



ΔVΔNOS

Investor Day

June 20, 2023

Welcome & Opening Remarks

Joe Woody

Chief Executive Officer

ΔVΔNOS



FORWARD-LOOKING INFORMATION

Certain matters in this presentation, including expectations and planning assumptions, any comments about our expected performance, and any estimates, projections, or statements relating to our business plans, objectives, acquisitions and transformation initiatives, constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 and are based upon current plans and management’s expectations and beliefs concerning future events impacting the Company.

These statements are subject to risks and uncertainties that could cause our actual results to differ materially from those expressed or implied in such statements, including risks related to the ongoing COVID-19 pandemic, competition, market demand, cost savings and reductions, raw material, energy, and other input costs, supply chain disruptions (including availability of drugs used in our Acute Pain products), inflation, the ongoing conflict between Russia and Ukraine, our ability to successfully execute on or achieve the expected benefits of our transformation initiative, the effects of the recent financial conditions affecting the banking system and the potential threats to the solvency of commercial banks, economic conditions, currency exchange risks, human capital risks, cyber risks, intellectual property risks, and legislative and regulatory actions. There can be no assurance that these future events will occur as anticipated or that the Company’s results will be as estimated. Forward-looking statements speak only as of the date they were made, and we undertake no obligation to publicly update them. For a more complete listing and description of these and other factors that could cause the Company’s future results to differ materially from those expressed in any forward-looking statements, see the Company’s most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q.









NON-GAAP FINANCIAL MEASURES

This presentation includes financial measures that have not been calculated in accordance with accounting principles generally accepted in the U.S., or GAAP. The company provides these non-GAAP financial measures as supplemental information to its GAAP financial measures. Management believes that such non-GAAP financial measures enhance investors’ understanding and analysis of the Company’s performance. As such, results and outlook have been adjusted to exclude certain items for relevant time periods as indicated in the non-GAAP reconciliations to the comparable GAAP financial measures included in this presentation and posted on our website (www.avanos.com/investors). These non-GAAP financial measures should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP.

DISCLAIMERS

The information presented herein involves technologies and concepts in development that are not products and may never become products. For technology in development, the technologies or concepts are not being offered for sale and are not cleared or approved by the U.S. FDA or any other global regulator for commercial availability. This presentation contains trademarks, trade names and service marks which are the property of their respective owners. We do not intend our use or display of other parties’ trademarks, trade names or service marks to imply, and such use or display should not be construed to imply, a relationship with, or endorsement or sponsorship of us by, these other parties.

Today's Agenda & Speakers

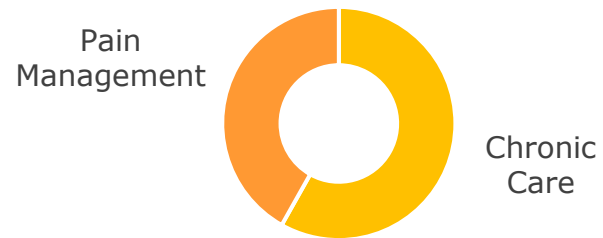
<p>1</p> <p>Welcome & Opening Remarks</p>  <p>Joe Woody CEO</p>	<p>2</p> <p>Commercial Optimization</p>  <p>Kerr Holbrook SVP & Chief Commercial Officer</p>	<p>3</p> <p>Innovation</p>  <p>Lee Burnes SVP, Global R&D</p>	<p>4</p> <p>Supply Chain Effectiveness</p>  <p>Sudhakar Varshney SVP, Global Supply Chain & Procurement</p>	<p>5</p> <p>Financial Transformation</p>  <p>Michael Greiner SVP, CFO & Chief Transformation Officer</p>	<p>6</p> <p>Closing Remarks</p> 	<p>7</p> <p>Q&A</p> 	<p>8</p> <p>Innovation Showcase</p> 
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Where We Were

Two franchises:

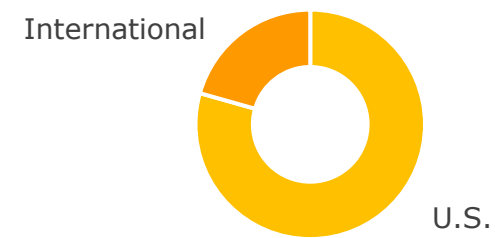
**Chronic Care
&
Pain
Management**

~\$800M
Global Revenue



~\$10B
Addressable
Market

Global Business
Operations



GETTING PATIENTS BACK TO THE THINGS THAT MATTER

Where We're Going

October 2022:
Board reviewed
**2023 - 2025
Strategic Plan
to Reimagine
the Business**

- **January 2023:**
Launched 3-year Transformation
- **June 2023:**
Announced divestiture of
Respiratory Health business
to SunMed
- **June 2023:**
Announced acquisition of
Diros Technology



PORTFOLIO CHANGE TO ACCELERATE GROWTH

Avanos Portfolio Evolution



2014

Completed
spin-off as
Halyard Health

2016

Acquired
CORPAK*
MedSystems

2017

Announced
divestiture of S&IP
business to Owens
& Minor

2018

Acquired
CoolSystems
(Game Ready)

2019

Acquired
NEOMED*, an
enteral feeding
channel expansion
(NICU)

Acquired
Summit Medical
(AMBIT*)

2021

Acquired
OrthogenRx,
a leader in
HA technology
for the
treatment
of knee OA

2023

Announced
divestiture of
Respiratory Health
business to SunMed

Announced
acquisition of
Diros Technology,
a leader in
RF technology
for treatment
of knee OA

- Execution
- Pain Returns
- Capital Deployment
- Portfolio Management



- Digestive Health Business
- M&A
- Balance Sheet
- Transformation Plan

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M&A Investments Have Yielded Attractive Returns

- Deployed more than \$400M for M&A since 2016
- Expected to comprise ~35% of Avanos 2023 revenue
- **Acquisitions delivered:**
 - ✓ Organic growth >12%*
 - ✓ Operating margins ~15%*
 - ✓ Year 5 ROIC 31%*
- Highly-disciplined approach
- Robust, actionable pipeline of Digestive Health & select Pain Management & Recovery targets



*Excludes impact of OrthogenRx

Strategy Supporting Value Creation



Invest in and grow Digestive Health
above market



MSD growth
and profitability
in Pain Management
& Recovery

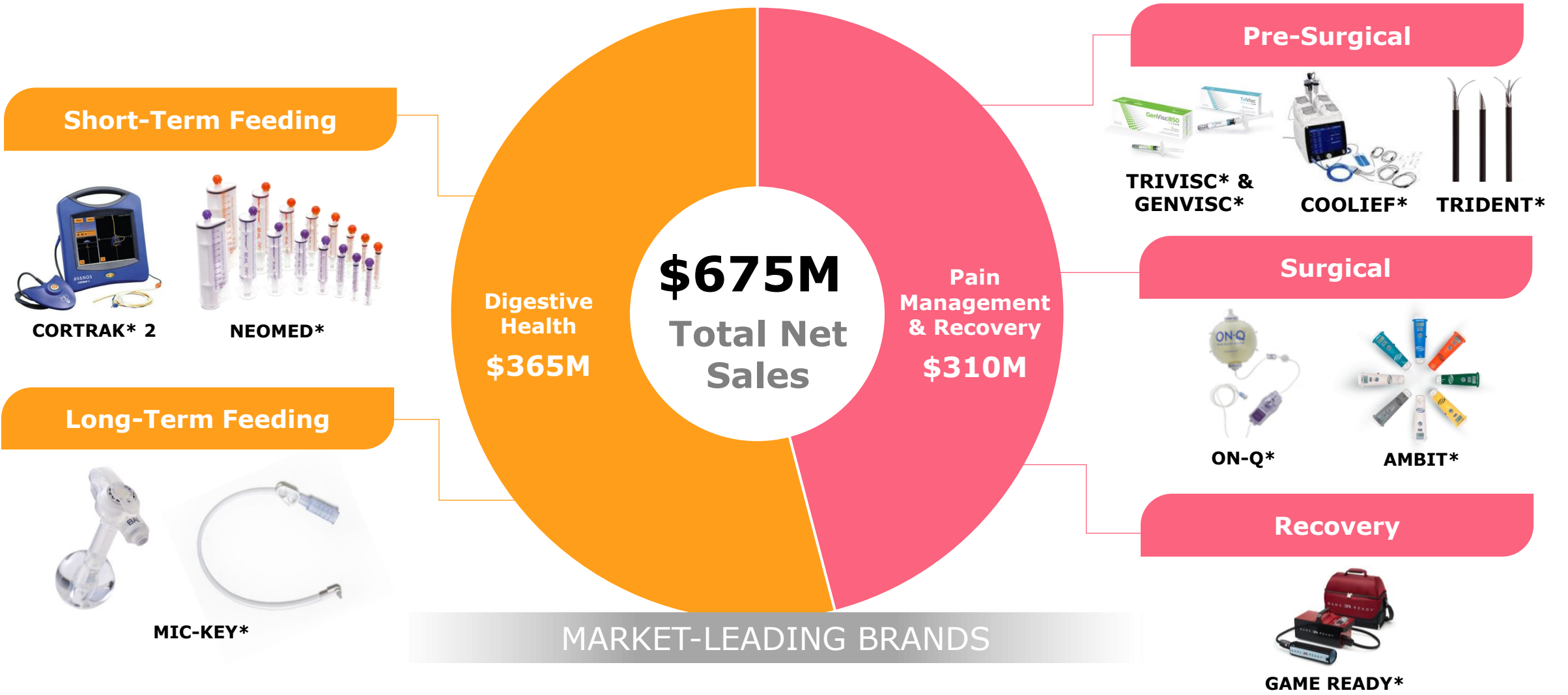


Execute on **all**
transformation
priorities



Deploy capital
in key international
markets and M&A

Two Scaled Portfolios



Transformation Priorities: 2023–2025

1

Strategic &
Commercial
Optimization

2

Transform the
Product Portfolio

3

Additional Cost
Management
Initiatives to
Enhance Operating
Profitability

4

Continued Efficient
Capital Allocation
Strategies to
Expand Return on
Invested Capital

DELIVERING VALUE TO ALL STAKEHOLDERS

Transformation Priorities: 2023–2025

1

Strategic &
Commercial
Optimization

Portfolio focus by **increasing** investments in product categories:

- ✓ • **Digestive Health** (MIC-KEY*, CORTRAK* and NEOMED*)
- ✓ • **Pain Management & Recovery** (GAME READY*, COOLIEF*, AMBIT*, ORTHOGENRX* and Diros)
- ✓ • New commercial leadership with **synergistic opportunities**
 - Grow **market share** in alternate sites (e.g., Ambulatory Surgery Center setting)

2

Transform the
Product Portfolio

- ✓ • Exit **low-margin** and **low-growth** product categories
- ✓ • Advance **SKU rationalization**, **price increases**, and **divestitures**
 - Focus M&A on **core** and **near-adjacent** categories

DELIVERING VALUE TO ALL STAKEHOLDERS

Transformation Priorities: 2023–2025

3

Additional Cost Management Initiatives to Enhance Operating Profitability

- Reduce **indirect spend**
- ✓ • Pursue **outsourcing** opportunities as appropriate
- Simplify **supply chain/other functions** through product focus and improved plant execution
- Deliver SG&A as percentage of revenue **between 38%-39%**

4

Continued Efficient Capital Allocation Strategies to Expand Return on Invested Capital

- ✓ • Direct **internal capital allocation** toward focus categories
- ✓ • Maintain **M&A** discipline and conservative leverage level (current <1.0x)
- ✓ • Continue **share repurchases** when market is dislocated vs our internal intrinsic value estimates

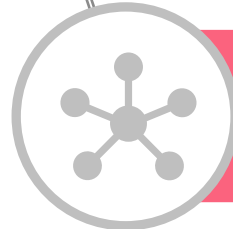
DELIVERING VALUE TO ALL STAKEHOLDERS

Avanos Investment Thesis

ΔVANOS



Solid core categories with consistent organic growth



Direct adjacencies to add growth and margin improvement



Clearly defined set of transformation priorities already in motion



Leverageable financial model to generate material free cash flow and high ROIC

Commercial Optimization

Kerr Holbrook

Senior Vice President &
Chief Commercial Officer

ΔVΔNOS



Transformation Priorities: 2023–2025

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Transform the
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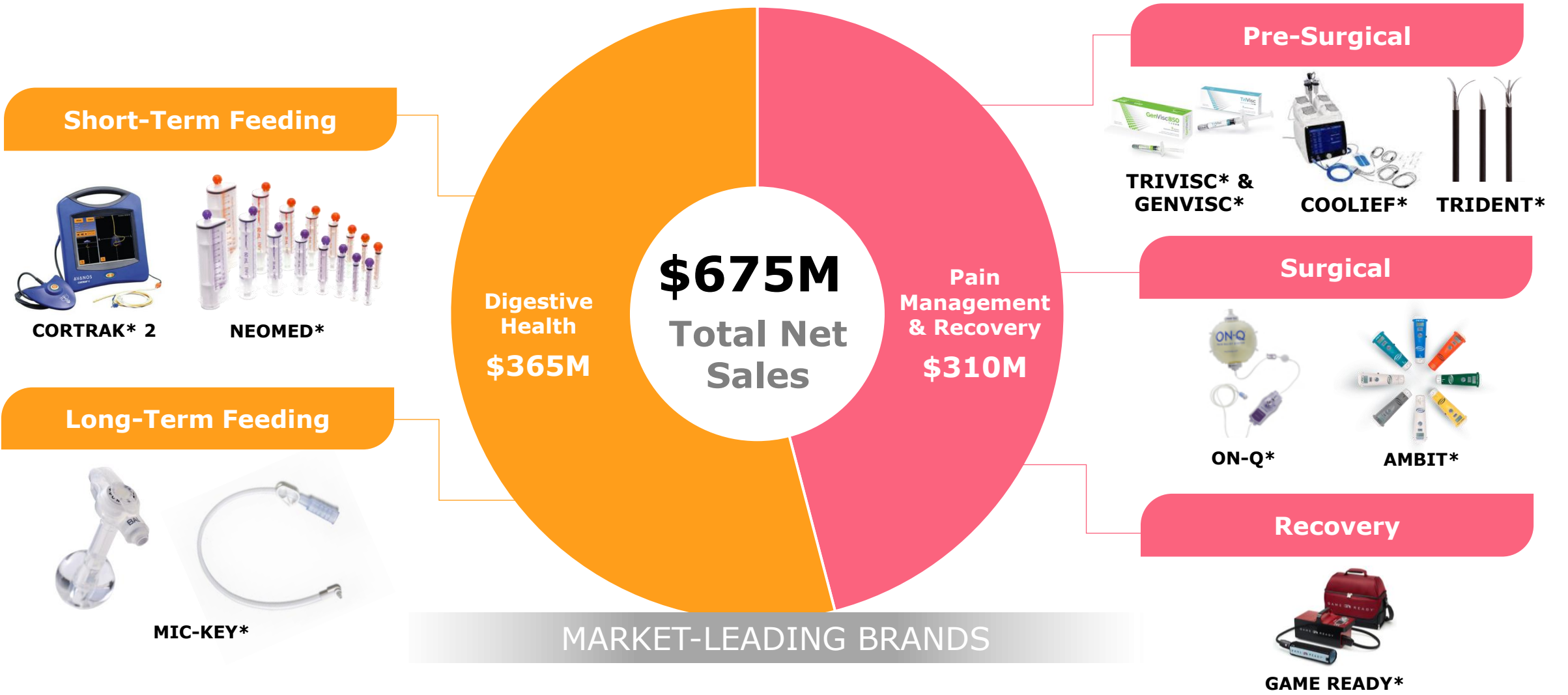
Additional Cost
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Continued Efficient
Capital Allocation
Strategies to
Expand Return on
Invested Capital

