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ICN PHARMACEUTICALS INC
Form DEFA14A
May 02, 2002

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant To Section 14(a) Of
The Securities Exchange Act Of 1934

- Filed by the Registrant [X]
- Filed by a Party other than the Registrant []
- Check the appropriate box:
- [] Preliminary Proxy Statement
- [] CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY RULE 14A-6(E) (2))
- [] Definitive Proxy Statement
- [] Definitive Additional Materials
- [X] Soliciting Material Pursuant to Section 240.14a-12

ICN Pharmaceuticals, Inc.

(Name of Registrant as Specified in its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)
Payment of Filing Fee (Check the appropriate box):

- [X] No fee required.
- [] Fee computed on table below per Exchange Act Rules 14a-6(i) (4) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

[] Fee paid previously with preliminary materials.

[] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a) (2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Following is the text of the presentation used by ICN Pharmaceuticals, Inc. at the CIBC World Markets Annual Biotechnology & Specialty Pharmaceuticals Conference on May 2, 2002:

ICN PHARMACEUTICALS, INC.

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CIBC World Markets
Annual Biotechnology & Specialty
Pharmaceuticals Conference
May 1-2, 2002

FORWARD LOOKING STATEMENTS

THE SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION
REFORM ACT OF 1995:

- o Except for the historical information herein, the matters discussed in this presentation include forward-looking statements that may involve a number of risks and uncertainties, including but not limited to, projections of future sales, operating income, returns on invested assets, obtaining and maintaining regulatory approval processes, market acceptance of, and continuing demand for ICN pharmaceuticals' products and other risks detailed from time to time in the Company's Securities and Exchange Commission filings

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ICN PHARMACEUTICALS - COMPANY OVERVIEW

2001 Revenues: US\$858 million

REVENUE MIX [PIE CHART OMITTED]

- o 42% Specialty Pharmaceuticals Americas
- o 16% Ribapharm
- o 42% Specialty Pharmaceuticals International

Source: ICN Pharmaceuticals, Inc.

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ICN PHARMACEUTICALS - COMPANY OVERVIEW

2001 EBITDA: US\$265 million

EBITDA MIX [PIE CHART OMITTED]

- o 40% Specialty Pharmaceuticals Americas
- o 17% Specialty Pharmaceuticals International
- o 43% Ribapharm

Source: ICN Pharmaceuticals, Inc.

INVESTMENT HIGHLIGHTS

- o Ribapharm - Ribavirin is one of the largest biotechnology drugs in the world
 - part of the leading therapy for Hepatitis C
 - large un-treated patient population
 - Pipeline of second generation Ribavirin analogues
- o High margin specialty business in Americas
 - Record of historical growth in Latin America since 1970
 - Consistent new product flow in pharmaceuticals
 - New growth platform in vast cosmetic dermatology market
- o One of the largest specialty pharmaceutical businesses in Europe
 - 57% of international revenues from Western Europe
 - New product pepeline
- o \$2.4 billion market capitalization, \$265 million in 2001 EBITDA
- o Restructuring plan being implemented to unlock significant equity value

CONSOLIDATED REVENUES - CONTINUED OPERATIONS (1)

1995 - 2001 CAGR: +21% [BAR GRAPH OMITTED]

1995	\$273mm
1996	\$347mm
1997	\$527mm
1998	\$696mm
1999	\$747mm
2000	\$800mm
2001	\$858mm

Note:

(1) Excludes ICN Yugoslavia

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FINANCIAL POSITION

SELECTED BALANCE SHEET DATA

(US\$mm)	DECEMBER 31, 2000	DECEMBER 31, 2001
Cash	155.6	327.6
Total Assets	1,477.1	1,769.2
Senior Debt	496.9	191.2
Convertible Debt	-	525.0
Total Debt	510.8	737.8
Total Stockholders Equity	757.2	802.9

CREDIT STATISTICS

	2000	2001
Total Debt/EBITDA	1.86x	2.78x
EBITDA/Interest	4.56x	4.73x
Total Debt/Total Book Cap.		

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RESTRUCTURING OVERVIEW

RESTRUCTURING OVERVIEW

- o Initiatives to unlock significant shareholder value

Biotechnology

Ribapharm

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- o IPO Completed
 - listed on NYSE 4/12/02
 - closed 4/17/02
 - tax-free spin-off in 2002

ICN Pharmaceuticals	Specialty Pharmaceuticals Americas	ICN Americas
	Specialty Pharmaceuticals Europe	ICN International

- o IPO Prospectus filed

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RESTRUCTURING STEPS

Tax Free
Distribution & Spin-off
of Rebapharm

Ribapharm IPO ICN International IPO

Retire Remaining
Debt

Retire Partial Debt

Convertible Offering

Filed Prospectus for
ICN International

S-1 Filed for
Ribapharm

Announced
Restructuring
Reorganization of
Business Operations
Into Three Distinct
Businesses

