



# ICU Medical, Inc. Investor Presentation (NASDAQ:ICUI)

August 2016



# Forward Looking Statement

- > Any statement concerning Management's expectation with respect to future results is a forward looking statement based upon the best information currently available to Management and assumptions Management believes are reasonable, but Management does not intend the statement to be a representation as to future results.
- > Future results are subject to risks and uncertainties, including the risk factors described in the Company's filings with the Securities and Exchange Commission, which include those in the Form 10-K for the year ended December 31, 2015. Actual results in the future may differ materially from Management's current expectations. These forward-looking statements are made based upon our current expectations and we undertake no duty to update information provided in this presentation.

# ICU Medical At-a-Glance

We are a \$300M+ revenue publicly traded global medical device company (NASDAQ: ICUI) developing differentiated products and technologies addressing unmet clinical needs in three market segments:



## Infusion Therapy

Industry leading needlefree IV connector technology and custom IV sets

2015 Revenues

\$246 M

**72% of Total**



## Oncology

Needlefree closed system transfer devices and automated compounders for safely handling hazardous drugs

2015 Revenues

\$42 M

**12% of Total**



## Critical Care

Systems and disposables for accurate, reliable hemodynamic monitoring

2015 Revenues

\$54 M

**16% of Total**

## Overview

Share Price (08/11/16)	\$125.00
Shares Outstanding (06/30/16)	16.08M
Market Capitalization (08/11/16)	\$2,010M
Cash & Investments (06/30/16)	\$401M
Enterprise Value (08/11/16)	\$1,609M
2016 EV/Adj. EBITDA Multiple (Based on Current Consensus 08/11/16)	12.5X
Average Daily Volume (3 Months)	~135K

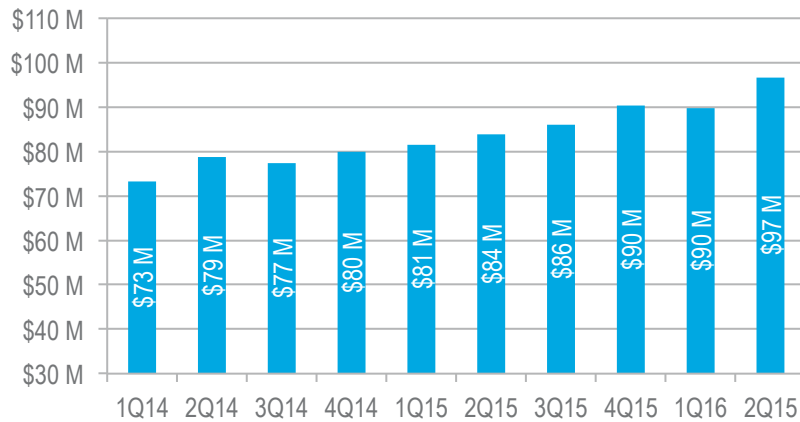
# ICU Medical – Progress from Q1 2014 to Today

- > Improved direct domestic commercial execution
- > Secured key international customer relationships at risk in late 2013 due to uncertainty around company's future
- > Implemented a variety of operational improvements
- > Improved gross margins, adjusted EBITDA margins and cash conversions while our single largest customer was still below peak levels
- > Began to diversify from a large single customer with addition of Terumo and Medline as OEM customers
- > Initiated capital deployment with the acquisition of Excelsior Medical
- > Renewed intensity and focus after a long public transition period and change from being a founder led company