DELIVERING VALUE TO ALL STAKEHOLDERS

Two Scaled Portfolios



Digestive Health (DH) Summary

- Leadership and consistent above-market growth in >\$1B core market
- MSD growth expected with existing portfolio and commercial execution
- ~60% gross margin
- Acceleration via innovation and M&A in \$6B+ adjacencies



Providing Short- & Long-Term Enteral Feeding Solutions

Short-Term Feeding: Less than 30 days



**Initial Feeding
Tube Placement**



Short-Term Feeding



★ Indicates current make-up of DH portfolio

Long-Term Feeding: Months to Life



**Gastrostomy Tube
Placement &
Replacement**



Long-Term Feeding

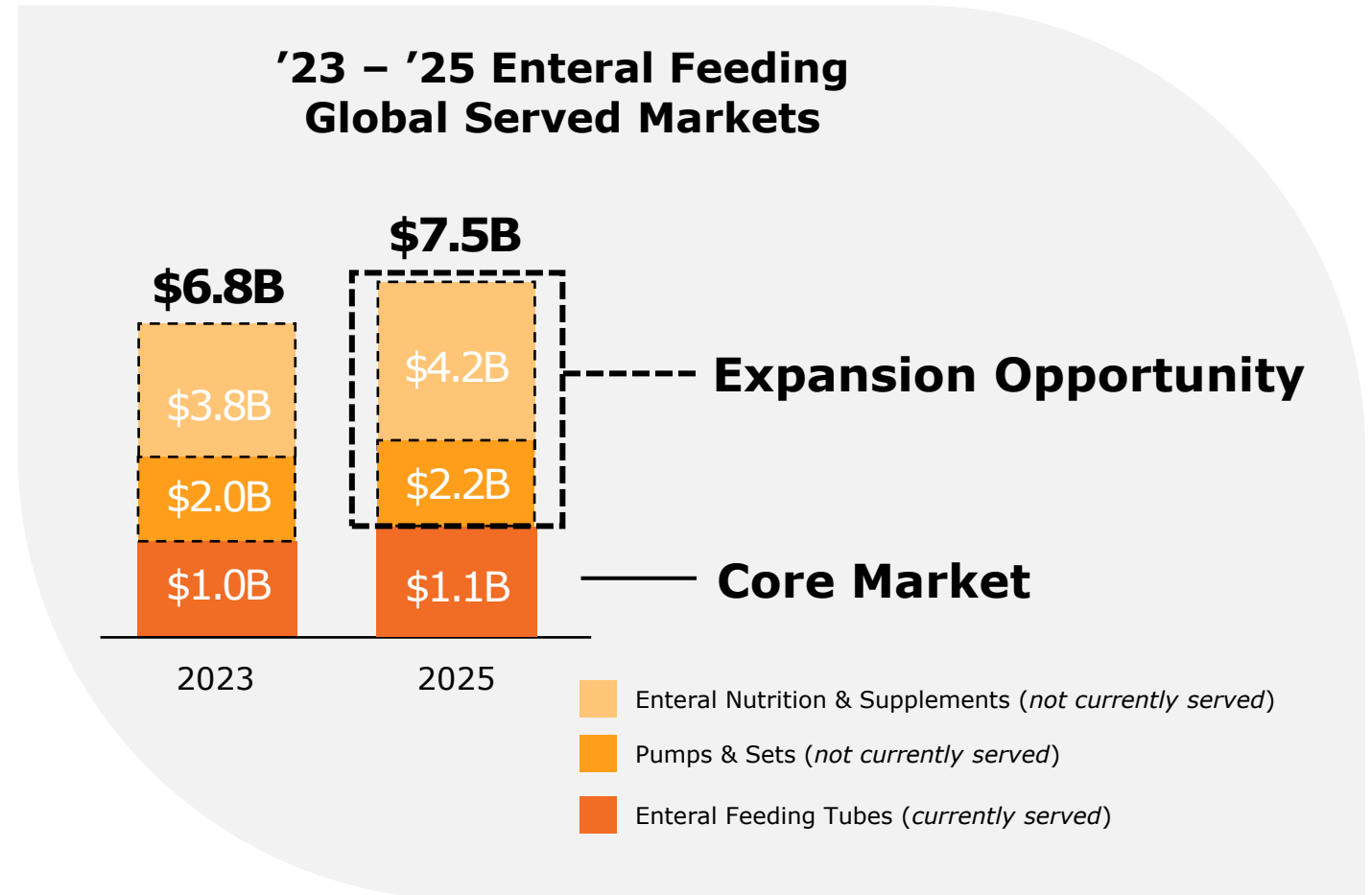


Enteral Pump, Nutrition and Supplements are not part of the current DH Portfolio

Leader in Core Enteral Tube Feeding Market With \$6B Near-Adjacency Expansion Opportunity

Enteral Feeding Market Dynamics

- Consistent 4-5% market growth
- Trend to more rapid ICU enteral feeding
- Transition to ENFit®
- Rise in disease/patient-specific nutrition
- High innovation headroom
- Favorable competitive landscape



Consistent Above-Market Actual & Expected Growth

Leverage #1 Market Position & Commercial Infrastructure

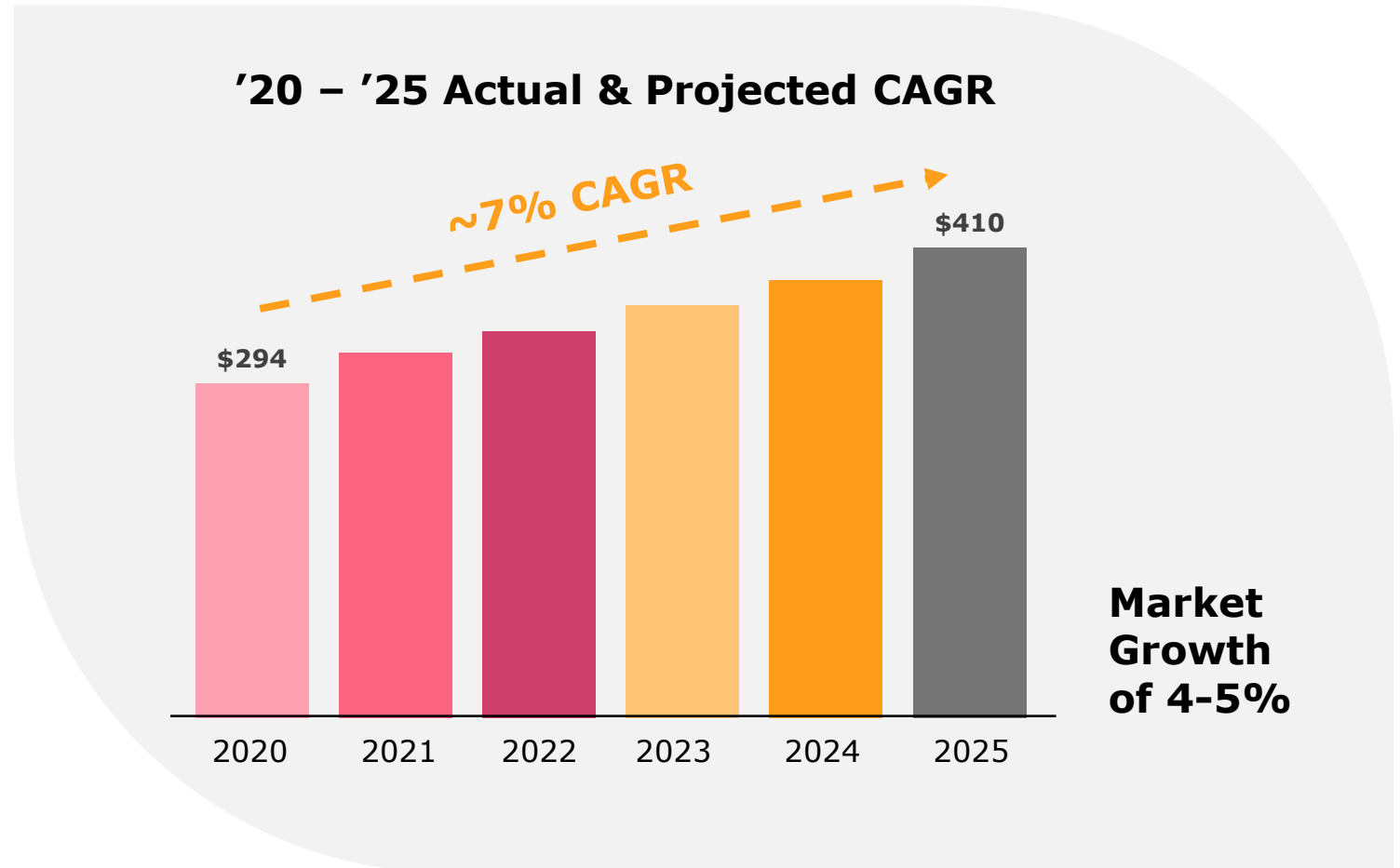
- Harness US commercial resources
- Adopt direct sales model in key international markets

Drive New Product Innovation

- Continue US ENFit® conversions
- Launch next-generation products

Use M&A to Expand into Large, Attractive Adjacencies

- Accretive to growth rate and gross margin
- Leverage commercial infrastructure



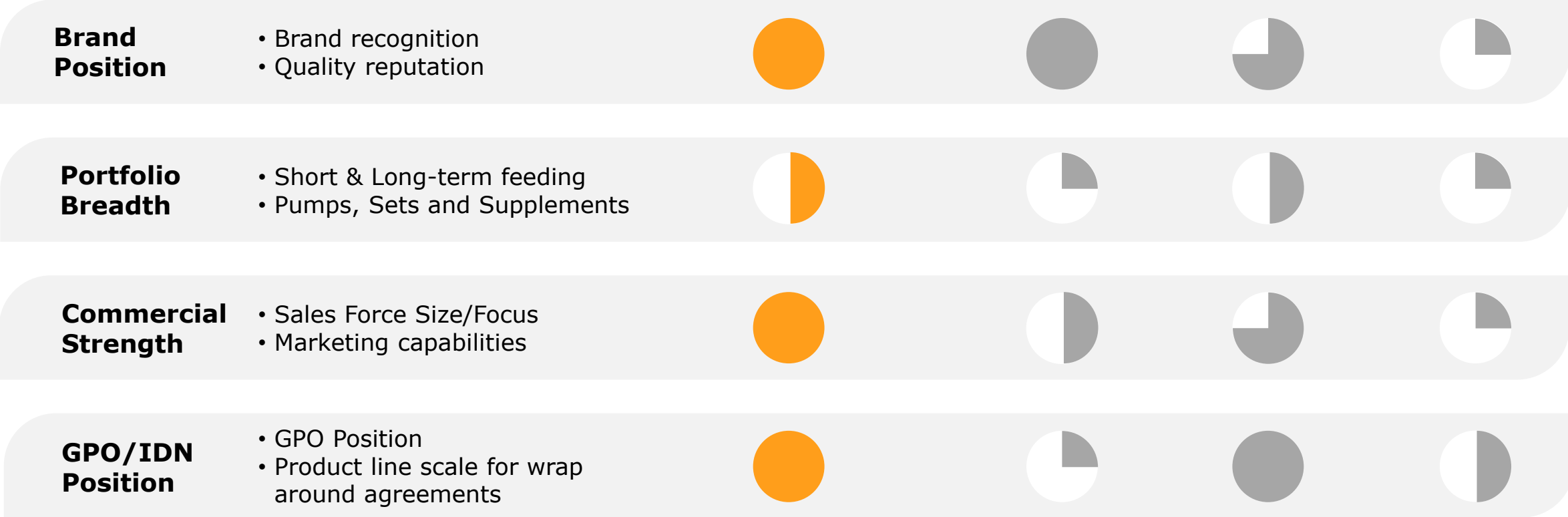
DH Holds Strong Market Position with Opportunity to Expand Portfolio Breadth

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Competitor 1

Competitor 2

Competitor 3



Note: Primary North America competitors

DH Commercial Potential Channel & Patient Engagement Create Advantage



Hospital (Short-Term Feeding)

- #1 market position in short-term feeding
- ~100 dedicated sales reps
- Corporate Accounts team
- Medical society partnerships



Home (Long-Term Feeding)

- #1 market position in long-term feeding
- Durable Medical Equipment sales team
- Direct-to-patient programs [tubefed.com](https://www.tubefed.com)
BY AVANOS
- Nurse Hotline

Short-Term Feeding (CORTRAK* 2)

Convert ICUs from blind placement to CORTRAK* 2; HSD growth



Current Situation

- ~\$300M global served market;
~6% CAGR
- #1 share in US guided placement
- ~80% US market not converted to guided placement
- Dedicated CORTRAK* 2 sales team

"Patient care has improved significantly with the use of CORTRAK 2."*¹

– Clinical Nutrition Manager

Actual testimonial, individual experience may vary

Growth Strategy

- Continue conversion from blind placement to CORTRAK* 2
- Launch next-gen CORTRAK* 2



Neonatal Short-Term Feeding (NEOMED*)

Convert NICU to ENFit® standard; DD growth



Current Situation

- \$200M global served market; HSD CAGR
- #1 share in US market
- 35–40% US market not converted
- Dedicated NICU sales team

"Very innovative products, making it easier on the nurses and great for the babies!"²

– NICU RN

Actual testimonial, individual experience may vary

Growth Strategy

- Continue conversion to ENFit®
- Launch next-gen NEOMED*
- Execute M&A to aggregate solutions at NICU call point



Long-Term Feeding (MIC-KEY* Portfolio)

Extend global reach and launch next-gen portfolio; MSD growth



Current Situation

- ~\$500M global served market; 4-5% CAGR
- #1 share in US market
- Dedicated US sales team
- \$6B in natural adjacencies

