

ICU Medical, Inc Q3 2024 Conference Call Presentation

November 12, 2024

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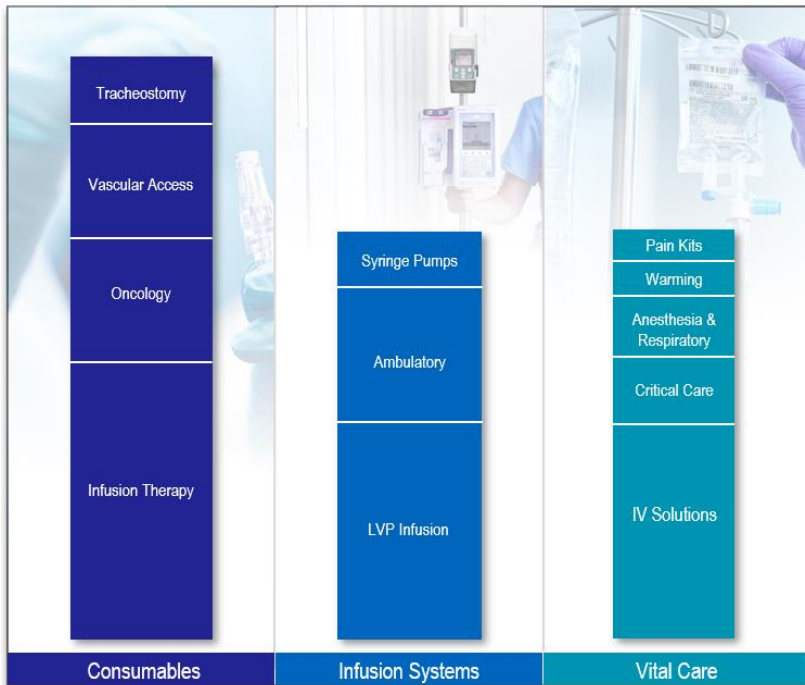


Disclosures

- > 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 most recent Form 10-K and subsequent filings. Actual results in the future may differ materially from Management's current expectations.
- > These forward-looking statements, including statements about continuing health crises, pandemics and epidemics, such as the COVID-19 pandemic, are made based upon our current expectations and we undertake no duty to update information provided in this presentation.
- > This presentation contains financial measures that are not calculated in accordance with U.S. generally accepted accounting principles ("GAAP"). These non-GAAP financial measures should be considered supplemental to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. Our management believes that the non-GAAP data provides useful supplemental information to management and investors regarding our performance and facilitates a more meaningful comparison of results of operations between current and prior periods.
- > Our non-GAAP financial measures include revenue presented on a constant currency basis, which uses the average exchange rate for revenues from the prior year applied to the current year results.

2023–2024 Adjusted Revenue

In \$ millions, unaudited



	2023	2023	2023	2023	2023	2024	2024	2024
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3
Consumables	236	237	242	254	969	244	262	265
YoY Growth	-2%	-2%	-4%	5%	-1%	3%	10%	9%
YoY Growth (FXN)	1%	-1%	-5%	4%	0%	3%	11%	9%
Systems	162	153	149	165	629	157	164	160
YoY Growth	17%	3%	-8%	-2%	2%	-3%	7%	7%
YoY Growth (FXN)	21%	5%	-7%	-1%	4%	0%	11%	10%
Vital Care	158	145	156	157	615	151	156	155
YoY Growth	3%	-8%	-8%	2%	-3%	-4%	7%	0%
YoY Growth (FXN)	6%	-7%	-8%	2%	-2%	-4%	8%	0%
Total ICU	556	535	547	576	2,213	553	581	580
YoY Growth	4%	-2%	-6%	2%	-1%	-1%	9%	6%
YoY Growth (FXN)	7%	-1%	-6%	2%	0%	1%	10%	7%

Amounts may not foot due to rounding.

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Otsuka

Otsuka Pharmaceutical Factory, Inc.

Together Announce
**Joint Venture to Bolster IV Solutions
Manufacturing and Innovation in the North American Market**

Nov. 12, 2024



Otsuka Group Profile

Founded in 1921, Otsuka is a leading manufacturer of IV solutions outside North America and pharmaceutical products globally, aiming to create innovative products that meet a variety of clinical needs.