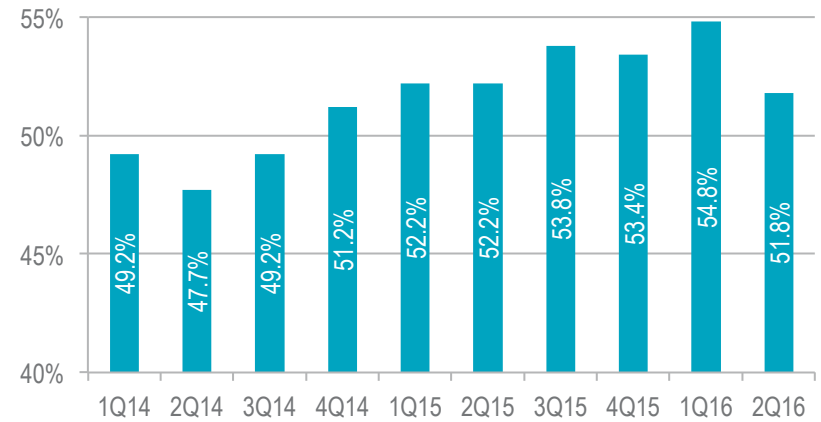


# ICU Medical – Since Q1 2014

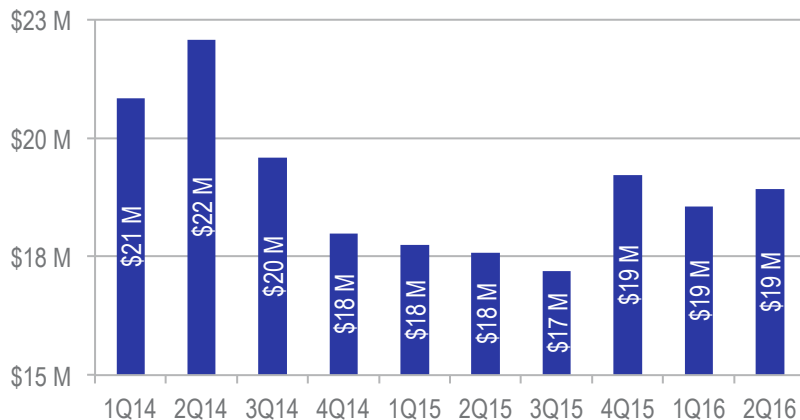
## Net Revenue (Millions)



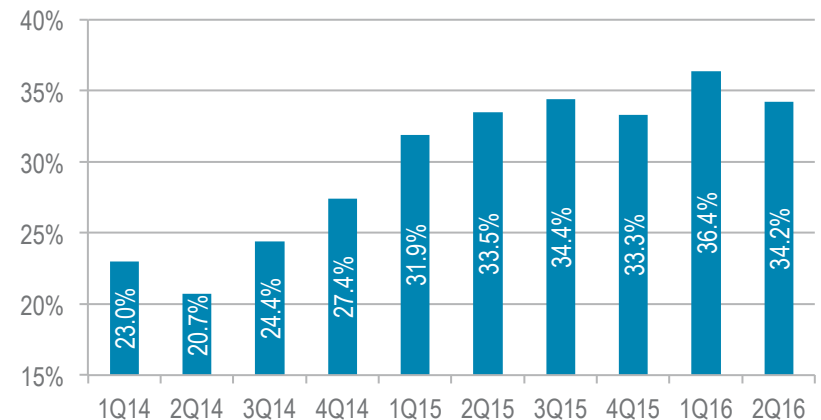
## Gross Margin (%)



## Cash SG&A (Millions)



## Adjusted EBITDA Margin (%)



# Reasons to Consider Investing

- > High percentage of “sticky,” recurring revenues
- > Continued EPS and EBITDA growth
- > International opportunities are increasing due to adoption of needlefree technology – our core business
- > Tailwinds and policy making driving oncology
- > World-class low cost manufacturing with excess capacity and most investments made
- > Strong balance sheet for both capital deployment and return of capital, approximately \$25/share
- > Ability to make sustained investments around our core business
- > Re-engaged management team with incentives aligned with shareholder interests

## Key Revenue Growth Drivers

- > Oncology globally
- > Infusion Therapy OUS
- > SwabCap® in the US
- > New OEM customers