"MIC-KEY* will change your life." ³

– MIC-KEY* Patient

Actual testimonial, individual experience may vary



Growth Strategy

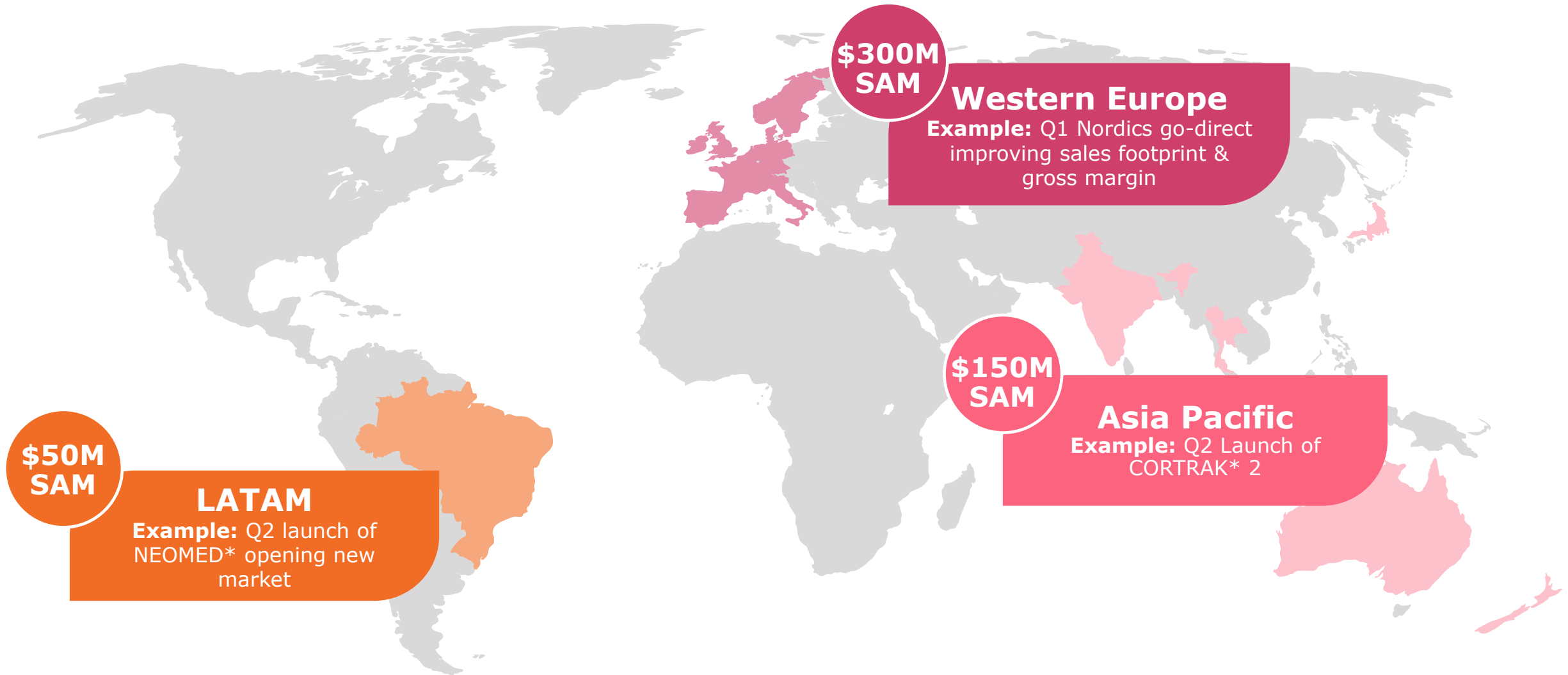
- Globalize MIC-KEY* brand in key markets
- Launch next-gen MIC-KEY* portfolio
- Execute M&A in attractive adjacencies



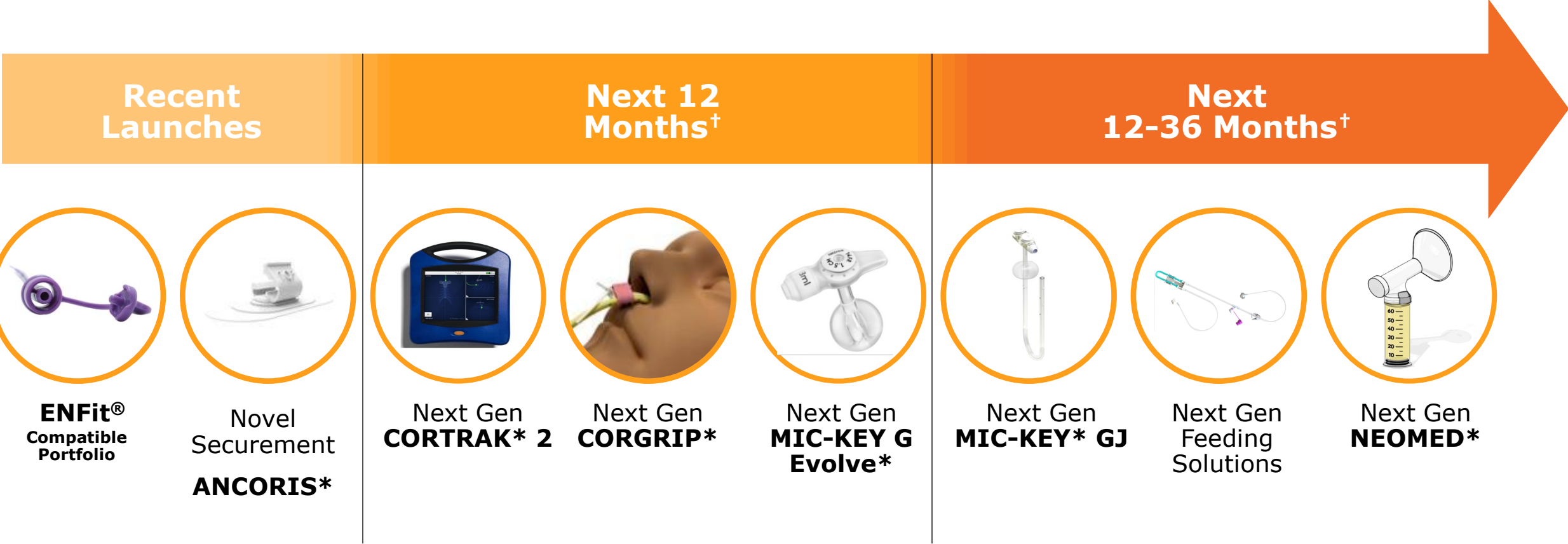
★ Indicates current make-up of DH portfolio

Enteral Pump, Nutrition and Supplements are not part of the current DH Portfolio

Opportunity to Expand in High-Potential Global Markets

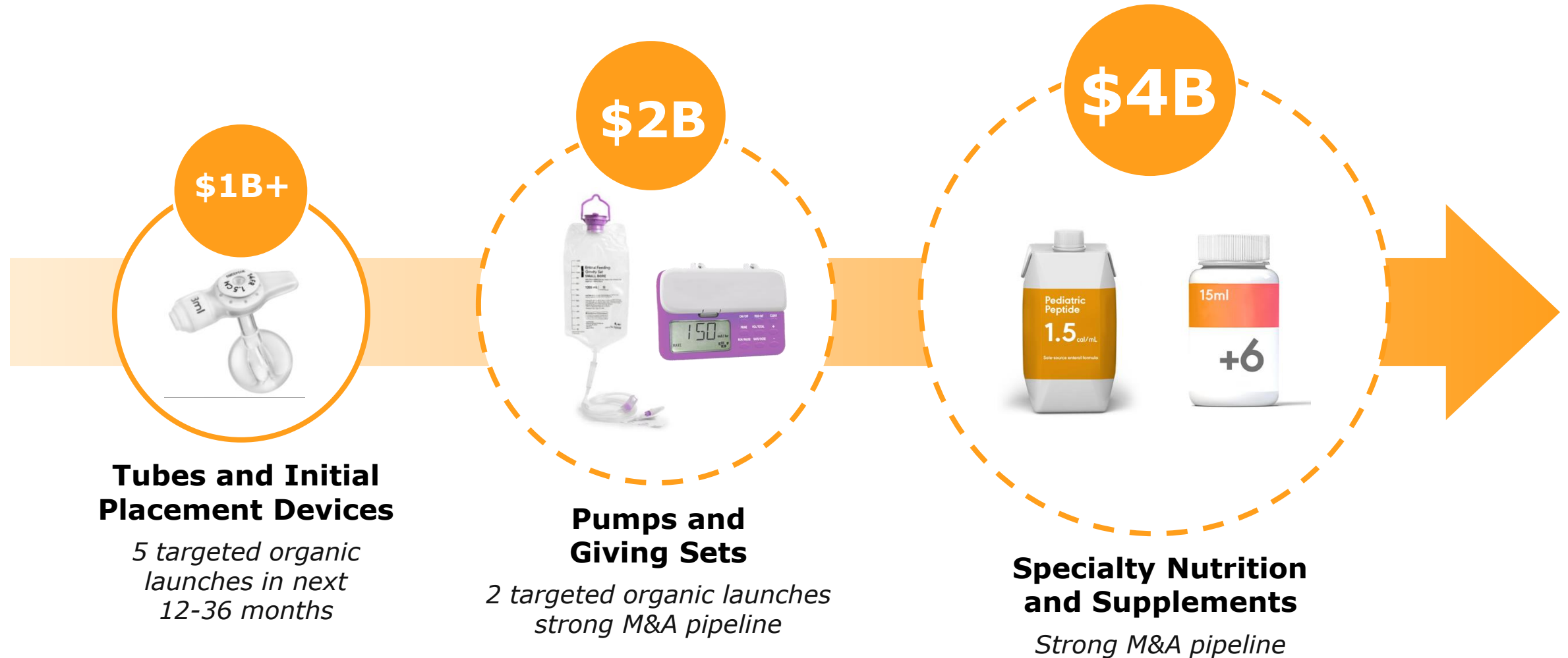


Innovation Pipeline to Protect Base, Improve Share & Margin[†]



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Actionable M&A Targets in Large, Attractive Adjacencies[†]



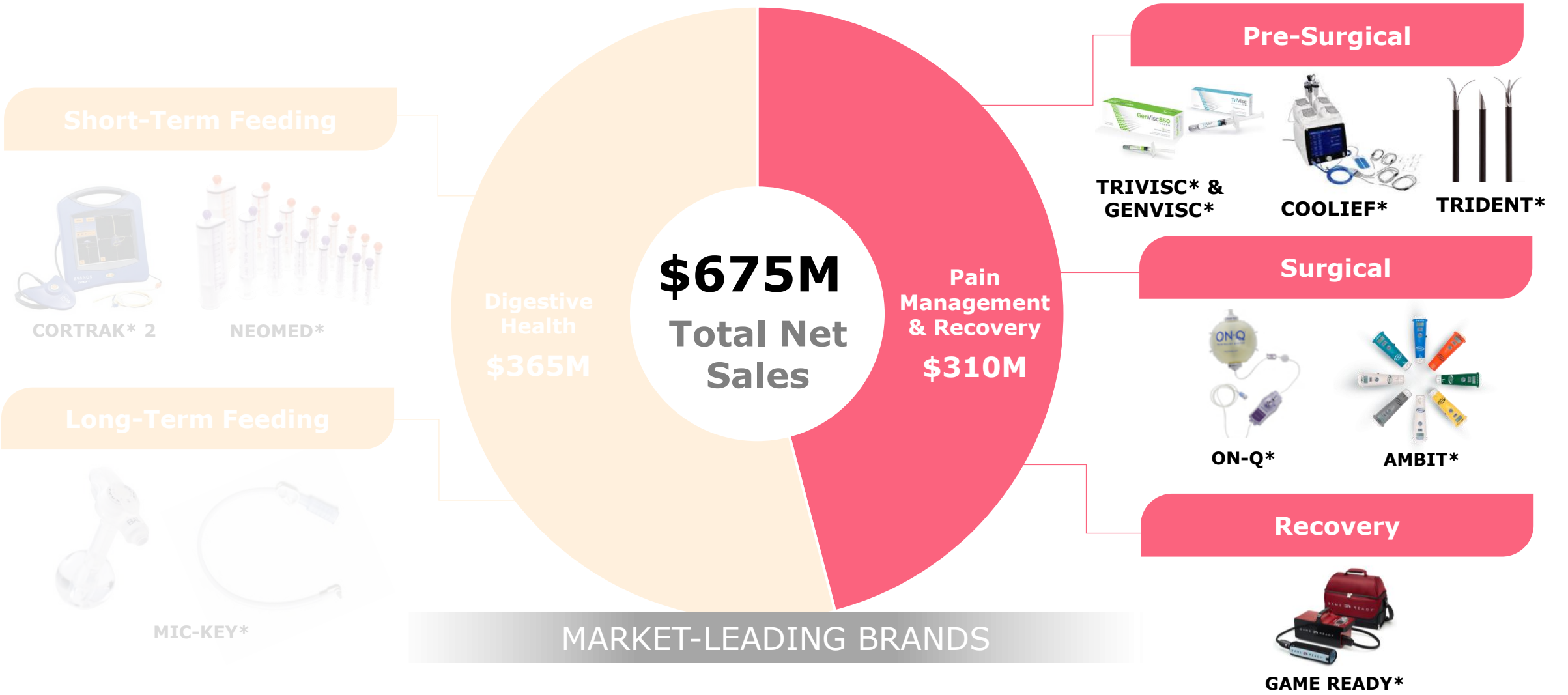
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Digestive Health Summary

- Leadership and consistent above-market growth in >\$1B core market
- MSD growth expected with existing portfolio and commercial execution
- ~60% gross margin
- Acceleration via innovation and M&A in \$6B+ adjacencies



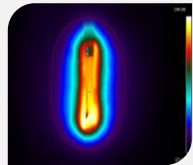
Two Scaled Portfolios



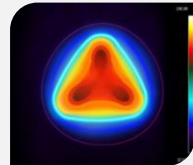
Diros RF Technology Acquisition

- Provides a mid-tier solution enabling Avanos to offer the most comprehensive RF portfolio
- Provides a key offering to target ambulatory surgery centers and office-based RF procedures
- With COOLIEF* and Avanos Standard RF, TRIDENT* uses Avanos' existing generator
- Expands international presence in RF ablation with DD growth

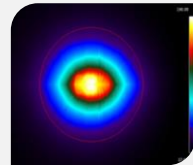
**Value-Tier
Standard RF** ⁴



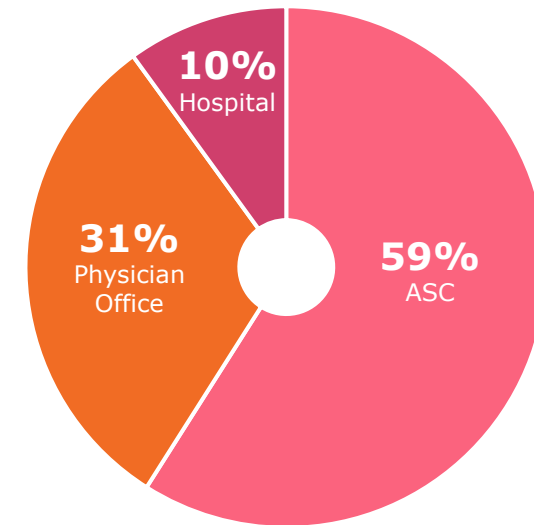
**Mid-Tier
Diros (TRIDENT*)** ⁴



**Superior-Tier
COOLIEF*** ⁴



RF Ablation Site of Care % of Ablations



- COOLIEF* leads hospital segment
- Diros addresses 90% non-acute⁵

(Computer Simulated Lesion Representation)

Pain Management & Recovery Summary

- Four strong brands that connect patient lifecycle
- Portfolio expected to deliver MSD growth and 60% gross margin
- Commercial reset will improve sales effectiveness and expected to deliver <40% SG&A
- Very selective investment in innovation, M&A and international



Providing Solutions Across Pain Management & Recovery Lifecycle



Primary Call Point:
Interventional Pain Physician

Primary Call Point:
Orthopedic Surgeon

Short-Term Pain Relief
 Hyaluronic Acid (HA)

Longer-Lasting Pain Relief
 Radiofrequency Ablation (RFA)

