



AVANOS



Q4 2023 Earnings Presentation

February 20th, 2024



Getting patients back to the things that matter.



Joe Woody

Chief Executive Officer

**Business Progress
Against 2023 Priorities**



Michael Greiner

Senior Vice President, CFO &
Chief Transformation Officer

**Q4 Results & 2024
Planning Assumptions**

DISCLAIMER REGARDING FORWARD-LOOKING STATEMENTS

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. These forward-looking statements are based upon the current plans and expectations of the management of Avanos Medical, Inc. (“the Company,” “we” or “our”) concerning future events impacting the Company.

These statements are subject to various risks and uncertainties that could cause our actual results to differ materially from those expressed or implied in such statements, including risks related to changes in the competitive environment; market demand and pricing pressure; cost containment measures that could adversely affect the price of or demand for our products; raw material, energy, and other input costs; supply chain disruptions (including availability of drugs used in our Surgical Pain and Recovery products); inflation; rising interest rates; the ongoing conflicts between Russia and Ukraine and in the Middle East; our ability to successfully execute on or achieve the expected benefits of our transformation initiative or our divestiture, acquisition or merger transactions; financial conditions affecting the banking system and the potential threats to the solvency of commercial banks; economic conditions; currency exchange risks; human capital risks, cybersecurity risks; intellectual property risks; changes in reimbursement levels from third-party payors; 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.

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Reflections on Performance

- Topline shortfall mitigated by our transformation initiatives
- Continue to experience strong demand in our Digestive Health product portfolio
- Achieved backlog reduction plan
- Remain focused on getting patients back to the things that matter as we meet customer needs



Fourth Quarter & Full Year Performance

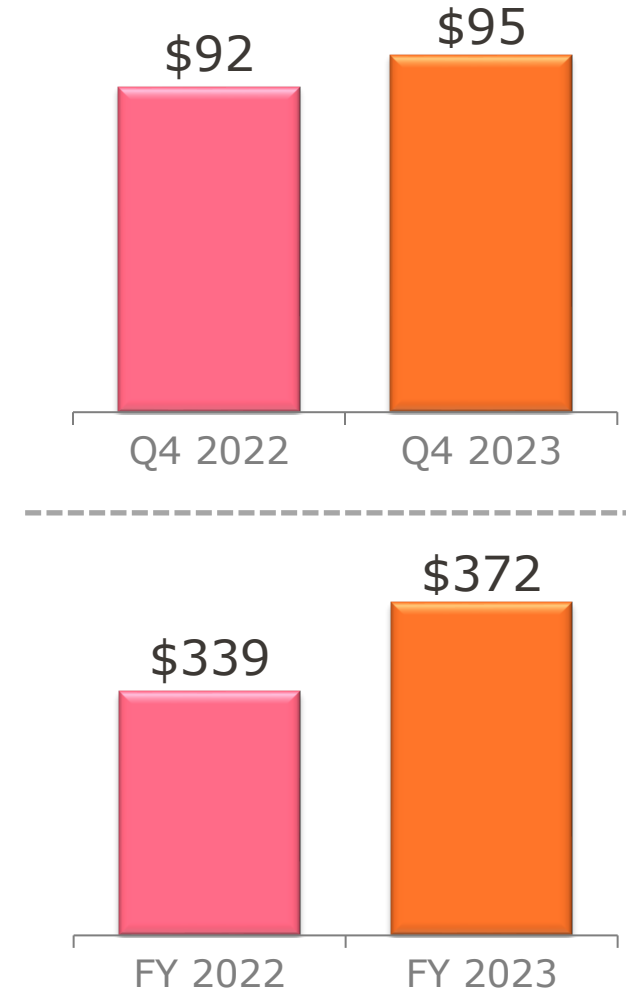
- During the fourth quarter
 - Achieved net sales of \$173 million. Excluding currency and the impact of products no longer sold, organic sales down 4% vs. prior year
 - Generated \$0.36 of adjusted diluted EPS and \$32 million of adjusted EBITDA
 - Adjusted gross margins at 58.6% and SG&A as a percentage of revenue 38.9%
- On a full year basis
 - Achieved net sales of \$673 million. Excluding currency and the impact of products no longer sold, organic sales were in line with last year
 - Delivered \$1.03 of adjusted diluted EPS and \$99 million of adjusted EBITDA
 - Adjusted gross margins at 59.1% and SG&A as a percentage of revenue 43.3%