## Key Operational Improvements to Fund Investments

- > Manufacturing rationalization
- > Legacy R&D programs nearing completion

## Key Strategic Issue

- > Reliance on a single customer

# IV Therapy Solutions

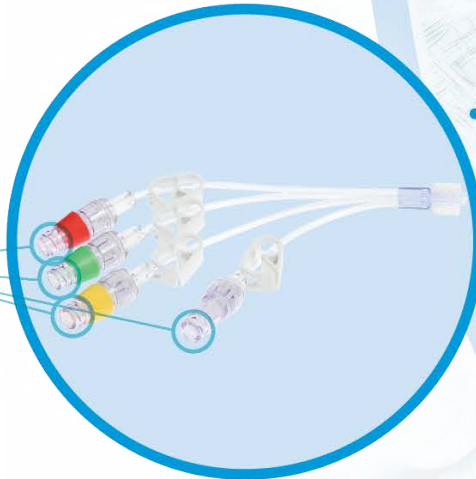
**MORE THAN 90%** of hospitalized patients receive IV therapy during their hospital stay. For this, ICU Medical provides:

The world's most complete line of needlefree IV connectors



The world's most complete line of standard and custom IV sets

IV Connector & Sets  
**\$2 Billion+** Worldwide Market



# Connector Design Drives Clinical Value

- > Clinically-proven design features work together to provide a safe and effective **microbial barrier** helping keep patients safer from bloodstream infections—a major non-reimbursable expense to hospitals
- > **Three distinct connectors** with a unique set of clinical benefits unmatched in the industry
- > A single clinical protocol can be used with all patient populations, minimizing clinical training and in-servicing while helping provide maximum patient safety throughout the hospital

