

ΔVΔNOS

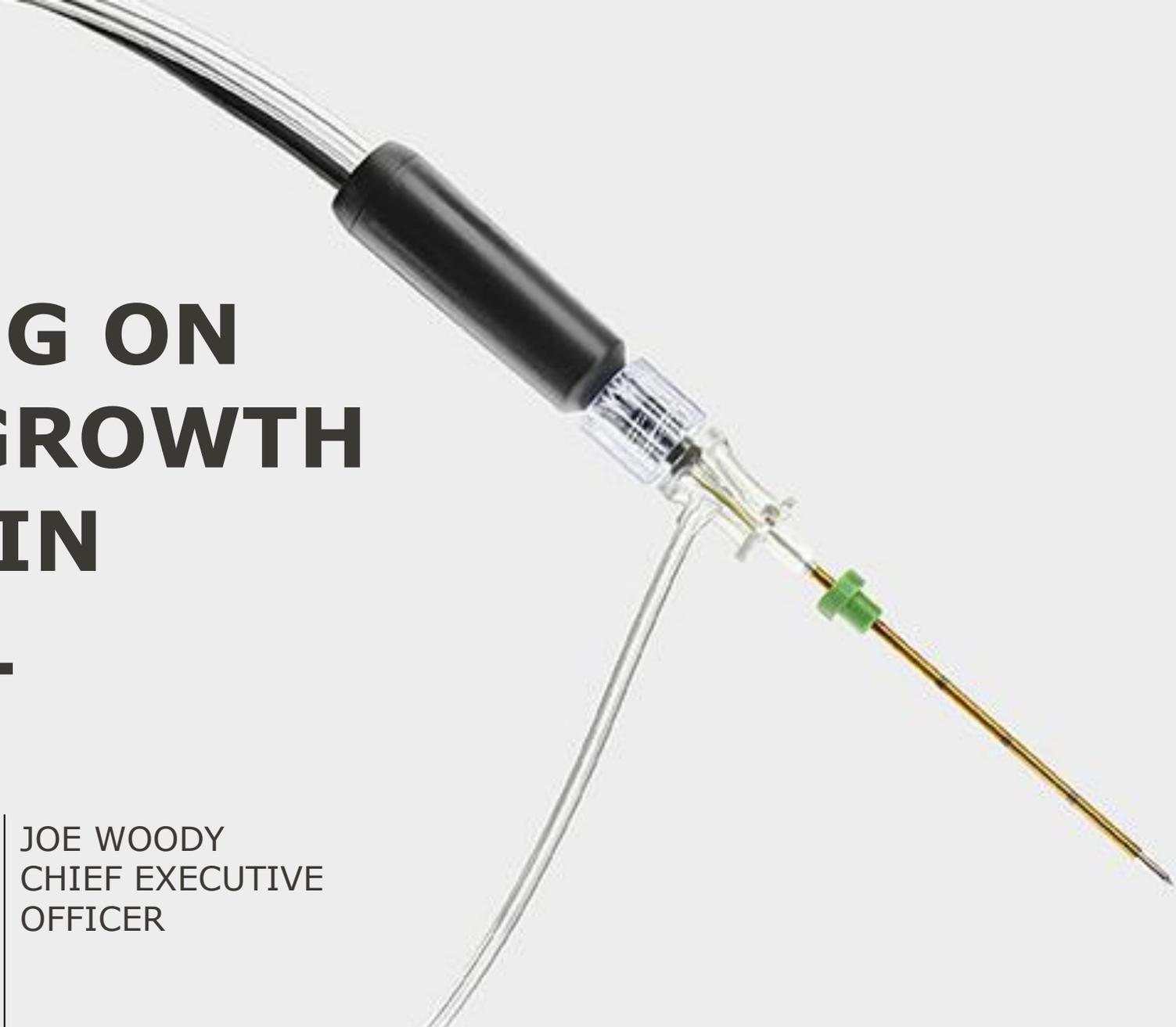
# DELIVERING ON REVENUE GROWTH AND MARGIN POTENTIAL

RAYMOND JAMES

HUMAN HEALTH INNOVATION  
CONFERENCE

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## FORWARD-LOOKING INFORMATION

Certain matters in this presentation and webcast, including expectations and planning assumptions and any estimates, projections, and statements relating to our business plans, objectives, acquisitions and transformation initiatives, constitute forward-looking statements and are based upon management's expectations and beliefs concerning future events impacting the Company.