Solid year for Digestive Health

- Digestive Health revenue grew almost 3% for the quarter and 10% for the year (constant currency / normalized sales)
- Above market growth from CORTRAK guided tube placement
- Sequential growth for NeoMed

Digestive Health Sales

Millions

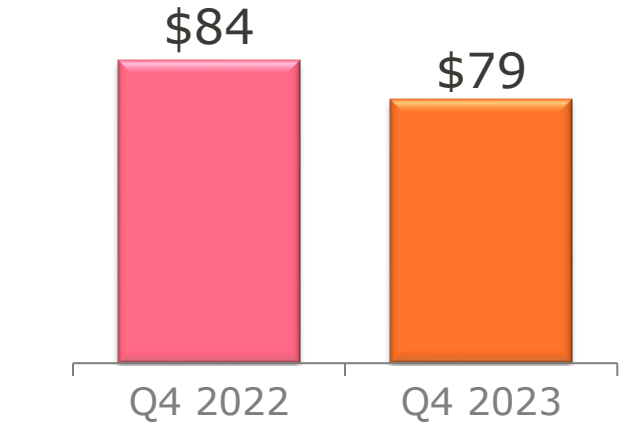


Pain Portfolio Showing Signs of Turnaround

- Pain Management down 12% for the quarter and close to 11% for the year (constant currency / normalized sales)
- Trident sales off to a solid start
- Sequential improvement in Interventional pain and Game Ready
- Surgical pain flat versus prior quarter
- HA sales continue to experience near-term volatility but programs in place to stabilize

Pain Management & Recovery Sales *

Millions



Priorities for Reimagining our Business

1 Optimization

Strategic &
Commercial
Optimization

2 Portfolio

Transform the
Product Portfolio

3 Cost Management

Additional Cost
Management
Initiatives to
Enhance Operating
Profitability

4 Capital Allocation

Continued Efficient
Capital Allocation
Strategies to
Expand Return on
Invested Capital

DELIVERING VALUE TO ALL STAKEHOLDERS

Transformation Year 1 – Accomplishments

1

Strategic & Commercial Optimization

- ✓ • **Digestive Health execution** (MIC-KEY*, CORTRAK* and NEOMED*)
- ✗ • **Pain Management & Recovery turnaround** (GAME READY*, COOLIEF*, AMBIT*, ORTHOGENRX* and Diros)

2

Transform the Product Portfolio

- ✓ • Exited **low-margin** and **low-growth** product categories (~\$17M, excl. RH divestiture), advanced **SKU rationalization**
- ✓ • Divested **Respiratory Health**, acquired **Diros Technology**

3

Additional Cost Management Initiatives to Enhance Operating Profitability

- ✓ • Simplified **supply chain** through product focus and improved plant execution
- ✓ • Executed approximately \$20M in cost savings

4

Continued Efficient Capital Allocation Strategies to Expand Return on Invested Capital

- ✓ • **M&A** with RH divestiture and Diros acquisition
- ✓ • Executed \$40M in **share repurchases**

DELIVERING VALUE TO ALL STAKEHOLDERS

Pain Management & Recovery: Key to Avanos Organic Growth

COMMERCIAL RESET | REFINED BRAND STRATEGIES | INVESTMENT

Delayed Turnaround

- Supply chain shortages
- Longer customer reacquisition cycle
- Persistent HA market challenges

Reasons to Believe

- Sustainable supply improvements: backorders reduced from \$13M to \$1.5M
- Surgical Pain stabilized and set for growth
- Game Ready on track for MSD in 2024
- IVP stable w/favorable Int'l COOLIEF reimbursement
- HA expected to stabilize by end of 2024
- Diros/Trident launched in US markets