Surgical Pain Relief
 Pain Pumps

Post-Surgery Recovery
 Cryo-Compression



Up to 6 Months of Pain Relief ⁶

Up to 12-24 Months of Pain Relief ⁷

Up to 5 Days of Localized Pain Relief. Non-opioid ⁸

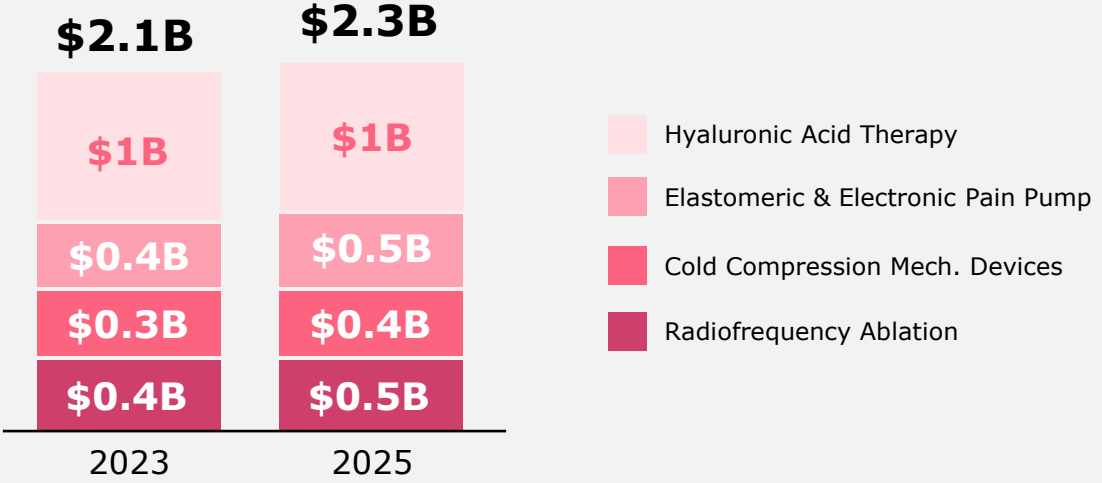
Reduces Swelling, Edema & Pain. Reduces post-op opioids ⁹

Focus On Winning in US Pain Market; International Limited to “Right to Win” Categories

Pain Market Dynamics

- Consistent 4% market growth
- Aging population
- Trend towards ASC
- High competitive intensity
- Positive international dynamics in select categories

'23 – '25 Pain Management & Recovery Global Served Markets



Expected Pain Growth Through Commercial Reset, Refined Strategies & Select International Investment

Improve Commercial Execution

- New sales and marketing leadership
- Improved coverage with “bigger bag”
- Increased focus on ASC

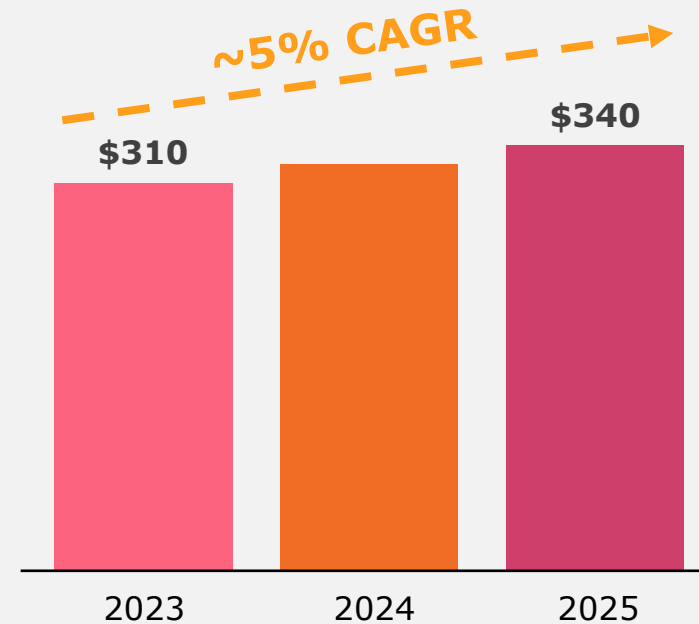
Refine Product Brand Strategies

- Repositioned products for ASC
- Tuck-ins bolster portfolio (e.g., Diros)

Select International Investment

- Target markets with favorable reimbursement outlooks

'23 – '25 Projected CAGR



Market Growth of ~4%

Hyaluronic Acid (HA) (GENVISC* & TRIVISC*)

Expand sales footprint and customer reach; LSD growth



Current Situation

- \$1B US served market (\$500M multi-shot); LSD CAGR
- Leader in Medicare 5-shot market; growth opportunity in 3-shot space
- Direct + 1099 team targeting interventional pain and ortho customers



*"I like the idea of having a feedback system to know if I'm in the joint."*¹⁰

– Ortho Sports Med Reaction to New Innovation

Actual testimonial, individual experience may vary

Growth Strategy

- Improve sales reach via cross-sell with ON-Q*, COOLIEF* sales teams
- Expand customer reach via cash and specialty pharmacy offerings
- Launch differentiated needle placement technology in '24

Radiofrequency Ablation (COOLIEF* & TRIDENT*)

Protect, expand hospital base and grow ASC; HSD growth



Current Situation

- \$380M global served market; ~6% CAGR
- Hospital: ~10% of procedures; COOLIEF* #1
- ASC/office: ~90% of procedures, mostly Standard RF
- Dedicated hospital/ASC RF sales team



*"For the first time in years, I lived without pain in my knee."*¹¹

– COOLIEF* patient

Actual testimonial, individual experience may vary

Growth Strategy

- Protect, expand COOLIEF* in hospital
- Convert Standard RF to Trident in ASC
- Leverage UK NICE guidance & Japan reimbursement decision for knee OA¹²

Surgical Pain Pumps (ON-Q* & AMBIT*)

Protect, expand hospital base and grow ASC; LSD growth



Current Situation

- \$400M global served market
~2% CAGR
- #1 US share and broadest portfolio
- Decline in hospital, growth in ASC
- Dedicated US hospital/ASC sales team



*"It was the simplest, best thing.
I was up and walking around
20 minutes after the surgery."*¹³

– ON-Q* patient

Actual testimonial, individual experience may vary

Growth Strategy

- Protect, expand ON-Q* in hospitals
- Grow ASC with AMBIT* offering
- Exit international markets to focus resources

Cryo-Compression (GAME READY*)

Improve business model and profitability; MSD growth



Current Situation

- \$300M global cryo-compression market; ~8% CAGR
- Top brand across orthopedics, pro-athletes and physical therapists
- US 1099 + direct teams targeting orthopedic customers



"Game Ready provides a significant decrease in the need for pain medication and at least a 20% faster recovery."¹⁴

– Peter Millet, MD, MSD | The Steadman Clinic

Actual testimonial, individual experience may vary

Growth Strategy

- Improve business model and process to unlock growth with orthopedics
- Optimize sales and service execution
- Launch next-gen GAME READY* offering

Pain Management & Recovery Summary



- Four strong brands that connect patient lifecycle
- Portfolio expected to deliver MSD growth and 60% gross margin
- Commercial reset expected to improve sales effectiveness and deliver <40% SG&A
- Very selective investment in innovation, M&A and international

Innovation Optimization

Lee Burnes

Senior Vice President,
Global Research & Development

AVANOS



Transformation Priorities: 2023–2025

1

Strategic &
Commercial
Optimization

2

Transform the
Product Portfolio

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Additional Cost
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DELIVERING VALUE TO ALL STAKEHOLDERS

Portfolio Investment Optimized to Focus on Customer-Driven Innovations

R&D Focus:

Pain Focused

Digestive Health Focused

R&D Spend:

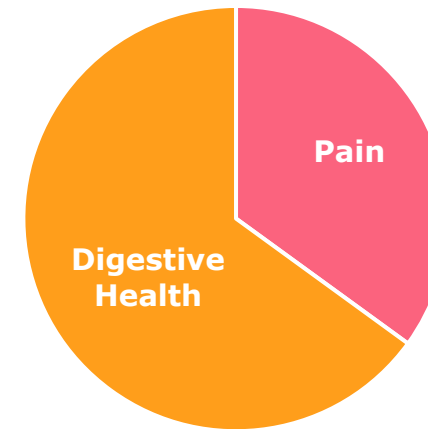
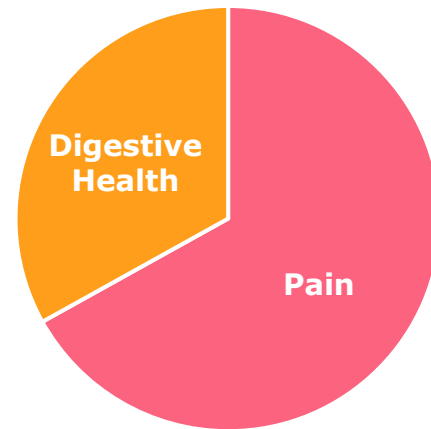
6% of Net Sales

3-4% of Net Sales

Portfolio:

Technology Driven

**Customer-Driven
Organic & Open Innovation**



R&D SPEND EMPHASIZES OPPORTUNITIES IN DIGESTIVE HEALTH

Customer-Driven Innovation Process Identifies Value



UNLOCKING KEY OPPORTUNITIES TO DELIVER VALUE TO GLOBAL CUSTOMERS

Organic R&D Focused on Fast-to-Market Opportunities



Innovation in “Right-to-Win” Categories



Disciplined Investment Criteria



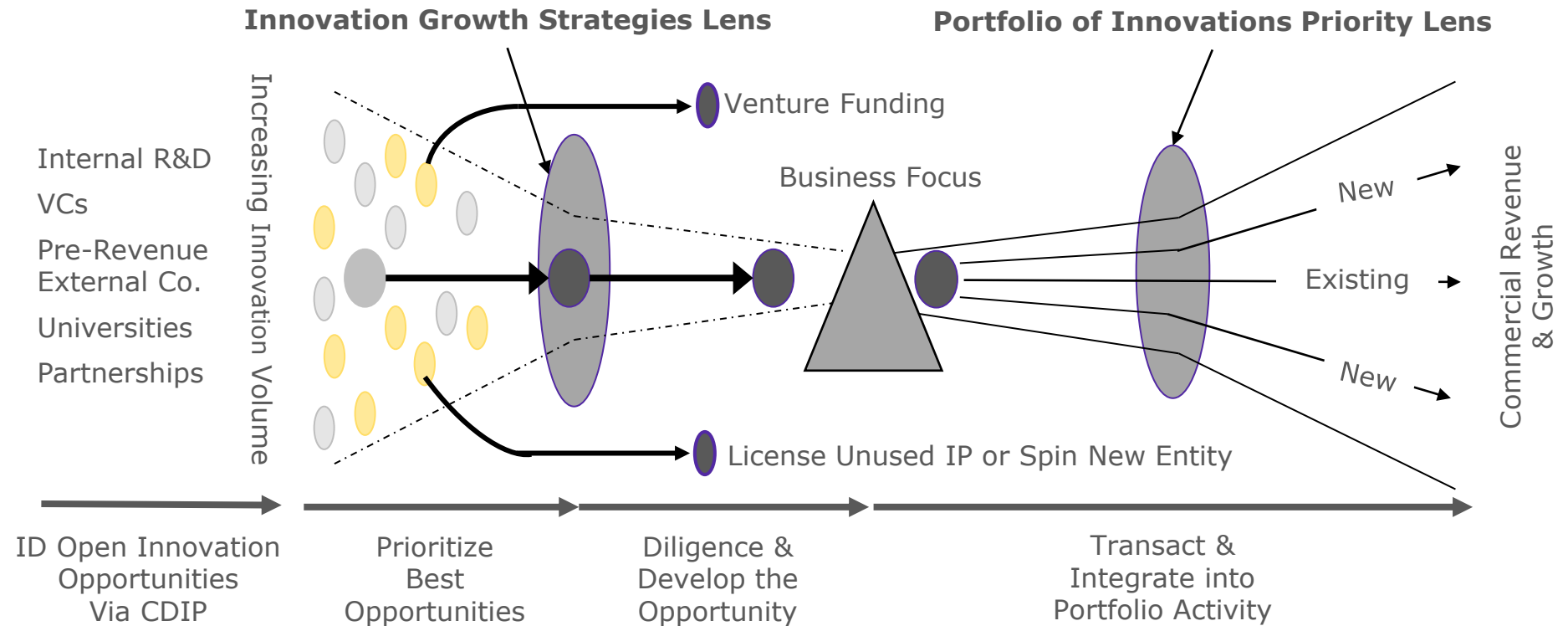
Project Management-Led NPD



Centers of Excellence Model

DRIVING A STEADY CADENCE OF INNOVATIONS TO MARKET

Inorganic Open Innovation Focused on Breakthroughs



LEVERAGING OPEN INNOVATION & EXTERNAL FUNDING TO BUILD A STRONGER PORTFOLIO

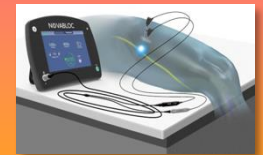
Highlighted Transactions

FUSMobile Inc.
Non-invasive HIFU nerve ablation pain management



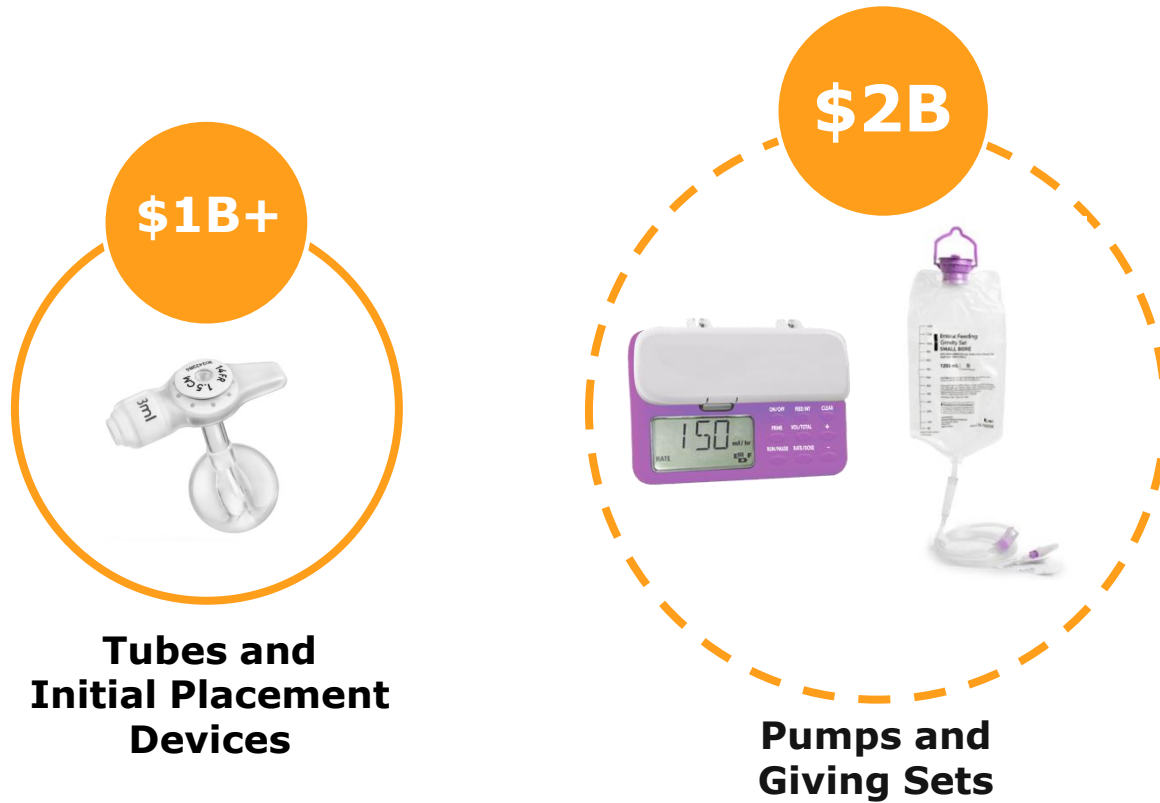
Investment – Minority share

Synaptrix LLC
Electrical nerve blocking for pain management



Spinout – Minority non-control

Digestive Health Innovation Strategy[†]