## Neutron®

Needlefree Catheter Patency Device



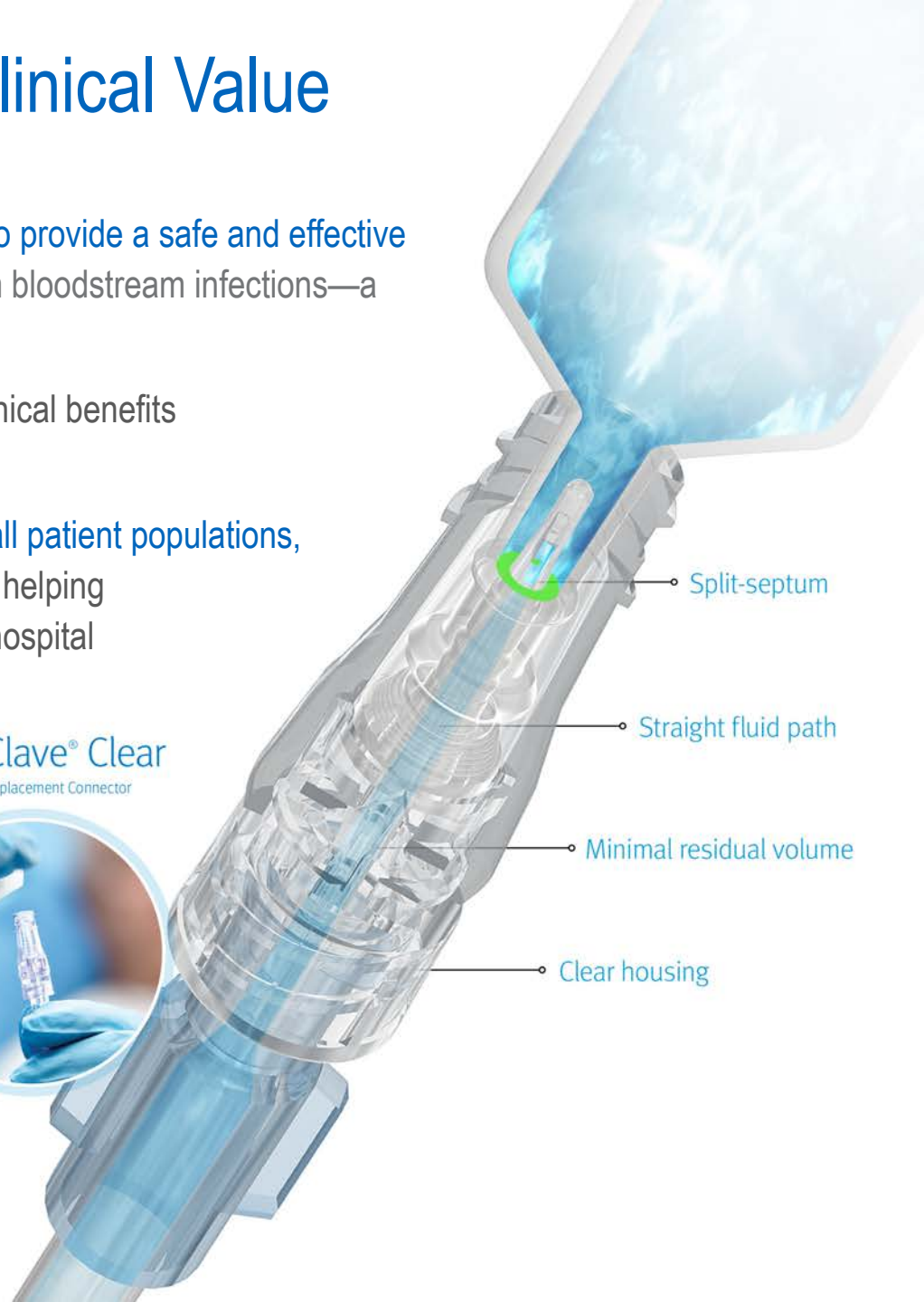
## NanoClave®

Low Profile Neutral Displacement Connector



## MicroClave® Clear

Neutral Displacement Connector



# IV Therapy Market Overview

~\$2 billion market in dedicated and non-dedicated disposables

Mature Market Growth 2%-4%

Emerging Market Growth 5%-7%

## Market Drivers

### US

- > Value migrating from needlestick risk to BSI reduction to reducing catheter occlusions
- > Clinical and workflow standardization
- > Readmission reduction and reimbursement risk

### EU

- > Sharps Directive continues to increase use

### ROW

- > Increasing use of infusion pumps

## ICU Positioning to Win

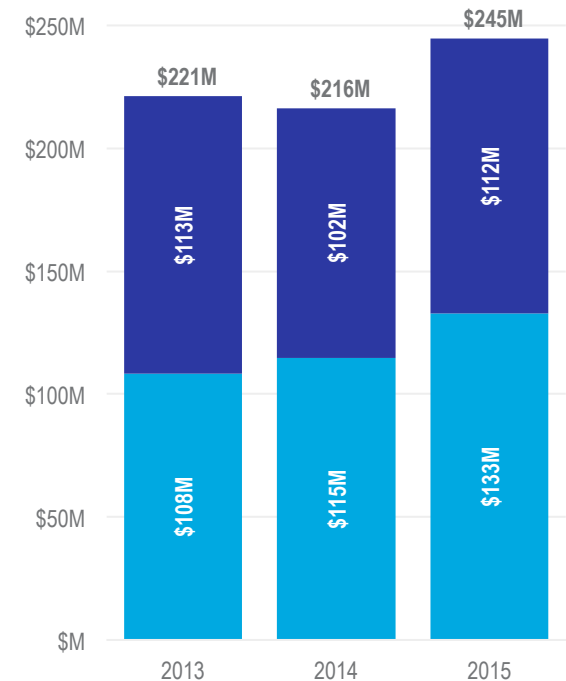
### US and EU

- > Low cost/high quality reproducible product
- > Most clinical data
- > Allow customers to standardize with unique customization for their workflow
- > Innovation for most valuable clinical needs
- > Deep customer orientation

### ROW

- > Low cost position and new distribution partnerships (Terumo, etc.)

## IV Therapy Revenues



■ ICU Direct ■ OEM

# SwabCap® Acquisition Enhances ICU Medical's IV Product Portfolio

## Direct Sales ~2/3 of acquisition

- > ICU Medical will sell the SwabCap product line, alongside its Clave® product line, directly to customers via its existing domestic and international distribution channels.

### Clave Needlefree IV Connector Technology

Proven infection prevention technology, now the standard of care.

### SwabCap Luer Access Valve Disinfection Cap

Infection prevention technology compatible with all needlefree connectors on the market.

## OEM Sales to Medline ~1/3 of acquisition

- > ICU Medical will serve Medline on an OEM basis as a supplier and innovation partner for Medline's SwabFlush business with a long-term exclusive supply contract.