EXPECT ~6% YOY PAIN GROWTH, EXCLUDING HA & FX

Q4 & FY 2023 Results

Michael Greiner
Senior Vice President, CFO &
Chief Transformation Officer

ΔVΔNOS



Fourth Quarter and Full Year Performance

Sales

Millions

\$182

6.8%

Q4 2022

\$173

-4.5%

Q4 2023

Adj. EBITDA

Millions

\$34

18.8%

Q4 2022

\$32

18.5%

Q4 2023

Adj. EPS

\$0.45

Q4 2022

\$0.36

Q4 2023

Q4

\$684

5.9%

FY 2022

\$673

-0.3%

FY 2023

\$91

13.3%

FY 2022

\$99

14.7%

FY 2023

\$1.00

FY 2022

\$1.03

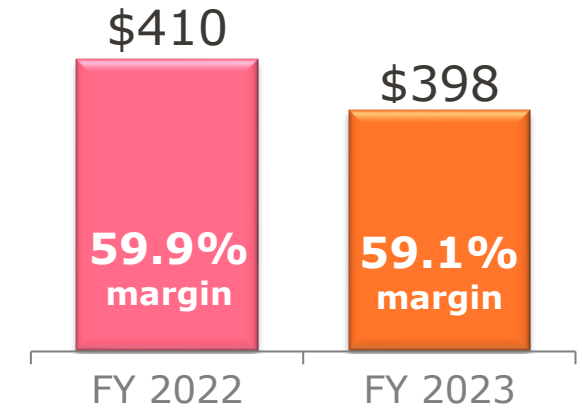
FY 2023

FY

FY EBITDA Margin favorable to 2022

Adjusted Gross Profit

Millions



Adjusted gross margin 80 bps lower compared to 2022

- Unfavorable impact of currency, raw material inflation and HA price volatility; partially offset by Frontier savings
- Anticipate 2024 gross margin to be approximately 60%

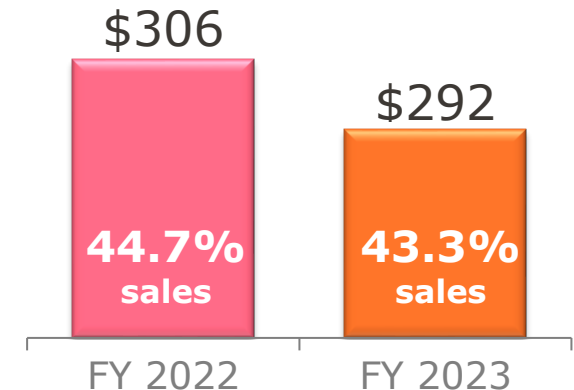
GM

SG&A margin profile has improved throughout the year

- Sequential improvement of 270 bps compared to third quarter of this year
- On a full year basis, 140 bps improvement