Protect and grow our core to maximize growth

Expand into near adjacencies to drive above-market growth

Leverage NEOMED* brand to grow revenue at HSD in the NICU

LEVERAGE MARKET LEADERSHIP POSITION, BRAND & CALL POINT STRATEGY IN >\$3B OPPORTUNITY

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Avanos Innovation Portfolio Highlights

Next 12 Months[†]

12-36 Months[†]

Digestive Health



Next Gen
CORTRAK* 2



Next Gen
MIC-KEY* G



Next Gen
Securement



Next Gen
MIC-KEY* GJ



Next Gen Feeding
Solutions



Next Gen
NEOMED*



Next Gen
CORTRAK* technology

Pain Management



Next Gen
HA Device



COOLIEF* Procedural
Expansion



Next Gen
GAME READY*

HEALTHY INNOVATION ROADMAP DELIVERS A VITALITY INDEX > 40% IN 4 YEARS

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Large Addressable Global Markets in Long-Term Enteral Feeding[†]

Next Gen Low-Profile Gastrostomy Products (*\$500M Served Global Market*)

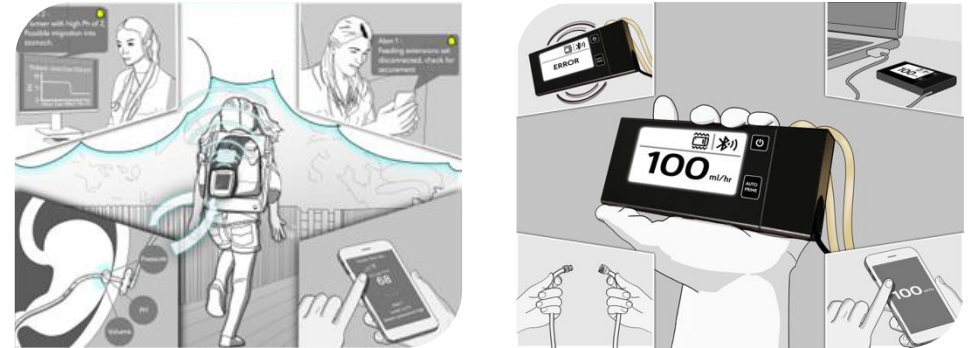
- Lower balloon profile for enhanced comfort
- Cap-less feed valve w/ EASY360° system



Protect and grow our core
to drive MSD Growth

Pumps & Giving Sets (*\$2B+ Served Global Market*)

- Compact size supports mobility in daily living
- Focused on needs of caregiver in the home



Expand into near adjacencies
to drive above MSD growth

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Growth Opportunities Focused on Safety & Securement Solutions in Short-term Enteral Feeding

Next Gen CORTRAK* 2 Enteral Access System[†] (*\$300M Served Global Market*)

- Guided workflow with continuous monitoring
- Pediatric indication & International expansion



Protect and grow our core
to drive MSD growth

Nasogastric Tube Securement (*\$100M Global Market Opportunity*)

- Consistent protocols for securement are needed
- Value & premium options provided for a full portfolio



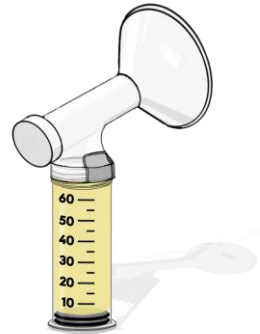
Protect and grow our core
to drive MSD growth

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Significant Innovation Headroom in \$200M NICU Segment†

Optimizing Nutrition Delivery by Reducing Fat Loss

- Critical fat is lost in today's typical transfer methods
- Supports workflow standardization in milk transfer



Grow revenue at HSD in the NICU

Eliminating NIV-Driven Abdominal Distension

- Painful condition for neonates must be eliminated
- New system for improved workflow & time efficiency



Grow revenue at HSD in the NICU

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Innovation Portfolio Summary[†]



- Transformed and optimized innovation approach
- Supports DH above-market growth thesis
- Upside to Pain growth via open innovation
- New products accretive to 60% gross margin

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15-MINUTE BREAK

ΔVΔNOS

Supply Chain Optimization

Sudhakar Varshney

Senior Vice President,
Global Supply Chain & Procurement

ΔVΔNOS



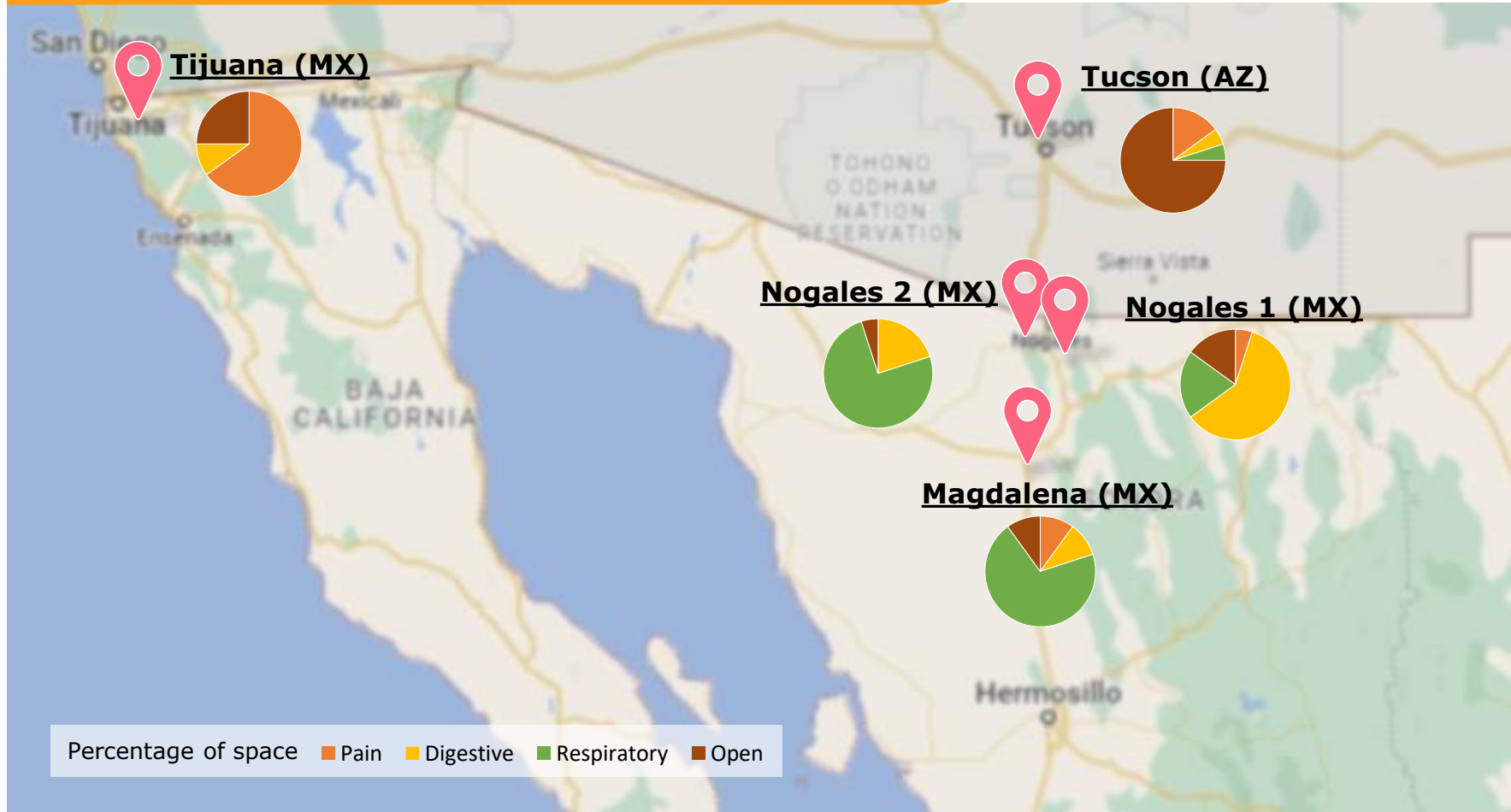
Transformation Priorities: 2023–2025



DELIVERING VALUE TO ALL STAKEHOLDERS

5 Nearshored Manufacturing Facilities in the US and Mexico

Current Avanos Manufacturing Footprint



Percentage of space utilized shown next to product family

- 450K square feet of internal manufacturing capability
- Nogales 2: molding & extrusion
- Magdalena: primary respiratory site
- Global distribution through 3PL providers

Straightforward RH Carveout & TSA; Conveying 2 Manufacturing Sites

Open capacity for future acquisitions

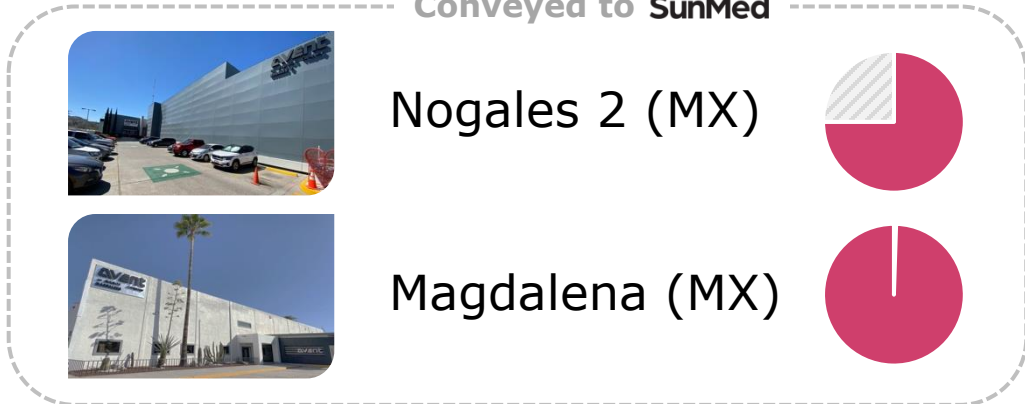
- Magdalena and Nogales 2 conveyed to buyer
- Respiratory finished good production consolidated in Magdalena
- Transfer non-respiratory production to Tijuana (Pain) and Nogales (Digestive Health)
- 18-24 month TSA, regulatory notification being longest lead time
- Open space for future acquisitions even after conveying two sites



Tijuana (MX)



Nogales 1 (MX)



Nogales 2 (MX)



Magdalena (MX)



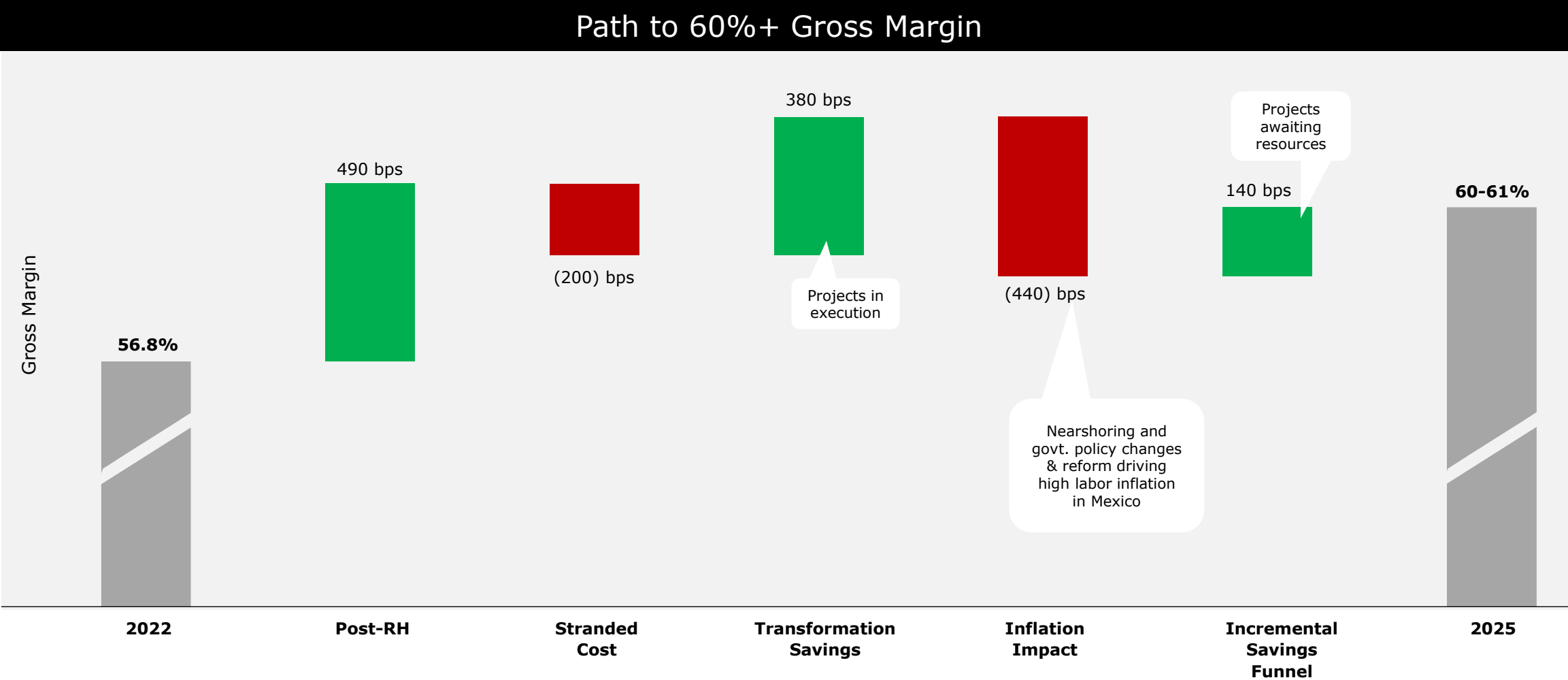
Tucson (AZ)



Percentage of space: Pain Digestive Respiratory Open

60%+ Gross Margin Through Transformation

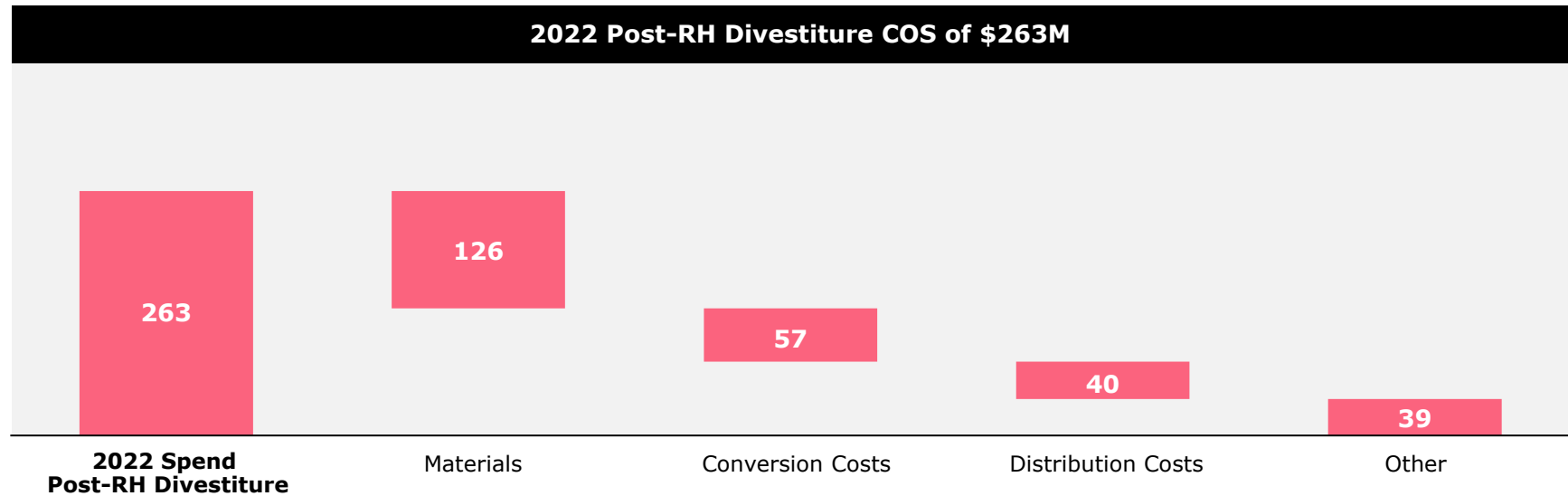
Addressing stranded cost and inflationary headwinds