These statements are subject to risks and uncertainties, including currency exchange risks, cost savings and reductions, raw material, energy, and other input costs, risks related to the ongoing COVID-19 pandemic, competition, market demand, economic condition, IT matters, availability of drugs used in our Acute Pain products, other supply chain disruptions 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 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

Management believes that 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 release posted on our website ([www.avanos.com/investors](http://www.avanos.com/investors)).

# ΔVΔNOS TODAY: A \$700M+ COMPANY WITH A DIVERSIFIED PORTFOLIO IN ATTRACTIVE MARKETS

For patients requiring ventilation during the COVID-19 pandemic, 9 out of 10 Closed Suction Catheters sold were from Avanos **Respiratory Health**



In **Acute Pain**, ON-Q\* has 20 years of innovation, 100 clinical studies, and has been used by over 6.4 million patients<sup>1</sup>

In **Digestive Health**, Avanos' enteral feeding portfolio is used by the top 10 Children's Hospitals in the U.S.



Standard and COOLED RF procedures using Avanos' **Interventional Pain** therapies have increased 40% over the past five years<sup>2</sup>

**Our Vision:**  
**To be the best at getting patients back to things that matter**

# CREATING SHAREHOLDER VALUE



**Sustainable Performance**

Delivering mid-single digit organic top-line growth



**Margin Expansion**

Expanding gross and operating margins through cost savings and product mix



**Repeatable Cash Flow**

Producing consistent free cash flow generation



**Focused Capital Deployment**

Disciplined execution of value creating M&A



# SUSTAINABLE PERFORMANCE

## CHRONIC CARE



**Accelerate** key growth drivers and **protect** market-leading positions

- ✓ Leverage market-leading **Digestive Health** and **Respiratory Health** portfolios
- ✓ Establish **CORPAK** as the standard of care
- ✓ Increase **NeoMed** adoption
- ✓ Build on **International** expansion and adoption

## PAIN MANAGEMENT



**Grow** COOLIEF\* by double-digits and **raise** therapy adoption of ON-Q

- ✓ Continue **COOLIEF\*** double-digit growth
- ✓ Leverage clinical evidence to **improve reimbursement** for COOLIEF\*
- ✓ Grow **market share** in alternate site markets
- ✓ Return **ON-Q** to growth:
  - **Leiters** partnership
  - **Summit** electronic pump alternative
  - Selling **partnerships** expansion



# MARGIN EXPANSION

## Continued Disciplined Cost Management



- **Realize** remainder of previously announced **cost savings** in 2018
- Make **permanent** a portion of \$20M+ of the COVID-19 related savings
- **Additional** annual savings of \$7M from **new 2020 restructuring**
- **Maintain** previous investment levels

## M&A Synergies



- **Remove** corporate costs of acquired businesses
- **Leverage** IT system and reduce integration time and costs