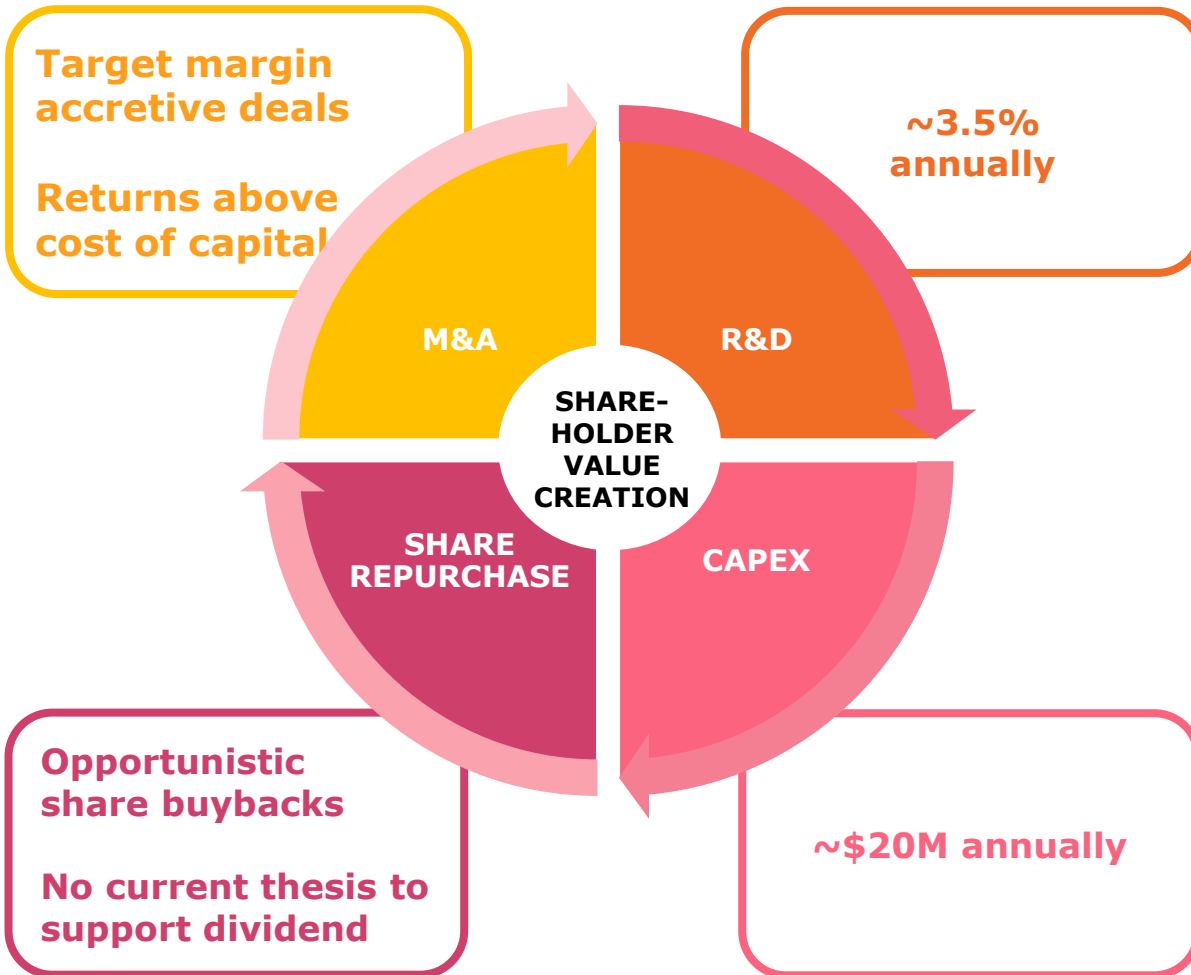
Adjusted SG&A

Millions



SG&A

Capital Allocation and Net Debt



\$ in millions	12/31/22	12/31/23
Cash	\$128	\$88
Term Debt	(122)	(118)
Revolver	(110)	(50)
Net (Debt)	(\$104)	(\$80)
Adjusted EBITDA	136	122
Net Debt / EBITDA	0.8x	0.7x

2022 and 2023 Adjusted EBITDA = Total EBITDA

2024 Planning Assumptions & Guidance

Sales

\$685M to \$705M
3% to 6% Organic growth

Adjusted Margins

Adjusted Gross Margin 59.5% to 60.5%
SG&A as a % of Revenue 41.0% to 42.0%
EBITDA margin improvement by at least 200 bps

Adjusted Diluted EPS

\$1.30 - \$1.45

Transformation Year 2 – What to Expect

1

Strategic & Commercial Optimization

- Continue to invest behind and grow **Digestive Health above market** globally
- Realize **MSD growth and profitability** in Pain Management & Recovery

2

Transform the Product Portfolio

- Additional **strategic** and **adjacent M&A targets**
- Execute **next-gen launches** in key categories

3

Additional Cost Management Initiatives to Enhance Operating Profitability

- Execute on **outsourcing** and **business process efficiencies**
- Leverage **reduction of indirect spend** and **labor efficiency**

4

Continued Efficient Capital Allocation Strategies to Expand Return on Invested Capital

- Continue opportunistic **share repurchases** with excess capital
- **Pay down debt** if no M&A opportunities arise

DELIVERING VALUE TO ALL STAKEHOLDERS

Building Value Creation into 2025 and Beyond



**MSD
organic
growth**

**Margin
expansion**
+400-500 bps
EBITDA margin

**FCF
generation**
>\$100M FCF
~60% FCF
conversion

**Increased
ROIC**
From 5.8%
to >8% ROIC

AVANOS

Thank You



APPENDICES

Non-GAAP Reconciliations

NON-GAAP RECONCILIATIONS

In millions

	Gross Profit					
	Three Months Ended December 31, 2023			Three Months Ended December 31, 2022		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
As reported	\$ 95.0	\$ (4.0)	\$ 91.0	\$ 102.9	\$ 14.0	\$ 116.9
Acquisition and integration-related charges	0.4	—	0.4	—	—	—
Restructuring and transformation charges	2.4	—	2.4	—	—	—
Divestiture-related charges	—	1.4	1.4	—	—	—
EU MDR Compliance	—	—	—	(0.2)	—	(0.2)
Intangibles amortization	3.8	—	3.8	4.3	—	4.3
As adjusted, non-GAAP	\$ 101.6	\$ (2.6)	\$ 99.0	\$ 107.0	\$ 14.0	\$ 121.0
Gross profit margin, as reported	54.8 %	(57.1) %	50.5 %	56.7 %	39.0 %	53.7 %
Gross profit margin, as adjusted	58.6 %	(37.1) %	54.9 %	58.9 %	39.0 %	55.6 %