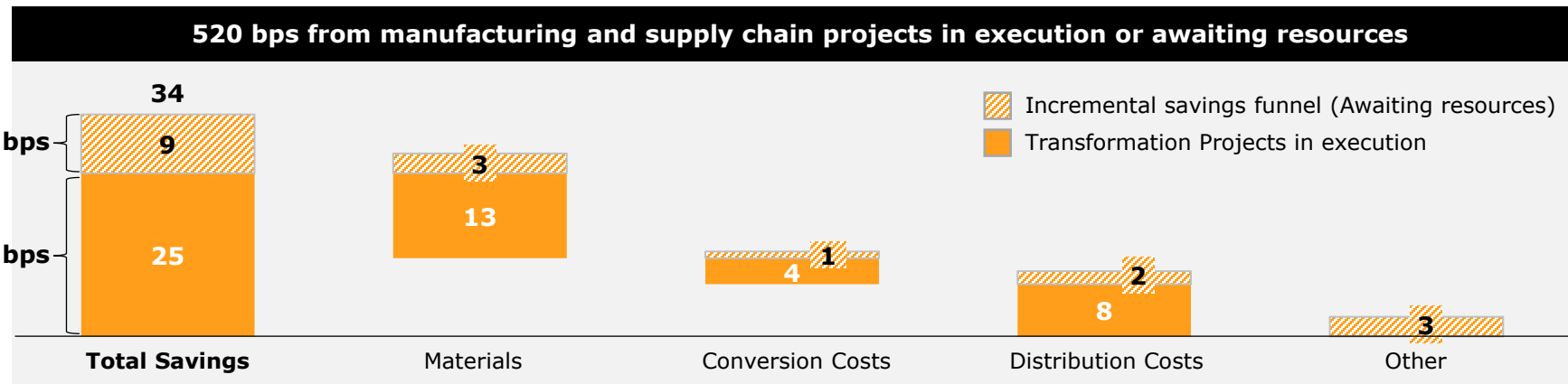
Model assumes flat revenue growth, no mix changes and no M & A

Current Transformation Projects Deliver 380 bps of GM Improvement

Additional 140 bps Awaiting Resource Allocation



- Transformation projects focus on 60% of spend
- \$25M projected savings; \$5M already executed
- Primary focus areas: freight, logistics, insourcing, packaging materials, direct labor efficiency
- Incremental savings funnel addresses remaining 40% spend



Incremental savings funnel: \$9M

- Reduce indirect labor costs and write-offs with effective SIOP
- Centralize after-market service / increase install base under service
- Optimize Distribution Center spend by reducing touches
- Move away from specialized / proprietary raw materials

Avanos 2022 Financial data for COS

Continuously Improving Supply Chain Resilience and Sustainable Process Capabilities

1

Center of Excellence

- Build capabilities in molding, extrusion, packaging, instrument manufacturing
- Make vs. buy decisions
- Standard KPI measurement across the network
- Agile in change management process

2

End-to-End Planning Systems

- Better forecasting with SIOP
- Better visibility to suppliers
- Production planning to reduce changeovers
- Rationalize low-volume SKUs
- Analytics & digitization

3

Strategic Supplier Management

- Consolidation of supply base; strengthening supplier relationships
- Agreements with critical suppliers with KPI accountability
- Visibility to tier 2-3 suppliers
- Strategic procurement organization focus

CAPACITY AND CAPABILITY TO INTEGRATE FUTURE ACQUISITIONS

Financial Optimization

Michael Greiner

Senior Vice President,
Chief Financial Officer &
Chief Transformation Officer

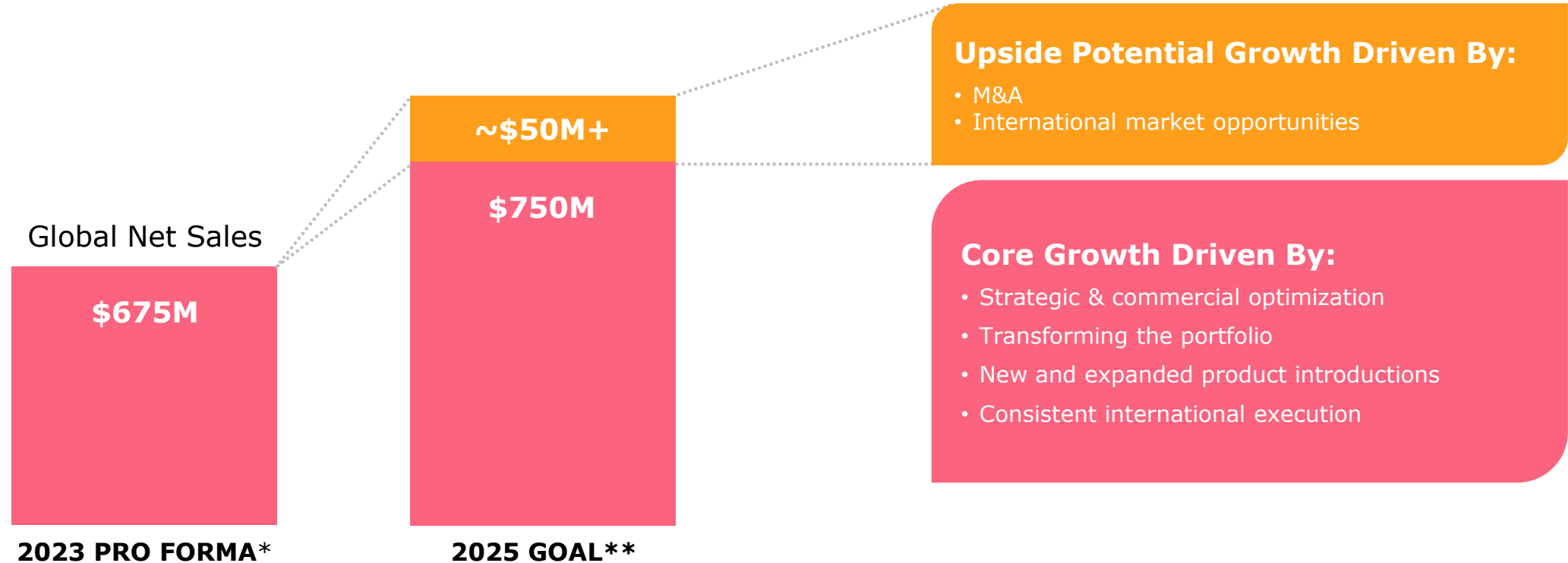
ΔVΔNOS



Transformation Priorities: 2023–2025



Our Path to 2025 and Beyond

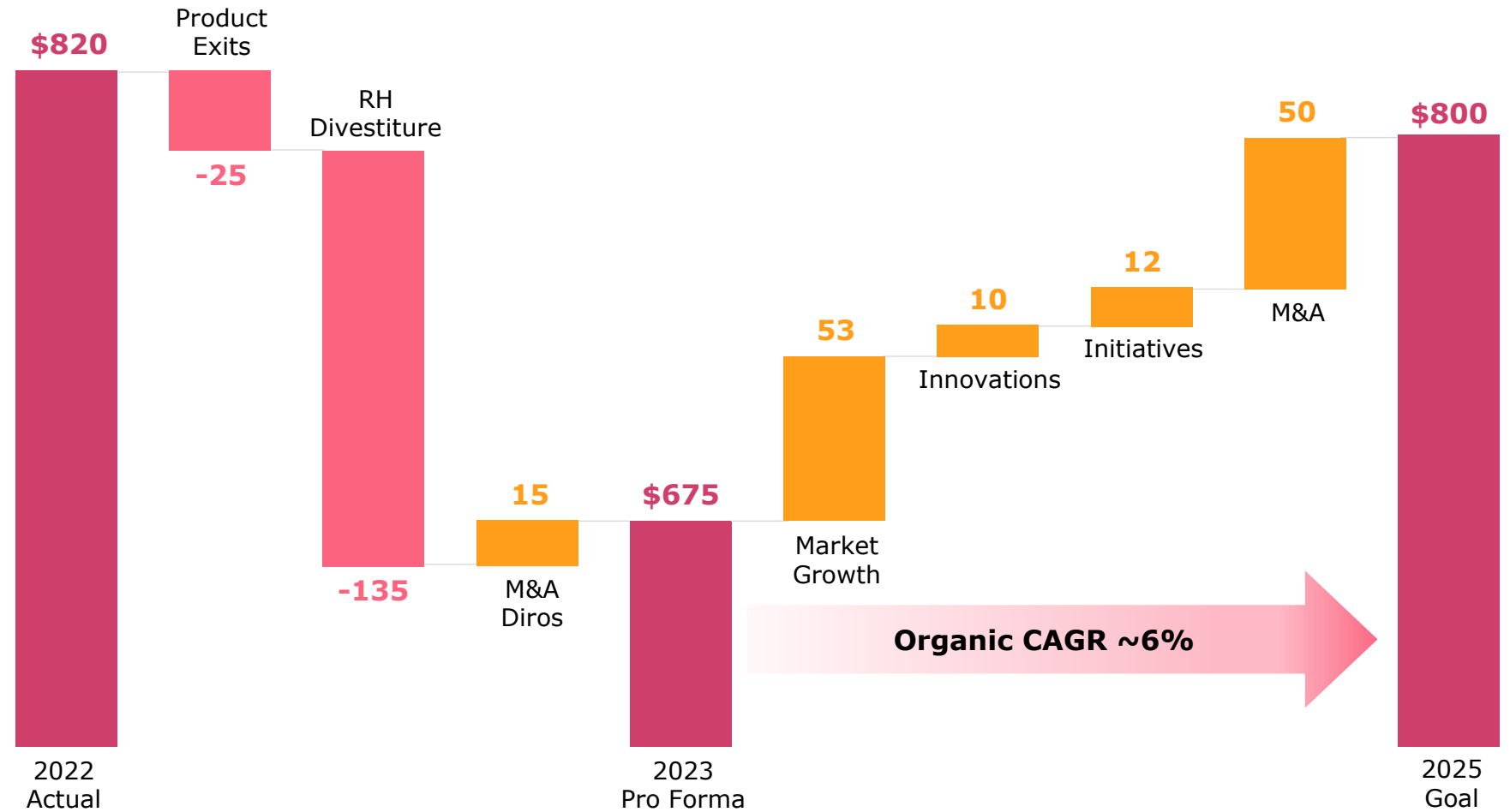


*Restated to exclude Respiratory Health business and include Diros acquisition.
**Reflects net sales for 2025, on a constant currency basis.

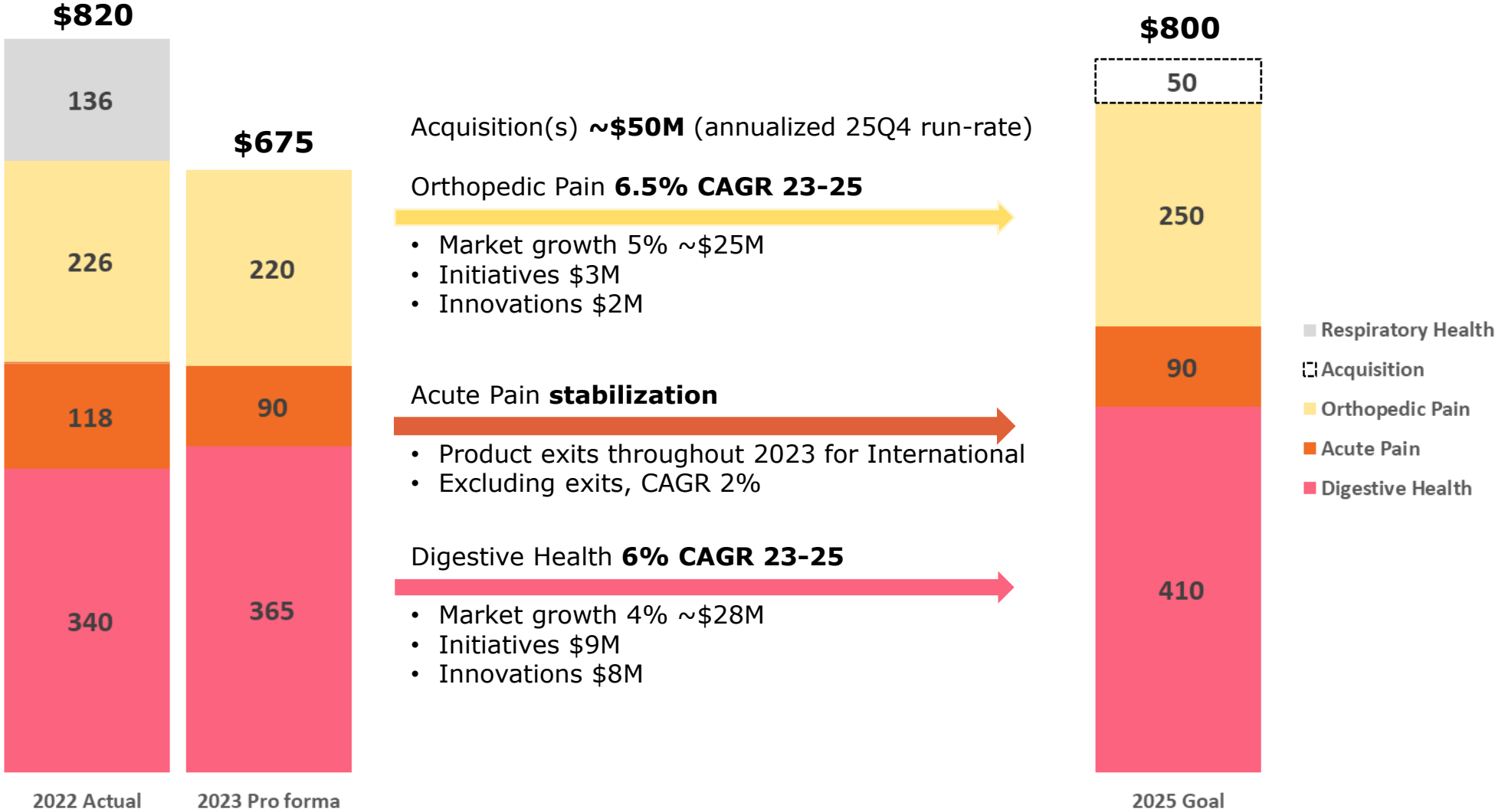
Revenue Walk to 2025

- Low margin product exits initiated end of 2022 ~\$25M
- RH divestiture announced in June 2023
- Diros announced in June 2023