### SwabFlush Saline Flush Syringe With SwabCap

Medline offers significant distribution capability

ICU Medical will supply SwabCap for SwabFlush

SwabCap Complements MicroClave by Enhancing Infection Control Compliance

# SwabCap Market Overview

\$250M market  
opportunity globally

Growing 10% annually

Large unconverted market >75%

## Market Drivers

### US

- > Guideline (SHEA) recommendations for use
- > Standardization and compliance
- > Readmission reduction and reimbursement risk

### EU and Japan

- > Growth of needlefree connector use

### ROW

- > Does not exist yet

## ICU Positioning to Win

- > Leverage Clave market presence on direct basis
- > Integration with ICU existing manufacturing operations to ensure low cost position
- > Capitalize on future innovation

## Transaction Highlights

**Date:** October 6, 2015

**Net Price:** \$32.5 Million

**Net Revenue Contribution:**  
Approx. \$18-20 Million

Multi-year Medline supply agreement

# Oncology Overview

**From Preparation and Transportation, to Administration and Disposal**, our needlefree closed system technology helps keep Pharmacists, Technicians, and Nurses safer from hazardous drug exposure and in compliance with USP <800>.

## PHARMACY



## NURSING



Closed Male Injector



Vial Spikes



Bag Spikes



Administration Sets

# Oncology Closed System Technology



## ChemoClave®

Needlefree Closed Systems and Closed System Transfer Devices

Cost-effectively keep yourself safe from exposure to hazardous drugs while maintaining drug sterility.



## ChemoLock™

Needlefree Closed System Transfer Device (CSTD)

Minimize exposure to hazardous drugs and maximize medication safety while ensuring compliance from beginning to end.

The Diana™ automated drug compounding system uses either ChemoClave or ChemoLock components to protect clinicians from exposure to hazardous drugs.



# Oncology Market Overview

Market opportunity size:  
>\$600 Million

Growing 10% annually

Large unconverted market >75%

## Market Drivers

### US

- > Guidelines driving CSTD usage and the need to standardize
- > Increasing global awareness of the dangers of hazardous drug exposure
- > Increased oncology drug use

### EU and Japan

- > Early awareness of issue

### ROW

- > Not developed yet

## ICU Positioning to Win

### US and EU

- > Innovation around ease of use and compliant safety offering
- > Broad product portfolio allowing customers most choice on workflow
- > Unique delivery mechanisms (Diana)
- > Variety of cost solutions for customers

### Japan

- > New relationship with Terumo

## Oncology Revenues



■ ICU Direct ■ OEM

# Critical Care Overview

Hemodynamic monitoring systems and related disposables used to help clinicians determine cardiovascular status

- > **Specialized area of monitoring**—we do not compete with multiparameter monitoring companies
- > **Razor/razor blade business model** with multiple disposables driven by a single monitor

Cogent™ 2-in-1 Hemodynamic Monitoring System combining invasive and minimally invasive technologies in a single platform\*

Disposable pressure transducers, closed blood sampling systems, and minimally invasive hemodynamic monitoring sensors

Pulmonary artery (PAC), central venous (CVC), and peripherally inserted (PICC) sensing catheters



# Cogent 2-in-1 Hemodynamic Monitoring System

- > The world's first and only hemodynamic monitoring system to combine minimally invasive and invasive technologies in a single, lightweight unit with wireless communication.
- > Innovative form-factor for maximum clinical flexibility. All major hemodynamic parameters measured and displayed
- > Received FDA 510(k) approval



## Minimally-Invasive

Cardiac Output and Venous Oximetry



## Invasive

Cardiac Output and Venous Oximetry



# Critical Care Market Overview

\$890 Million global market

Flat US market

OUS growth improving

## Market Drivers

- > Market moving to less invasive monitoring technologies opening new opportunities for hardware and disposables
- > Readmission reduction and reimbursement risk