NON-GAAP RECONCILIATIONS

In millions

	Gross Profit					
	Year Ended December 31, 2023			Year Ended December 31, 2022		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
As reported	\$ 379.7	\$ 32.1	\$ 411.8	\$ 394.2	\$ 55.8	\$ 450.0
Acquisition and integration-related charges	0.4	—	0.4	1.4	—	1.4
Restructuring and transformation charges	3.0	—	3.0	—	—	—
Divestiture-related charges	—	1.4	1.4	—	—	—
EU MDR Compliance	—	—	—	—	—	—
Intangibles amortization	14.6	—	14.6	14.4	—	14.4
As adjusted, non-GAAP	<u>\$ 397.7</u>	<u>\$ 33.5</u>	<u>\$ 431.2</u>	<u>\$ 410.0</u>	<u>\$ 55.8</u>	<u>\$ 465.8</u>
Gross profit margin, as reported	56.4 %	31.8 %	53.2 %	57.6 %	41.1 %	54.9 %
Gross profit margin, as adjusted	59.1 %	33.2 %	55.7 %	59.9 %	41.1 %	56.8 %

NON-GAAP RECONCILIATIONS

In millions

	Operating Profit (Loss)					
	Three Months Ended December 31, 2023			Three Months Ended December 31, 2022		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
As reported	\$ 11.2	\$ (1.8)	\$ 9.4	\$ 16.6	\$ 9.6	\$ 26.2
Acquisition and integration-related charges	0.9	—	0.9	0.4	—	0.4
Restructuring and transformation charges	5.2	—	5.2	—	—	—
Divestiture-related charges	0.9	—	0.9	—	—	—
Estimated loss on Divestiture	—	(1.5)	(1.5)	—	—	—
EU MDR Compliance	0.9	—	0.9	1.5	—	1.5
Litigation and legal	1.5	—	1.5	—	—	—
Other items	—	—	—	3.8	—	3.8
Intangibles amortization	6.5	—	6.5	7.2	0.5	7.7
As adjusted, non-GAAP	<u>\$ 27.1</u>	<u>\$ (3.3)</u>	<u>\$ 23.8</u>	<u>\$ 29.5</u>	<u>\$ 10.1</u>	<u>\$ 39.6</u>

NON-GAAP RECONCILIATIONS

In millions

	Operating Profit (Loss)					
	Year Ended December 31, 2023			Year Ended December 31, 2022		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
As reported	\$ 4.2	\$ (51.0)	\$ (46.8)	\$ 35.5	\$ 38.5	\$ 74.0
Acquisition and integration-related charges	3.3	—	3.3	3.4	—	3.4
Restructuring and transformation charges	28.2	—	28.2	—	—	—
Divestiture-related charges	6.0	0.8	6.8	—	—	—
Estimated loss on Divestiture	—	70.8	70.8	—	—	—
EU MDR Compliance	3.7	—	3.7	6.9	—	6.9
Litigation and legal	10.0	—	10.0	—	—	—
Other items	—	—	—	3.8	—	3.8
Intangibles amortization	24.3	0.8	25.1	23.6	2.1	25.7
As adjusted, non-GAAP	<u>\$ 79.7</u>	<u>\$ 21.4</u>	<u>\$ 101.1</u>	<u>\$ 73.2</u>	<u>\$ 40.6</u>	<u>\$ 113.8</u>