Otsuka Holdings

Otsuka
Pharmaceutical
Factory, Inc. (OPF)

Otsuka
Pharmaceutical
Co., Ltd. (OPC)

Otsuka
Foods

Taiho
Pharmaceutical

Otsuka
Medical
Devices

Otsuka
Warehouse

Otsuka
Chemical

Core Pharmaceutical and Nutraceutical Businesses

From diagnosis and treatment of disease to
maintaining and improving daily life

CY2023 Financial Overview

Market Capitalization (Nov. 2024)	~\$33 Billion
Revenues	\$14.2 Billion
Business Profit ¹	\$2.2 Billion
North American Revenues	~43%
Capital Expenditures	\$1.5 Billion
Cash and Cash Equivalents	\$3.6 Billion
Interest-bearing Debt ²	\$1.5 Billion

Figures are calculated at ¥141.82 = US\$1 (closing rate at the end of the period)

¹ Business profit = Revenue - Cost of sales - SG&A expenses + Share of profit of associates - R&D expenses

² Interest-bearing debt is the total of bonds and borrowings, and lease liabilities

Otsuka Track Record of Innovation and Full PVC-Free Portfolio



Admixture



- > Convenient containers that are easy to handle and aid in preventing accidental needle sticks and help lower infection risk

Parenteral Nutrition: TPN



- > Multi-chamber bags (MCBs), including the world's first quad-chamber bag for total parenteral nutrition (TPN), that help optimize and significantly reduce the preparation process resulting in time and cost savings

Parenteral Nutrition: PPN

- > Dual-chamber bags for peripheral parenteral nutrition (PPN) that are minimally invasive, easy to use and provide effective short-term nutrition support by facilitating early feeding



Premix, Ready-to-Use



- > The world's first premix IV antibiotic kit that is easy to use, helps minimize microbial contamination risk, reduces workload, and saves time

Why Otsuka

ICU Medical was deeply attracted to Otsuka for a set of core reasons:

- > Scale and redundancy
- > Commitment to innovation
- > Cultural mindset and willingness to invest long-term
- > Financial strength
- > Demonstrated partnership experience in the U.S.

Transaction Highlights

Key economic terms of the Joint Venture:

- > Up-front payment of approximately \$200m at inception
- > Milestones at the end of 2026 based on performance
- > Backend put-call option in 2030 and beyond
- > Joint governance



JV Becomes Part of Manufacturing Network with Scale and Redundancy

Creates one of the largest IV solutions manufacturing networks on the planet

> Supporting supply resiliency with long-term goal of FDA approval for relevant manufacturing sites



~1.4B annual units
of combined production



17 combined global
manufacturing sites



Significant CapEx investment
to support IV Solutions growth



Otsuka: A Strong, Like-Minded Partner with Valuable Experience

Financial Strength

- > Significant financial strength allows for long-term investment
- > Stated ambition for growth in strategic North American market
- > Superior balance sheet versus any current market player is attractive in turbulent market

Cultural Mindset

“Creating new products for better health worldwide.”

These words embody Otsuka’s dedication to:

- Create unique and innovative products
 - Improve health and well-being
- Contribute to the lives of people worldwide

Otsuka is dedicated to cultivating a dynamic corporate culture and workplaces that reflect their vision as a healthcare company, finding ways to live in harmony with local communities and the natural environment while contributing to richer and healthier lives.

U.S. Partnership Experience

Otsuka & Bristol-Myers Squibb

Co-develop and co-commercialize the antipsychotic drug ABILIFY® (1999–2015)

Otsuka & Lundbeck

Co-develop and co-commercialize several psychiatric and neurological drugs including ABILIFY MAINTENA®, ABILIFY ASIMTUFII® and REXULTI® (2011–Present)

Transaction Structure Key Items

Joint Venture Setup

- > Joint Venture estimated to be **operationally effective early Q2 2025**
- > **ICU Medical will provide commercial services** for Joint Venture to ensure seamless operations for North American customers
- > **ICU Medical will provide certain transition services** under a long-term agreement
- > **ICU Medical will promote new products** brought to Joint Venture from OPF

Benefits to ICU Medical Shareholders

- > **Accelerates new product development**, which has historically been difficult to fund
- > **Allows gross margin within a narrower range** for the remainder of ICU Medical businesses
- > **Improves FCF potential** as the Joint Venture will be able to fund its own CapEx in the current model

Pro Forma Financial Impact

- > Transaction EPS neutral in 2025
- > ICU deconsolidates IV solutions business upon transaction close in 2025
 - > ~\$350m revenue (excluding Pfizer MSA)
 - > ~3-4pp gross margin expansion, additional 1-2pp upon exit of services
 - > ~\$25m adjusted EBITDA (~\$12m EBIT + ~\$13m Depreciation)
- > ~\$200m after-tax proceeds to be used for debt paydown (TLA)