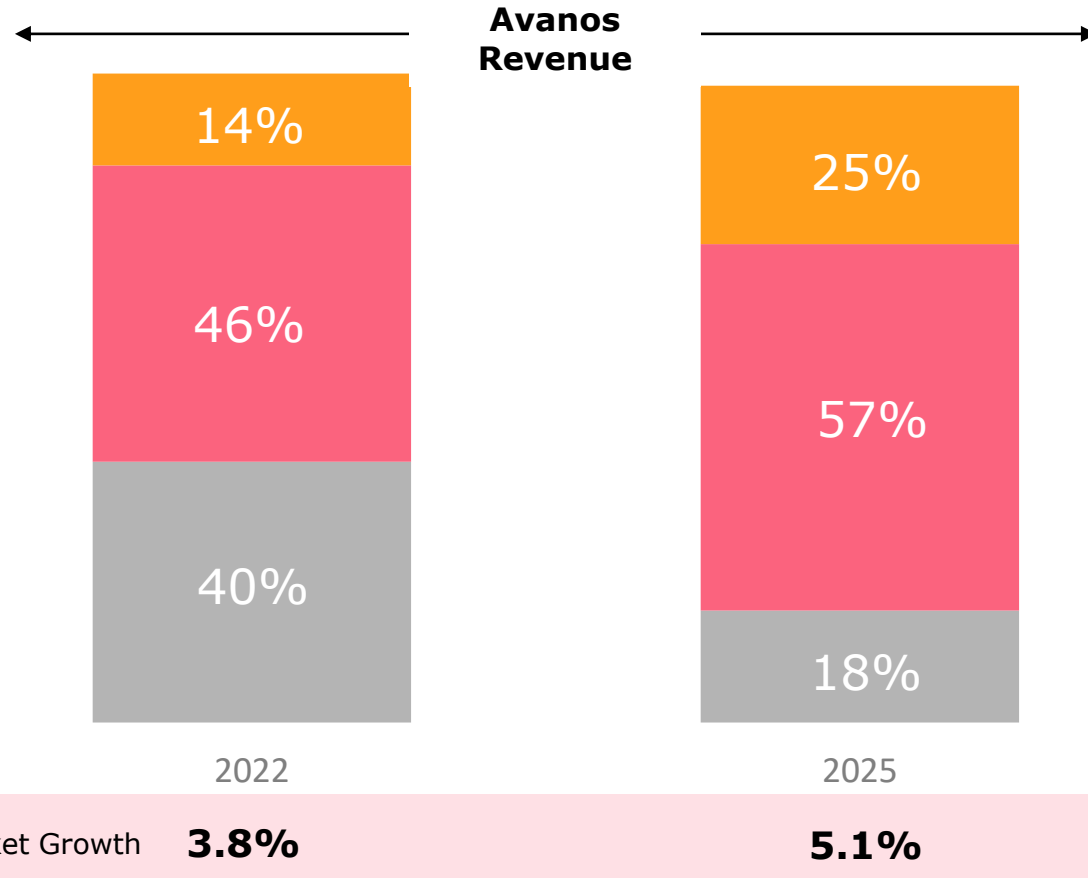
- Global market growth:
 - Digestive Health ~4%
 - Pain ~5%
- Innovations centered around Digestive Health
- Initiatives (CORTRAK* SOC, Go Direct, NEOMED*)
- M&A totaling \$50M by 2025



Consistent Growth with Focused Portfolio



Focus on Higher-Growth Markets Supports MSD Growth



Higher Growth Markets (>6% CAGR)

- Radiofrequency Ablation
- Cold Compression Mechanical Therapy
- Neonatal Enteral Feeding Devices
- *Enteral Pumps & Nutrition (via Organic Innovation/M&A)*

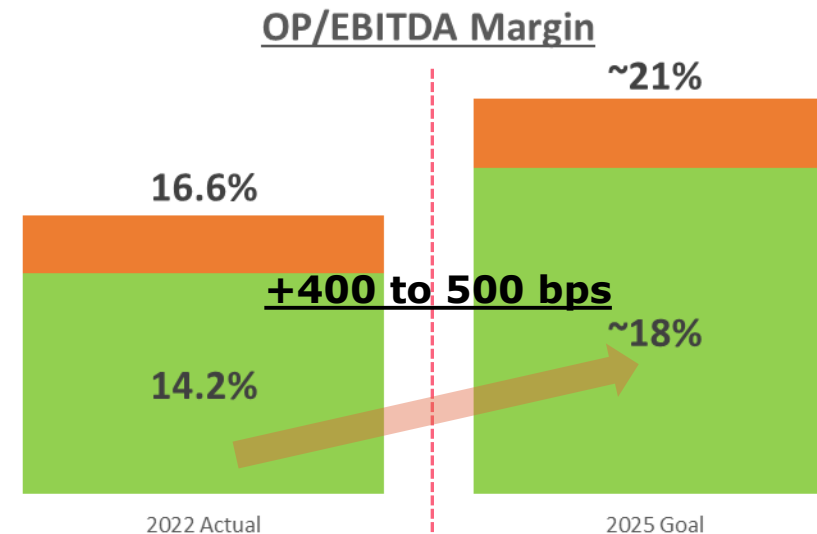
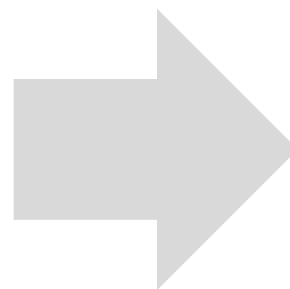
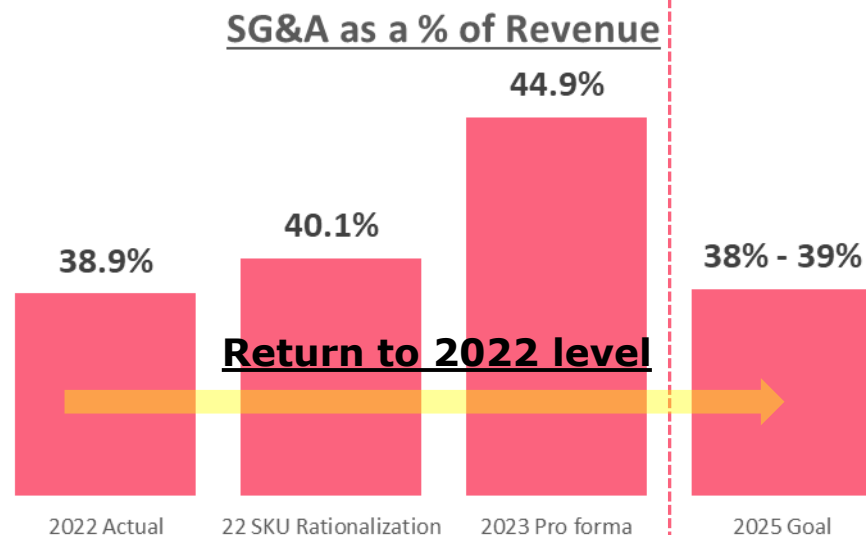
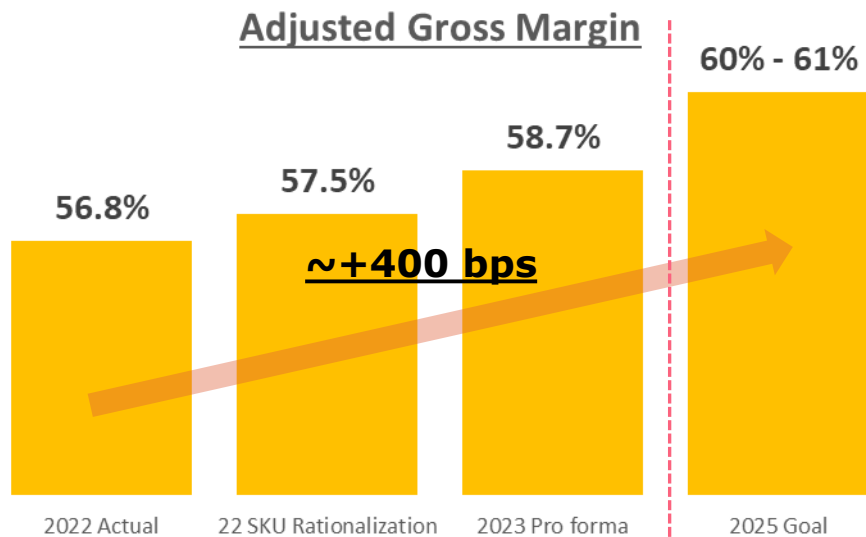
Moderate Growth Markets (3-5% CAGR)

- Adult/Ped Feeding Tubes & Accessories
- NG Tube Placement Technology

Low Growth Markets (1-3% CAGR)

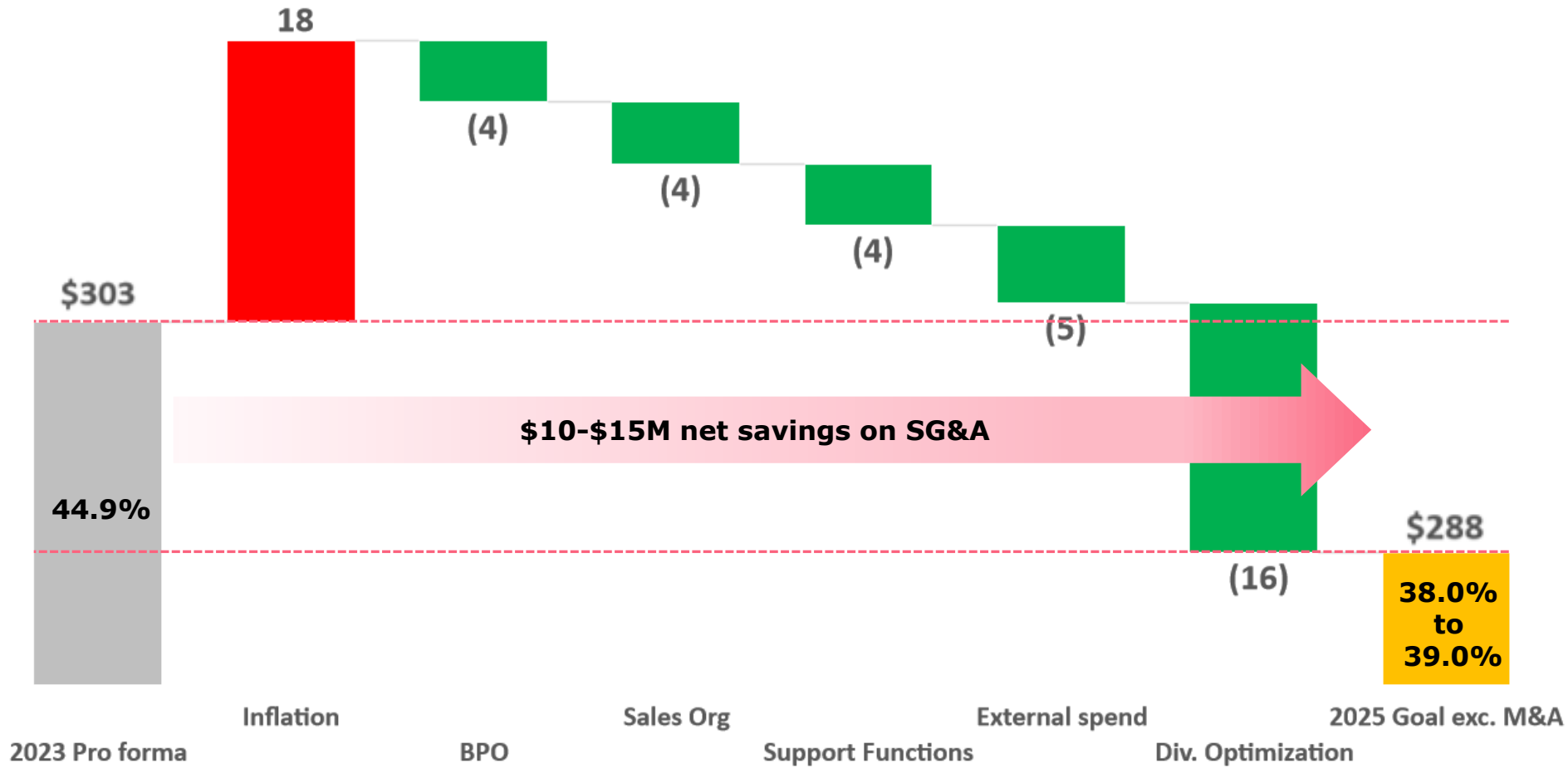
- Hyaluronic Acid (HA)
- Surgical Pain Pumps

Profitable, Focused Growth Supports Margin Expansion



- Respiratory Health Divestiture
- Supply Chain optimization
- Right-sizing of Avanos fixed cost
- M&A targets with similar margin profile

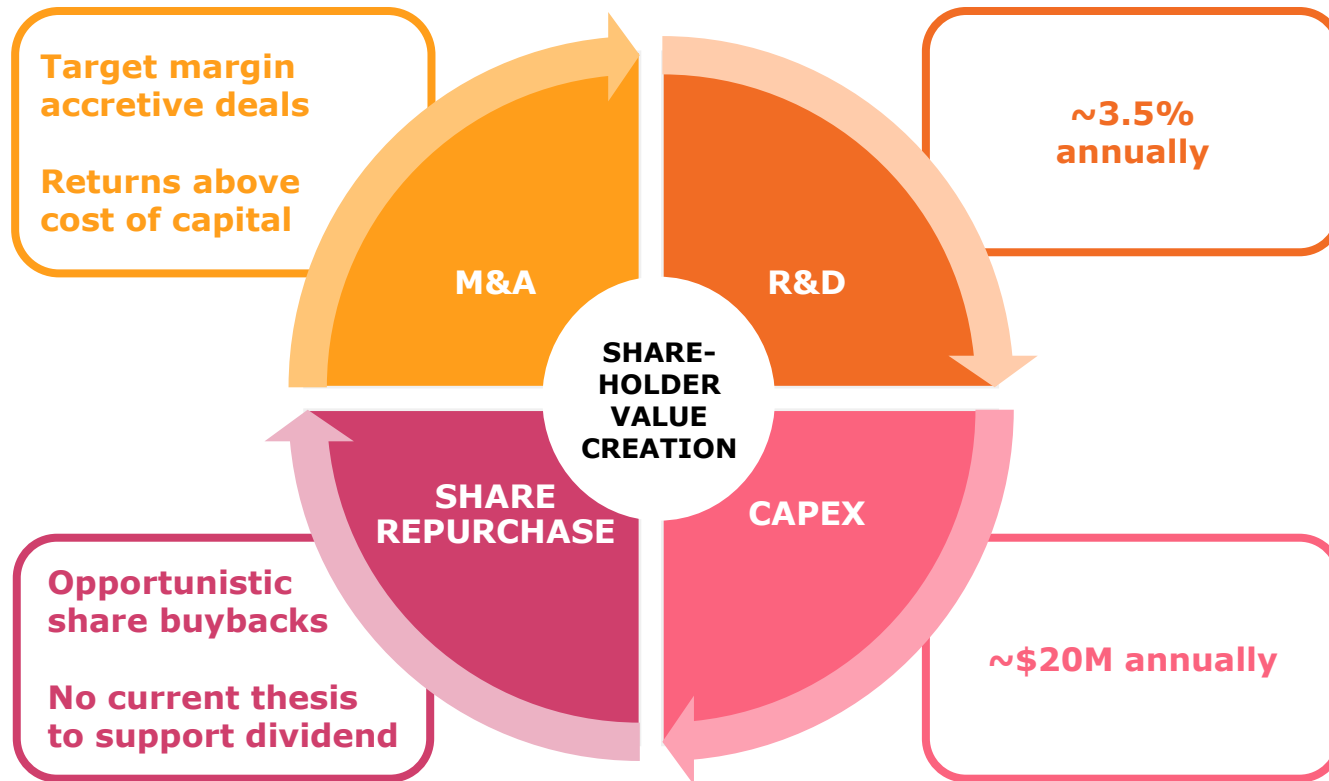
SG&A Walk to 2025



- 3% yearly inflation
- Business Process Outsourcing
- Optimized sales organization and support functions
- Reduced 3rd party / consultant spend
- Post-divestiture optimizations:
 - Sales/mktg spend
 - Contract renegotiation due to smaller footprint