NON-GAAP RECONCILIATIONS

In millions

	Income (Loss) Before Taxes					
	Three Months Ended December 31, 2023			Three Months Ended December 31, 2022		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
As reported	\$ 8.9	\$ (1.8)	\$ 7.1	\$ 14.3	\$ 9.6	\$ 23.9
Acquisition and integration-related charges	0.9	—	0.9	0.4	—	0.4
Restructuring and transformation charges	5.2	—	5.2	—	—	—
Divestiture-related charges	0.9	—	0.9	—	—	—
Estimated loss on Divestiture	—	(1.5)	(1.5)	—	—	—
EU MDR Compliance	0.9	—	0.9	1.5	—	1.5
Litigation and legal	1.5	—	1.5	—	—	—
Other items	—	—	—	3.8	—	3.8
Intangibles amortization	6.5	—	6.5	7.2	0.5	7.7
As adjusted, non-GAAP	<u>\$ 24.8</u>	<u>\$ (3.3)</u>	<u>\$ 21.5</u>	<u>\$ 27.2</u>	<u>\$ 10.1</u>	<u>\$ 37.3</u>

NON-GAAP RECONCILIATIONS

In millions

	Income (Loss) Before Taxes					
	Year Ended December 31, 2023			Year Ended December 31, 2022		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
As reported	\$ (7.9)	\$ (51.0)	\$ (58.9)	\$ 26.7	\$ 38.5	\$ 65.2
Acquisition and integration-related charges	3.3	—	3.3	3.4	—	3.4
Restructuring and transformation charges	28.2	—	28.2	—	—	—
Divestiture-related charges	6.0	0.8	6.8	—	—	—
Estimated loss on Divestiture	—	70.8	70.8	—	—	—
EU MDR Compliance	3.7	—	3.7	6.9	—	6.9
Litigation and legal	10.0	—	10.0	—	—	—
Other items	—	—	—	3.8	—	3.8
Intangibles amortization	24.3	0.8	25.1	23.6	2.1	25.7
Loss on Debt Extinguishment	—	—	—	1.1	—	1.1
As adjusted, non-GAAP	<u>\$ 67.6</u>	<u>\$ 21.4</u>	<u>\$ 89.0</u>	<u>\$ 65.5</u>	<u>\$ 40.6</u>	<u>\$ 106.1</u>

NON-GAAP RECONCILIATIONS

In millions

	Tax Provision					
	Three Months Ended December 31, 2023			Three Months Ended December 31, 2022		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
As reported	\$ 2.1	\$ 1.3	\$ 3.4	\$ (4.6)	\$ (2.4)	\$ (7.0)
Tax effects of adjusting items	(10.3)	—	(10.3)	(1.9)	(0.9)	(2.8)
Effects of the CARES Act and other	—	—	—	0.5	—	0.5
As adjusted non-GAAP	\$ (8.2)	\$ 1.3	\$ (6.9)	\$ (6.0)	\$ (3.3)	\$ (9.3)
Effective tax rate, as reported	23.6 %	72.2 %	(47.9) %	32.2 %	(25.0) %	29.3 %
Effective tax rate, as adjusted	33.2 %	39.4 %	32.3 %	22.1 %	(32.7) %	24.9 %

	Tax Provision					
	Year Ended December 31, 2023			Year Ended December 31, 2022		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
As reported	\$ (2.0)	\$ (0.9)	\$ (2.9)	\$ (5.2)	\$ (9.5)	\$ (14.7)
Tax effects of adjusting items	(17.8)	(4.4)	(22.2)	(9.5)	(0.4)	(9.9)
Effects of the CARES Act and other	—	—	—	(3.3)	—	(3.3)
As adjusted non-GAAP	\$ (19.8)	\$ (5.3)	\$ (25.1)	\$ (18.0)	\$ (9.9)	\$ (27.9)
Effective tax rate, as reported	25.3 %	1.8 %	4.9 %	19.5 %	24.7 %	22.5 %
Effective tax rate, as adjusted	29.3 %	24.8 %	28.2 %	27.5 %	24.4 %	26.3 %

