees related to term loan refinancings	5,220	-
Share-based compensation	121,553	114,144
Litigation settlement	-	65,000
Reversal of pre-acquisition reserve upon signing of contract	-	(6,900)
Impairment of in-process research and development	-	66,000
Charges relating to discontinuation of the Friedreich's ataxia program	22,509	23,513
Upfront and milestone payments related to license agreements	12,186	2,000
Drug substance harmonization costs	10,651	-
Royalties for medicines acquired through business combinations	(47,003)	(37,593)
Total of other non-GAAP adjustments	323,519	279,424
Adjusted EBITDA	**$ 389,736**	**$ 470,703**

GAAP to Non-GAAP Reconciliation

Operating Income

($ in thousands)	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017
GAAP operating income (loss)	**$ 54,246**	**$ (25,751)**	**$ (71,247)**	**$ (316,801)**
Non-GAAP adjustments:				
Acquisition/divestiture-related costs	425	5,561	6,185	168,985
Restructuring and realignment costs	4,582	(290)	14,889	4,903
Litigation settlements	1,500	-	5,750	-
Amortization, accretion and step-up:				
Intangible amortization expense	67,725	68,666	202,069	208,118
Accretion of royalty liabilities	14,945	12,720	44,460	38,415
Inventory step-up expense	83	21,170	17,212	95,659
Impairment of long-lived assets	1,603	-	39,455	22,270
Remeasurement of royalties for medicines acquired through business combinations	-	-	(2,151)	(2,944)
Share-based compensation	28,428	31,698	86,981	87,935
Depreciation	1,523	1,476	4,627	5,037
Charges relating to discontinuation of Friedreich's ataxia program	254	(1,116)	1,476	(4,219)
Drug substance harmonization costs	301	5,654	1,579	10,698
Gain on sale of assets	(12,303)	-	(12,303)	-
Upfront and milestone payments related to license agreements	-	-	90	-
Fees related to term loan refinancings	40	16	82	4,114
Royalties for medicines acquired through business combinations	(13,831)	(12,031)	(39,611)	(34,970)
Total of non-GAAP adjustments	95,275	133,524	370,790	604,001
Non-GAAP operating income	**$ 149,521**	**$ 107,773**	**$ 299,543**	**$ 287,200**
Orphan and Rheumatology segment operating income	91,537	65,561	205,249	179,947
Primary care segment operating income	57,984	42,212	94,294	107,253
Total segment operating income	**$ 149,521**	**$ 107,773**	**$ 299,543**	**$ 287,200**
Amortization of deferred revenue	-	(225)	-	(636)
Foreign exchange gain (loss)	35	275	(81)	167
Other income, net	353	280	878	280
Adjusted EBITDA	**$ 149,909**	**$ 108,103**	**$ 300,340**	**$ 287,011**

GAAP to Non-GAAP Reconciliation

Net Loss and Non-GAAP Net Income

($ in thousands)	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017
GAAP net income (loss)	**$ 26,030**	**$ (63,971)**	**$ (164,134)**	**$ (364,078)**
Non-GAAP adjustments:				
Acquisition/divestiture-related costs	425	5,561	6,185	168,985
Restructuring and realignment costs	4,582	(290)	14,889	4,903
Litigation settlements	1,500	-	5,750	-
Amortization, accretion and step-up:				
Intangible amortization expense	67,725	68,666	202,069	208,118
Accretion of royalty liabilities	14,945	12,720	44,460	38,415
Amortization of debt discount and deferred financing costs	5,694	5,234	16,880	15,863
Inventory step-up expense	83	21,170	17,212	95,659
Impairment of long-lived assets	1,603	-	39,455	22,270
Remeasurement of royalties for medicines acquired through business combinations	-	-	(2,151)	(2,944)
Share-based compensation	28,428	31,698	86,981	87,935
Depreciation	1,523	1,476	4,627	5,037
Gain on sale of assets	(12,303)	-	(12,303)	-
Gain on divestiture	-	(112)	-	(5,968)
Charges relating to discontinuation of Friedreich's ataxia program	254	(1,116)	1,476	(4,219)
Drug substance harmonization costs	301	5,654	1,579	10,698
Upfront and milestone payments related to license agreements	(100)	-	(10)	-
Fees related to term loan refinancings	40	16	82	4,114
Loss on debt extinguishment	-	-	-	533
Royalties for medicines acquired through business combinations	(13,831)	(12,031)	(39,611)	(34,970)
Total of pre-tax non-GAAP adjustments	100,869	138,646	387,570	614,429
Income tax effect of pre-tax non-GAAP adjustments	(14,332)	(31,548)	10,336	(103,923)
Other non-GAAP income tax adjustments	-	-	(35,893)	-
Total of non-GAAP adjustments	86,537	107,098	362,013	510,506
Non-GAAP Net Income	**$ 112,567**	**$ 43,127**	**$ 197,879**	**$ 146,428**

GAAP to Non-GAAP Reconciliation

Earnings and Loss per Share – Diluted and Non-GAAP Earnings per Share – Diluted

($ in thousands, *except for per share amounts*)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Non-GAAP Earnings Per Share:				
Weighted average ordinary shares - Basic	**167,047,104**	**163,447,208**	**166,018,603**	**162,810,551**
Non-GAAP Earnings Per Share - Basic:				
GAAP earnings (loss) per share - Basic	**$ 0.16**	**$ (0.39)**	**$ (0.99)**	**$ (2.24)**
Non-GAAP adjustments	0.51	0.65	2.18	3.14
Non-GAAP earnings per share - Basic	**$ 0.67**	**$ 0.26**	**$ 1.19**	**$ 0.90**
Weighted average ordinary shares - Diluted				
Weighted average ordinary shares - Basic	167,047,104	163,447,208	166,018,603	162,810,551
Ordinary share equivalents	5,438,653	2,346,684	4,621,407	2,510,909
Weighted average shares - Diluted	**172,485,757**	**165,793,892**	**170,640,010**	**165,321,460**
Non-GAAP Earnings Per Share - Diluted				
GAAP earnings (loss) per share - Diluted	**$ 0.15**	**$ (0.39)**	**$ (0.99)**	**$ (2.24)**
Non-GAAP adjustments	0.50	0.65	2.18	3.14
Diluted earnings per share effect of ordinary share equivalents	-	-	(0.03)	(0.01)
Non-GAAP earnings per share - Diluted	**$ 0.65**	**$ 0.26**	**$ 1.16**	**$ 0.89**

GAAP to Non-GAAP Reconciliation

Net Debt

($ in thousands)	As of September 30, 2018	As of December 31, 2017
Long-term debt-current portion	$ -	$ 10,625
Long-term debt, net of current	1,563,239	1,576,646
Exchangeable notes, net	327,573	314,384
Total Debt	1,890,812	1,901,655
Debt discount	92,473	108,054
Deferred financing fees	9,741	11,041
Total Principal Amount Debt	1,993,026	2,020,750
Less: cash and cash equivalents	807,047	751,368
Net Debt	**$ 1,185,979**	**$ 1,269,382**

Bank of America Merrill Lynch 2018 Leveraged Finance Conference

Horizon Pharma plc

Paul W. Hoelscher
Executive Vice President,
Chief Financial Officer
December 4, 2018

Isabel McKeehan, RAVICTI® Patient

For us, it's personal