Improved SG&A leverage: \$10 - \$15M net savings compared to \$75M additional sales

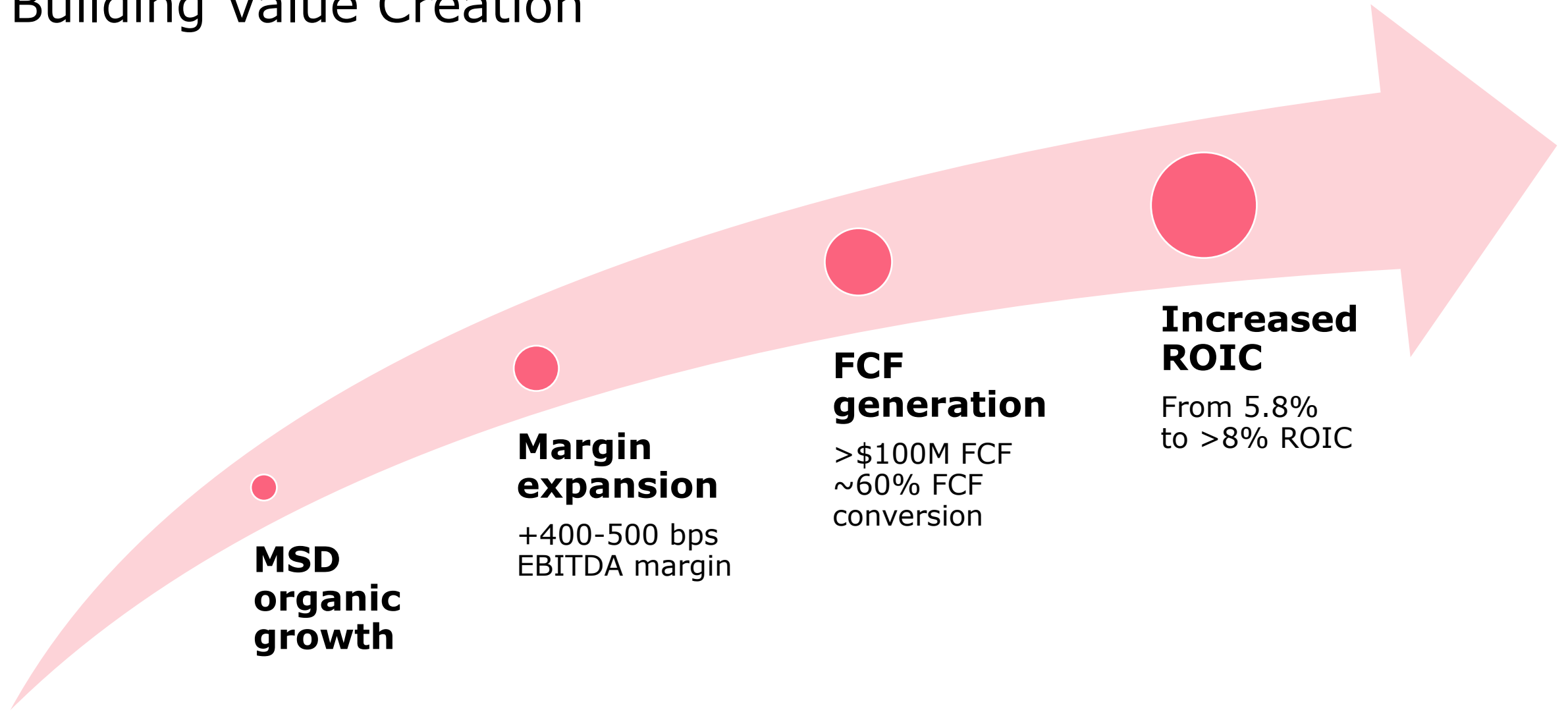
Capital Allocation Priorities Driven by ROIC & Strong Balance Sheet



\$ in millions	12/31/23	12/31/25
Cash	\$200	\$120
Term Debt	(120)	(100)
Revolver	(140)	0
Net (Debt)/Cash	(\$60)	\$20
Adjusted EBITDA	~140	~170
Net Debt / EBITDA	<0.5x	N/A

Assumes \$100M of cash allocated to M&A by 12/31/25

Building Value Creation



Updating 2023 Guidance

		Revenue (in millions)	Adj. Gross Margin	SG&A %	Adj. EBITDA (in millions)	Adj. Diluted EPS	
Sales	~\$805M FY ~1% Organic growth	Q1	\$192	56.4%	41.6%	\$26	\$0.27
Margins	OP/EBITDA margin expansion +100 bps	Q2	\$193 - \$196	57.0 - 58.0%	40.0 - 41.0%	\$30 - \$34	\$0.32 - \$0.36
Adjusted Diluted EPS	\$1.60 - \$1.70	H1	\$385 - \$388	56.5 - 57.0%	40.5 - 41.0%	\$56 - \$60	\$0.59 - \$0.64
		H2	\$415 - \$420	57.0 - 57.5%	35.5 - 36.0%	\$84 - \$88	\$1.00 - \$1.06
		FY	~\$805	56.7 - 57.3%	38.0 - 38.5%	\$140 - \$148	\$1.60 - \$1.70

~1% organic growth assumes \$25M of product exits

Closing Remarks

Joe Woody

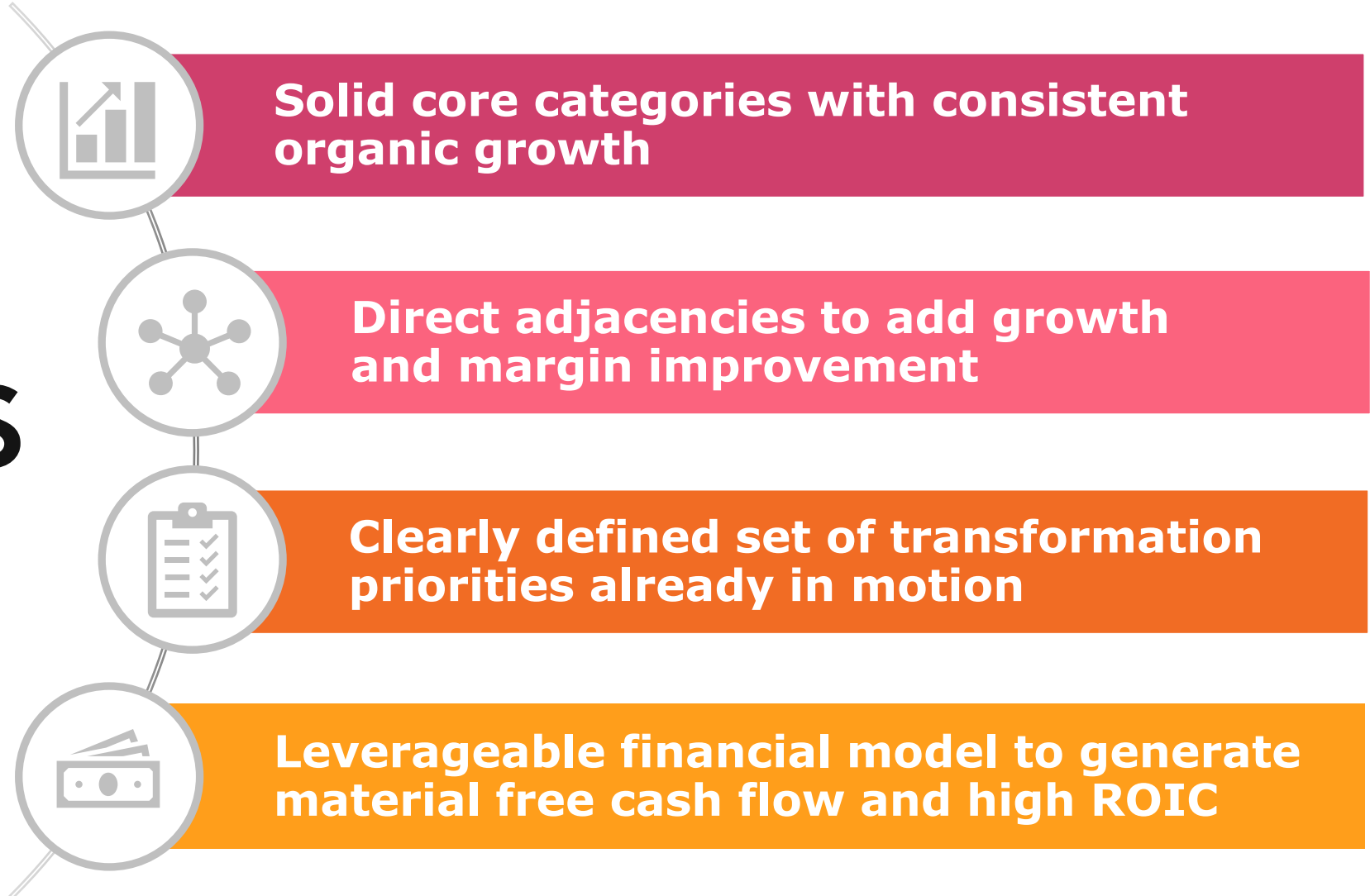
Chief Executive Officer

ΔVΔNOS



Avanos Investment Thesis

ΔVΔNOS



Q&A

ΔVΔNOS

Innovation Showcase

ΔVΔNOS

References

Pain Management & Recovery market sizes & growth rate sources:

Product	Mkt Size	Growth Rate
Game Ready	Global market is \$300M based on GR sales & market analysis.	US & EU – Historical market growth from GR sales APMEA & LATAM – 2021 Markets and Markets – Cold Pain Therapy Market
RF	US – LexisNexis 2019 procedure volumes, MedTech 360 Pain Management Devices 2018 OUS – Team analysis based on historical sales	IQ4I 2018 Pain Management & Surgical Devices Global Market Report
Acute Pain	iData Research 2021: Global Market Report Suite for Infusion Therapy Devices (with Impact of COVID-19)	iData Research 2021: Global Market Report Suite for Infusion Therapy Devices (with Impact of COVID-19)
HA	SmartTRAK Business Intelligence HA database (2022 est.)	Team analysis of reported growth

Digestive Health market size sources:

- Core Products, Pumps, & Sets – Allied Market Research, Global Enteral Feeding Device Market 2018-2025; Internal analysis
- Enteral Nutrition – Market And Markets Report, Enteral Feeding Formulas Market. 2022
- Supplements – Data provided by M&A targets; Industry Arc, Human Milk Fortifier Powder Market Size Report 2022-2027

References (Digestive Health)

- 1. Slide 24** – Source: [COPY-05911 approved on 4-1-2022. See mark 50-54 sec](#)
- 2. Slide 25** – Source: [2021 Customer Satisfaction Survey](#)
- 3. Slide 26** – Source: <https://tubefed.com/newsletter/a-cancer-survivor-shares-his-mic-key-tube-story/>

References (Pain Management & Recovery)

4. Slide 32 – Source: Computer Simulated Lesion Representation, Avanos Data on File

5. Slide 32 – Source: RF Tined Treatment Research KJT Group, March 20, 2023 KJT

6. Slide 34 – Source: GenVisc 850 Package Insert

7. Slide 34 – Source: Clinical Study Reference List

- Davis T, et al. Reg Anesth Pain Med 2019;0:1–8. doi:10.1136/rapm-2018-100051Original“Twelve-month analgesia and rescue, by cooled radiofrequency ablation treatment of osteoarthritic knee pain: results from a prospective, multicenter, randomized, cross-over trial” 1Davis T, et al. Reg Anesth Pain Med 2019;0:1–8. doi:10.1136/rapm-2018-100051Original
- Chenet al. BMC Musculoskeletal Disorders (2020) 21:363
- Leonardo Kapural, MD, PhD1, Nicholas Lee1, Kevin Neal, MD2, and Michael Burchell, MD2 “Long-Term Retrospective Assessment of Clinical Efficacy of Radiofrequency Ablation of the Knee Using a Cooled Radiofrequency System” Pain Physician 2019; 22:489-494 • ISSN 1533-3159
- Corey Hunter,MD et. Al. “Cooled Radiofrequency Ablation Treatment of the Genicular Nerves in the Treatment of Osteoarthritic Knee Pain:18-and24-Month Results” Printed by [Norgine Ltd - Uxbridge - GBR - 208.087.238.180 - /doi/epdf/10.1111/papr.12844] at [02/09/2020
- Jeffrey Lyman, M,D, et. al. “ARTICLECooled radiofrequency ablation of genicular nerves provides 24-Month durability in the management of osteoarthritic knee pain: Outcomes from a prospective, multicenter, randomized trial” Pain Practice. 2 022;0 0:1–11.

8. Slide 34 – Source: ON-Q* IFU

9. Slide 34 – Source: Clinical Study Reference List

- E. P. Su, et. al. “A prospective, multi-center, randomised trial to evaluate the efficacy of a cryopneumatic device on total knee arthroplasty recovery” JBJS; VOL. 94-B, No. 11, NOVEMBER 2012
- John Hochberg, MD; “A Randomized Prospective Study to Assess the Efficacy of Two Cold-therapy Treatments Following Carpal Tunnel Release”; JOURNAL OF HAND THERAPY; July-September 20
- Sherwin S. W. Ho,MD, et. al.; “The Effects of Ice on Blood Flow and Bone Metabolism in Knees”; The American Journal of Sports Medicine, Vol. 22, NO.4
- <https://doi.org/10.1016/j.otsr.2013.12.019>
- Neurospine 2018;15(4):348-352. <https://doi.org/10.14245/ns.1836070.035>
- European Spine Journal (2019) 28:1257 – 1264. <https://doi.org/10.1007/s00586-019-05886-6>

References (Pain Management & Recovery)

10. Slide 37 – Source: Internal, Data on File (Customer Insights VOC)

11. Slide 38 – Source: COOLIEF* patient testimonials

- COOLIEF* success stories: Real patients with real relief (mycoolief.com)

12. Slide 38 – Source: NICE Link, Japan Reimbursement Code Posted

- <https://www.nice.org.uk/guidance/indevelopment/gid-ipg10236>
- Code: K697-3 Radio Frequency Ablation Therapy (Japan)

13. Slide 39 – Source: Pain Pump patient testimonials

- mypainpump.com

14. Slide 40 – Source: Internal Physician Testimonials, Data on File (Game Ready Insights VOC)

- Clinical Study Reference List:
 - Leegwater NC, Willems JH, Brohet R et al. Cryocompression therapy after elective arthroplasty of the hip. *Hip Int* 2012; 22: 527–33;
 - Song M, Sun X, Tian X et al. Compressive cryotherapy versus cryotherapy alone in patients undergoing knee surgery: a meta-analysis. *Springerplus* 2016; 5: 1–12;
 - Perna M, Su EP, Mayman DJ et al. A prospective, multi-center, randomised trial to evaluate the efficacy of a cryopneumatic device on total knee arthroplasty recovery. *J Bone Joint Surg Br* 2012; 94: 153–6;
 - Saito N, Horiuchi H, Kobayashi S et al. Continuous local cooling for pain relief following total hip arthroplasty. *J Arthroplasty* 2004; 19: 3334–337