NON-GAAP RECONCILIATIONS

In millions

	Income (Loss) Before Taxes					
	Three Months Ended December 31, 2023			Three Months Ended December 31, 2022		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
As reported	\$ 11.0	\$ (0.5)	\$ 10.5	\$ 9.7	\$ 7.2	\$ 16.9
Acquisition and integration-related charges	0.9	—	0.9	0.4	—	0.4
Restructuring and transformation charges	5.2	—	5.2	—	—	—
Divestiture-related charges	0.9	—	0.9	—	—	—
Estimated loss on Divestiture	—	(1.5)	(1.5)	—	—	—
EU MDR Compliance	0.9	—	0.9	1.5	—	1.5
Litigation and legal	1.5	—	1.5	—	—	—
Other items	—	—	—	3.8	—	3.8
Intangibles amortization	6.5	—	6.5	7.2	0.5	7.7
Tax effects of adjusting items	(10.3)	—	(10.3)	(1.9)	(0.9)	(2.8)
Tax effects of the CARES Act and other	—	—	—	0.5	—	0.5
As adjusted, non-GAAP	\$ 16.6	\$ (2.0)	\$ 14.6	\$ 21.2	\$ 6.8	\$ 28.0
Diluted (loss) earnings per share, as reported	\$ 0.24	\$ (0.01)	\$ 0.23	\$ 0.21	\$ 0.15	\$ 0.36
Diluted earnings per share, as adjusted	\$ 0.36	\$ (0.04)	\$ 0.32	\$ 0.45	\$ 0.15	\$ 0.60

NON-GAAP RECONCILIATIONS

In millions

	Income (Loss) Before Taxes					
	Year Ended December 31, 2023			Year Ended December 31, 2022		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
As reported	\$ (9.9)	\$ (51.9)	\$ (61.8)	\$ 21.5	\$ 29.0	\$ 50.5
Acquisition and integration-related charges	3.3	—	3.3	3.4	—	3.4
Restructuring and transformation charges	28.2	—	28.2	—	—	—
Divestiture-related charges	6.0	0.8	6.8	—	—	—
Estimated loss on Divestiture	—	70.8	70.8	—	—	—
EU MDR Compliance	3.7	—	3.7	6.9	—	6.9
Litigation and legal	10.0	—	10.0	—	—	—
Other items	—	—	—	3.8	—	3.8
Intangibles amortization	24.3	0.8	25.1	23.6	2.1	25.7
Loss on extinguishment of debt	—	—	—	1.1	—	1.1
Tax effects of adjusting items	(17.8)	(4.4)	(22.2)	(9.5)	(0.4)	(9.9)
Tax effects of the CARES Act and other	—	—	—	(3.3)	—	(3.3)
As adjusted, non-GAAP	\$ 47.8	\$ 16.1	\$ 63.9	\$ 47.5	\$ 30.7	\$ 78.2
Diluted (loss) earnings per share, as reported	\$ (0.21)	\$ (1.11)	\$ (1.33)	\$ 0.45	\$ 0.61	\$ 1.07
Diluted earnings per share, as adjusted	\$ 1.03	\$ 0.35	\$ 1.38	\$ 1.00	\$ 0.65	\$ 1.65

NON-GAAP RECONCILIATIONS

In millions

	Selling, General and Administrative Expenses					
	Three Months Ended December 31, 2023			Three Months Ended December 31, 2022		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
As reported	\$ 74.5	\$ (0.7)	\$ 73.8	\$ 78.7	\$ 3.9	\$ 82.6
Acquisition and integration-related charges	(0.5)	—	(0.5)	(0.4)	—	(0.4)
Restructuring and transformation charges	(2.0)	—	(2.0)	—	—	—
Divestiture-related charges	(0.9)	0.8	(0.1)	—	—	—
EU MDR Compliance	(0.9)	—	(0.9)	(1.7)	—	(1.7)
Other items	—	—	—	(2.7)	—	(2.7)
Intangibles amortization	(2.7)	—	(2.7)	(2.8)	(0.5)	(3.3)
As adjusted, non-GAAP	\$ 67.5	\$ 0.1	\$ 67.6	\$ 71.1	\$ 3.4	\$ 74.5
SG&A as a percentage of revenue, as reported	43.0 %	(10.0) %	40.9 %	43.3 %	10.9 %	38.0 %
SG&A as a percentage of revenue, as adjusted	38.9 %	1.4 %	37.5 %	39.2 %	9.5 %	34.2 %