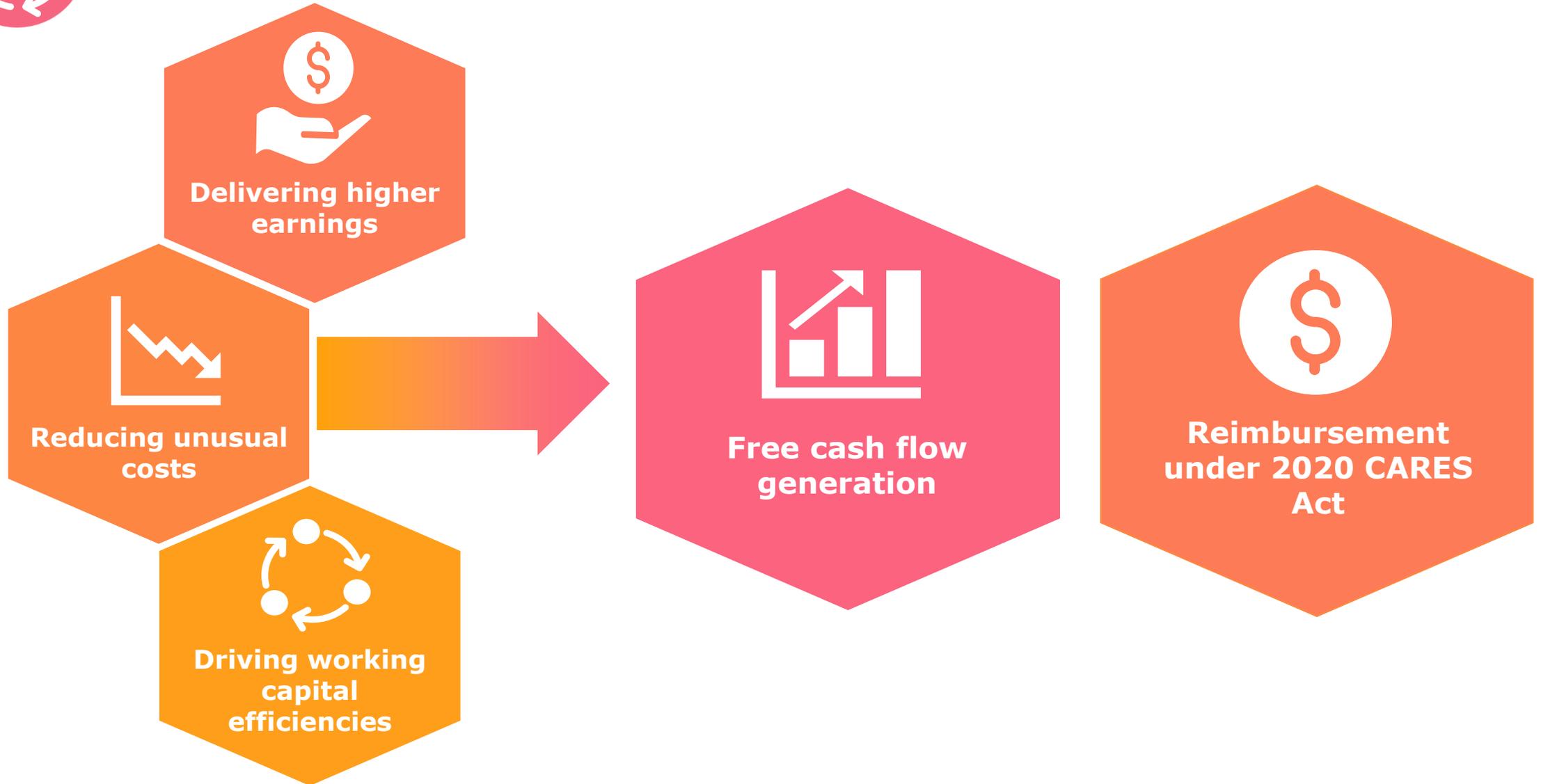
## Product Mix



- **Regain** growth in high margin ON-Q and COOLIEF\*
- Demand for our **Respiratory Health** products normalizes



# REPEATABLE CASH FLOW GENERATION





# FOCUSED CAPITAL DEPLOYMENT AND M&A

## Strategic

- New and adjacent markets that **expand** call points, channel access, technologies or therapies
- Potential for **growth and scale**

## Operating

- Clear path to **synergies**
- **Leverage** sales, R&D, marketing and commercial capabilities

## Financial

- Top-line **growth** at or above mid-single digits
- Gross margins close to **60% or higher**

**Leveraging scale of our existing infrastructure**

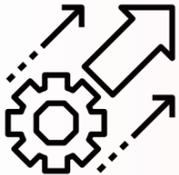
# KEY TAKEAWAYS



Well-positioned to deliver sustainable **growth** in attractive markets



Solid foundation and growth profile to consistently **deliver** strong returns



**Focused execution** will expand gross and operating margins



Streamlining processes to enhance operating **efficiencies** and accelerate **cash generation**

**Delivering value to all stakeholders**



# AVANOS

*The best at getting patients  
back to the things that matter*