UNLOCKING EQUITY VALUE

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SPECIALTY PHARMACEUTICALS

SPECIALTY PHARMACEUTICALS REVENUES

SPECIALTY PHARMA REVENUES ANNUAL GROWTH 12% [BAR GRAPH OMITTED]

ICN International Annual Growth 6%

2000	\$339mm
2001	\$359mm

ICN Americas Annual Growth 18%

2000	\$307mm
2001	\$362mm

2000	\$646mm
2001	\$721mm

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SPECIALTY PHARMACEUTICALS OPERATING INCOME

SPECIALTY PHARMA OPERATING INCOME ANNUAL GROWTH 34% [BAR GRAPH OMITTED]

ICN International Annual Growth 107%

2000	\$12mm
2001	\$25mm

ICN Americas Annual Growth 24%

2000	\$92mm
2001	\$114mm

2000	\$104mm
2001	\$138mm

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SPECIALTY PHARMACEUTICALS EBITDA

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SPECIALTY PHARMA EBITDA ANNUAL GROWTH 25% [BAR GRAPH OMITTED]

ICN International Annual Growth 27%

2000 \$41mm
2001 \$52mm

ICN Americas Annual Growth 24%

2000 \$119mm
2001 \$148mm

2000 \$160mm
2001 \$200mm

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SPECIALTY PHARMACEUTICALS INTERNATIONAL

SPECIALTY PHARMACEUTICALS INTERNATIONAL - OVERVIEW

- o 466 ethical products
 - o 266 OTC products
 - o A broad product portfolio with increasing focus on:
 - central nervous system
 - Anti-infective / anti-virals
 - dermatology
 - alimentary tract and metabolism
 - oncology
 - o 2,100+ sales and marketing staff
- 2001 Revenue: US\$359mm
2001 EBITDA: US\$52mm*
- Export (AAA) 14%
- [PIE CHART OMITTED]

* before corporate allocations

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SPECIALTY PHARMACEUTICALS AMERICAS

MARK TAYLOR
EVP/GM, NORTH AMERICA

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SPECIALTY PHARMACEUTICALS AMERICAS -
OVERVIEW

- o High-margined product portfolio 2001 Revenue: US\$362mm
- o Increasing investment in sales and marketing 2001 EBITDA: US\$148mm*
- o Significant expansion in dermatology
- o consistent new product flow [PIE CHART OMITTED]
 Latin America 35%
 North America 65%

* before corporate allocations

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GEOGRAPHIC SALES

YEAR ENDED DECEMBER 31, 2001 [PIE CHART OMITTED]

Brazil \$6mm

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Argentina	\$15mm
Mexico	\$107mm
Canada	\$23mm
United States	\$210mm
	\$362mm

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REVENUE MIX [PIE CHART OMITTED]

Biomedical

2000	\$59mm
2001	\$60mm

Ethical Pharma

2000	\$248mm
2001	\$269mm

Photonics

2000	\$33mm
2000	\$307mm
2001	\$362mm

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THERAPEUTIC MIX - NORTH AMERICA

YEAR ENDED DECEMBER 31, 2001 [PIE CHART OMITTED]
(Excluding Biomedical)

HRT	8%
Neurology	14%
Dermatology	60%
Other	18%
	\$155mm

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TOP TEN PRODUCTS - SALES SUMMARY

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(Excluding Biomedical)

Product -----	Category -----	2000 Sales (US\$ mm) -----	2001 Sales (US\$mm) -----	Gross Margin -----
Efudes	Dermatologic	32.4	41.4	93%
Bedoyecta	Vitamin	25.5	25.3	71%
Mestinon	Myasthenia Gravis	18.1	24.3	85%
NLite	Dermatologic Laser	na	19.0	64%
Kinerase	Dermatologic	12.6	12.1	86%
GlyQuin	Dermatologic	1.7	9.8	84%
Virazole	Antiviral	11.7	9.8	94%
Oxsoralen	Dermatologic	6.6	9.3	90%
Testred	HRT	5.2	7.9	93%
CES	HRT	5.7	5.3	41%
		-----	-----	-----
		119.5	164.2	82%
Percentage of Total Revenue		48%	54%	

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ICN NORTH AMERICA

MARKET LEADERSHIP IN PHYSICIAN SKIN CARE

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DEMOGRAPHICS DRIVE DEMAND

o 78 million Americans between 35-54

- o 22 million women with household income of \$56,000
- o Seek non - invasive products that will treat and prevent aging with minimal downtime
- o Growing importance of AK therapy as risk of skin cancer increases

[GRAPHIC OMITTED]

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SKIN CARE STRATEGY

DERMATOLOGY --- Rx

DERMATOLOGY --- Physician
Dispensed

DERMATOLOGY --- Aesthetic
Elective

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BROAD SKIN AGING PORTFOLIO

[GRAPHIC OMITTED]

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EMERGING SPECIALIZATION IN PHOTOAGING

[GRAPHIC OMITTED]

Pharmaceuticals
Cosmetic Products
Light Therapy

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ACTINIC KERATOSES PATIENTS [BAR GRAPH OMITTED]

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WHEN TREATING ACTINIC KERATOSES (AKS)...