NON-GAAP RECONCILIATIONS

In millions

	Selling, General and Administrative Expenses					
	Year Ended December 31, 2023			Year Ended December 31, 2022		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
As reported	\$ 335.0	\$ 11.2	\$ 346.2	\$ 326.5	\$ 15.4	\$ 341.9
Acquisition and integration-related charges	(1.5)	—	(1.5)	(2.0)	—	(2.0)
Restructuring and transformation charges	(22.5)	—	(22.5)	—	—	—
Divestiture-related charges	(6.0)	—	(6.0)	—	—	—
EU MDR Compliance	(3.7)	—	(3.7)	(7.0)	—	(7.0)
Other items	—	—	—	(2.7)	—	(2.7)
Intangibles amortization	(9.7)	(0.8)	(10.5)	(9.2)	(2.1)	(11.3)
As adjusted, non-GAAP	\$ 291.6	\$ 10.4	\$ 302.0	\$ 305.6	\$ 13.3	\$ 318.9
SG&A as a percentage of revenue, as reported	49.8 %	11.1 %	44.7 %	47.7 %	11.3 %	41.7 %
SG&A as a percentage of revenue, as adjusted	43.3 %	10.3 %	39.0 %	44.7 %	9.8 %	38.9 %

NON-GAAP RECONCILIATIONS

In millions

	EBITDA					
	Three Months Ended December 31, 2023			Three Months Ended December 31, 2022		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
Net income (loss)	\$ 11.0	\$ (0.5)	\$ 10.5	\$ 9.7	\$ 7.2	\$ 16.9
Interest expense, net	2.3	—	2.3	2.3	—	2.3
Income tax benefit (provision)	(2.1)	(1.3)	(3.4)	4.6	2.4	7.0
Depreciation	5.0	—	5.0	4.2	1.5	5.7
Amortization	6.5	—	6.5	7.2	0.5	7.7
EBITDA	22.7	(1.8)	20.9	28.0	11.6	39.6
Acquisition and integration-related charges	0.9	—	0.9	0.4	—	0.4
Restructuring and transformation charges	5.2	—	5.2	—	—	—
Divestiture related charges	0.9	—	0.9	—	—	—
Estimated loss on Divestiture	—	(1.5)	(1.5)	—	—	—
EU MDR	0.9	—	0.9	1.5	—	1.5
Other items	—	—	—	3.8	—	3.8
Litigation and legal	1.5	—	1.5	—	—	—
As adjusted, non-GAAP	\$ 32.1	\$ (3.3)	\$ 28.8	\$ 33.7	\$ 11.6	\$ 45.3

NON-GAAP RECONCILIATIONS

In millions

	EBITDA					
	Year Ended December 31, 2023			Year Ended December 31, 2022		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
Net income (loss)	\$ (9.9)	\$ (51.9)	\$ (61.8)	\$ 21.5	\$ 29.0	\$ 50.5
Interest expense, net	12.1	—	12.1	8.8	—	8.8
Income tax benefit (provision)	2.0	0.9	2.9	5.2	9.5	14.7
Depreciation	19.2	1.8	21.0	18.0	4.0	22.0
Amortization	24.3	0.8	25.1	23.6	2.1	25.7
EBITDA	47.7	(48.4)	(0.7)	77.1	44.6	121.7
Acquisition and integration-related charges	3.3	—	3.3	3.4	—	3.4
Restructuring and transformation charges	28.2	—	28.2	—	—	—
Divestiture related charges	6.0	0.8	6.8	—	—	—
Estimated loss on Divestiture	—	70.8	70.8	—	—	—
EU MDR	10.0	—	10.0	—	—	—
Other items	—	—	—	3.8	—	3.8
Litigation and legal	3.7	—	3.7	6.9	—	6.9
As adjusted, non-GAAP	<u>\$ 98.9</u>	<u>\$ 23.2</u>	<u>\$ 122.1</u>	<u>\$ 91.2</u>	<u>\$ 44.6</u>	<u>\$ 135.8</u>

NON-GAAP RECONCILIATIONS

In millions

	Free Cash Flow			
	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Cash provided by (used in) operating activities	\$ 2.5	\$ 33.7	\$ 32.4	\$ 90.9
Capital expenditures	(5.9)	(4.9)	(17.8)	(19.3)
Free Cash Flow	\$ (3.4)	\$ 28.8	\$ 14.6	\$ 71.6

	2024	
	Estimated Range	
Diluted earnings per share (GAAP)	\$ 0.63	to \$ 0.87
Intangibles amortization	0.37	to 0.34
Restructuring and transformation charges	0.08	to 0.06
Divestiture related charges	0.12	to 0.10
Other	0.10	to 0.08
Adjusted diluted earnings per share (non-GAAP)	\$ 1.30	to \$ 1.45