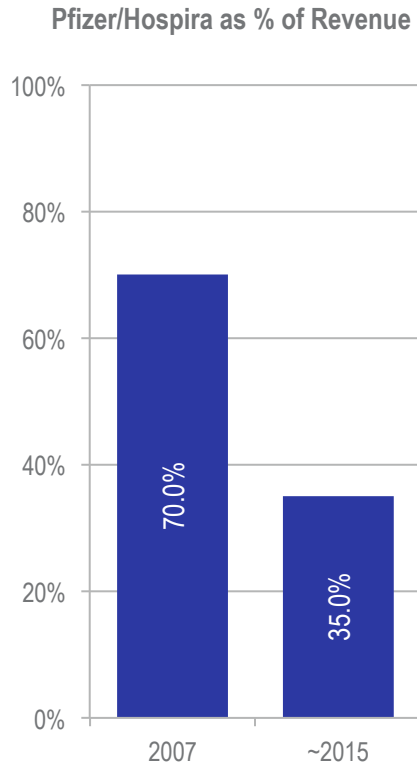
## ICU Positioning to Win

- > Refocused on core execution, sales, ops, pricing, etc. to stabilize business
- > New product (Cogent) improves basis of competition
- > Leveraging proven Clave technology to reduce the risk of catheter related bloodstream infections
- > Broad technology offering allows for accurate monitoring of a wider range of patients and enhanced safety features

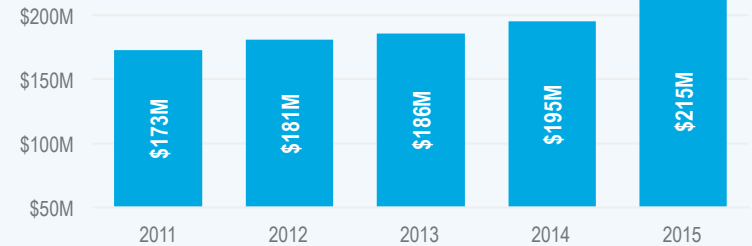
## Critical Care Revenues



# Key Strategic Issue – Reducing Reliance on Single Customer



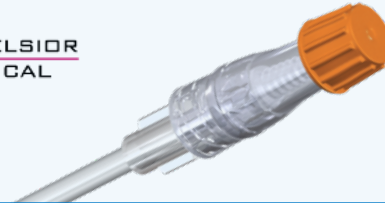
## > Grow ICU Direct Business



## 2. Diversify OEM Relationships



## 3. Capital Deployment



# Manufacturing Excellence

We have significant scale in the category

## Manufacturing Assets



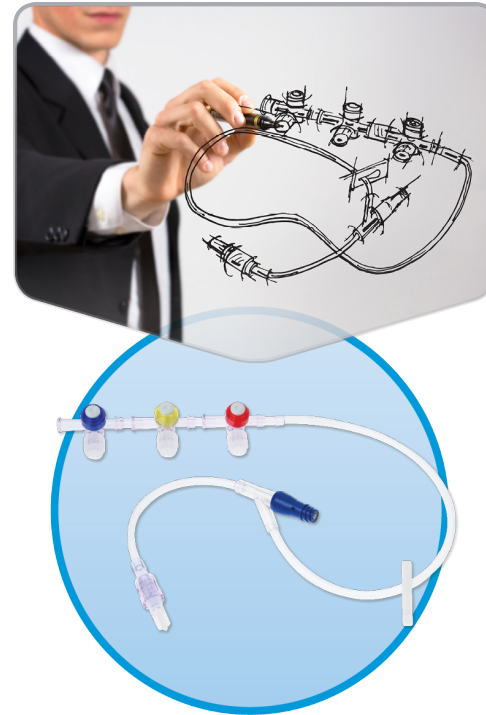
**Salt Lake City, UT**  
450,000 Square Feet  
Molding/Automation



**Ensenada, MX**  
250,000 Square Feet  
Custom Set Manufacturing

**Over last 10 years invested \$100M  
in manufacturing capacity**

## Manufacturing Processes



**Allows for deep customization**

# Management Team

- > Vivek Jain – CEO, 2 years, CareFusion/Cardinal, JP Morgan
- > Scott Lamb – CFO, 13 years, GE, various start-ups
- > Alison Burcar – VP/GM Infusion Systems, 21 years
- > Steve Riggs – VP Operations, 24 years
- > Greg Pratt – VP Sales, 20 years
- > Tom McCall – VP/GM Critical Care, 6 years, Masimo, Welch-Allyn

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