YOU CAN'T DISGUISE THE MANY BENEFITS OF EFUDEX (C).

- DISCOVER SOME OF THE REASONS WHY EFUDEX(R) 5% CREAM IS THE #1 PRESCRIBED 5-FLUOROURACIL. (1)
- o Demonstrated efficacy with 2- to 4-week dosing. (2)
 - 85% complete lesion response rate for visible AKs. (2)
 - 93% cure rate for superficial basal cell carcinomas. (2)
 - o 35 years of proven clinical use. (2)

PLEASE SEE ENCLOSED COMPLETE PRESCRIBING INFORMATION.

[GRAPHIC OMITTED]

EFUDEX
fluorouracil 5% cream
A standout among the pack.

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For your patients

with dyschromia ...

Introducing

GLYQUIN(R)

(Hydroquinone USP, 4%)

[GRAPHIC OMITTED]

It's no ordinary hydroquinone. It's Glyquintessential!

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GLYQUIN TRx MARKET SHARE

52 WEEK TREND

[GRAPHIC OMITTED]

Source: IMS Health National Prescription Audit Plus

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[GRAPHIC OMITTED]

Now, additional patients can benefit when you

Discover

the kindness

of Kinerase(R).

KINERASE(R)

Lotion or Cream with 0.1% N6-furfuryladenine

Trust the kindness of Kinerase(R).

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WRINKLE REDUCTION PROCEDURE MARKET

Number of Procedures (000s)

	1997	1998	1999	2000	2001
BOTOX	65	180	498	1,097	1,600
ABLATIVE RESURFACING	64	283	1,262	1,358	2,399
COLLAGEN	347	406	475	592	1,099
NONABLATIVE LASER	--	--	--	50	150
TOTAL	476	869	2,235	3,097	5,248

Sources: ASAPS, ICN Estimate

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TYPICAL CO 2 SIDE EFFECT - ABLATIVE RESURFACING

[GRAPHIC OMITTED]

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NLITE MODE OF ACTION

- o Produces low grade inflammation
- o Release of inflammatory mediators [GRAPHIC OMITTED]
Laser Light
- o Fibroblast activity stimulated by mediators
- o New collagen produced improving

skin tone.

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COSMETIC OUTCOME

[GRAPHIC OMITTED]

3 Months Post Treatment

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GROWTH DRIVERS

NLITE

Laser Collagen Replenishment

[GRAPHIC OMITTED]

- GROWTH OF NON ABLATIVE PROCEDURES
- CONTINUED PHYSICIAN ADOPTION FOR NON-ABLATIVE LASERS
- COMBINATION THERAPY WITH BOTULINUM TOXIN FOR WRINKLES DUE TO COLLAGEN DEFICIENCY
- MULTI APPLICATION SYSTEM
 - FDA approved: wrinkles
 - Current studies: acne scars, vascular, active acne
- CONSUMER MARKETING
 - Drive patients directly to physicians

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"VITAL ELEMENTS"
POST PROCEDURAL SKIN CARE REGIMEN

[GRAPHIC OMITTED]

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PHYSICIAN DIRECT

o DISTRICT OFFICES - AESTHETIC ACCOUNT MANAGEMENT

[] AREAS SERVED

	2000 (ACTUAL)	2001 (ACTUAL)
	-----	-----
PROCEDURES PER MONTH	NA	4200
STATES SERVED	47	50
	-----	-----
[GRAPHIC OMITTED]		
DOCTORS SERVED		
PLASTIC SURGEONS	687	1,400
Dermatologists	518	2,977
	---	-----
	1,105	4,377
OBGYN	NA	1,055
Podiatrists	NA	0
	--	-
	1,105	1,105
	-----	-----
TOTAL	2,720	5,432

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DRIVE PATIENTS TO PHYSICIANS

[GRAPHIC OMITTED]

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NEW INDICATION PIPELINE

	DISCOVERY	PRECLINICAL	CLINICAL	SUBMISSION	CLEARANCE
PHOTOTHERAPY					
PERIOcular WRINKLE					
GENERAL WRINKLE					
VASCULAR			[BAR GRAPH OMITTED]		
ACNE SCAR					
STRIAE					
ACNE					

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THE VISION

- o Concentrate in the fast growing skin aging market
- o Cross sell Rx, light and cosmetic products.
- o Invest in product development, clinical proof and line extensions.
- o Accelerate consumer advertising.
- o Licensing, product and corporate acquisition consistent with the growth strategy.

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