



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

October 2018



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, 2017. 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.
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Today's Agenda



ICU Medical
Introduction



Our Business



Value Drivers



Situation Updates &
Investment Rationale

ICU Medical: a global leader with focus and scale



We are a \$1.3 billion global company with the #1 or #2 share position in each market segment we serve in the US and the only company focused exclusively on providing IV therapy products and services across the continuum of care

IV Consumables



Products Include:

Gravity sets, needlefree connectors, closed system transfer devices (CSTD), peripheral IV catheters, & disinfectant IV caps

2017 Revenues
33% of Total

IV Solutions



Products Include:

Sterile solutions, irrigation solutions, and certain nutritionals

2017 Revenues
36% of Total

IV Systems



Products Include:

Large volume, ambulatory, and PCA pumps, dedicated sets, safety software with EHR interoperability, and field service

2017 Revenues
27% of Total

Critical Care



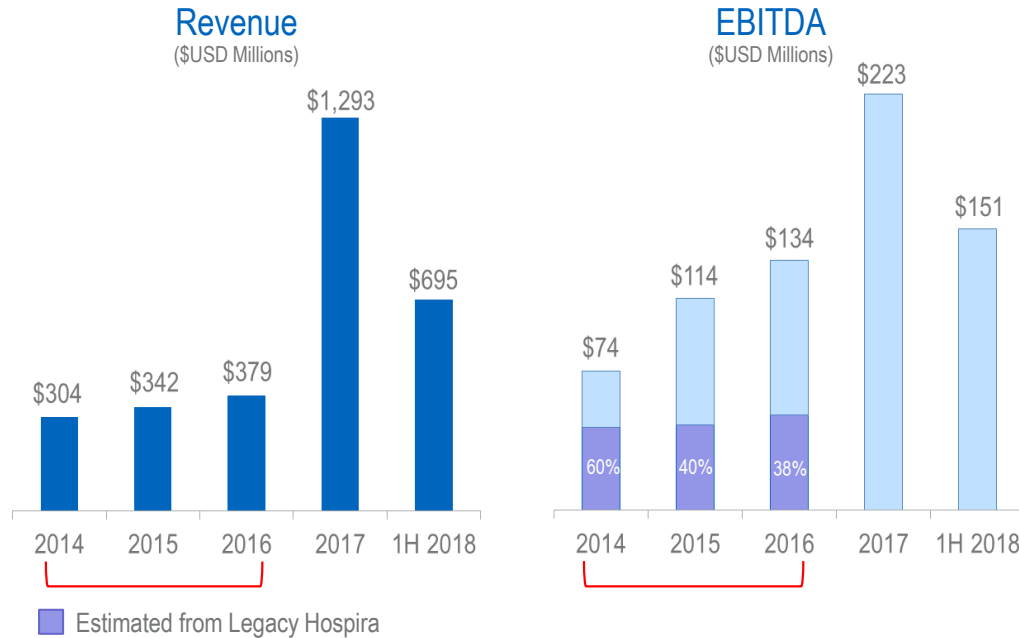
Products Include:

Hemodynamic monitoring systems for patient fluid assessment, advanced sensor catheters, pressure transducers

2017 Revenues
4% of Total

Market segment revenues based on management's estimated allocation of delayed close countries and pro forma for January 2017

Overview and key financial data

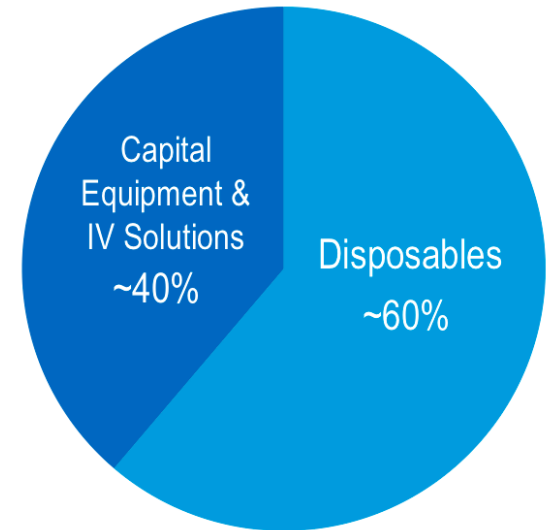


From 2014–2016 ICU Medical undertook multiple actions to improve operating performance, which allowed for the acquisition of Hospira

We acquired Hospira in February 2017 in order to:

- > Control our own destiny
- > Expand our product offerings, as the competitive landscape had changed
- > Deploy excess cash on our balance sheet

Strong Disposables Profile










Financial Overview	
Share Price (10/11/18)	\$260.85
Diluted Shares Outstanding (06/30/18)	21.6 M
Diluted Equity Value (10/11/18)	\$5,634 M
Net Cash & Investments (06/30/18)	\$333 M
Enterprise Value (10/11/18)	\$5,301 M
US Revenues (~75%)	\$ 970 M
Revenues OUS (~25%)	\$ 323 M

Broad product offering delivers compelling value



ICU Medical provides a complete infusion product portfolio that facilitates clinical best practice while lowering total cost of ownership

Product Category	IV Solutions	IV Sets	Needlefree Connectors	IV Oncology CSTDs	Infusion Pumps	IV-EHR Interoperability	Peripheral IV Catheters
US Market Position	 #2	 #1	 #1	 #1	 #2 (Tie)	 #2	 New
ICU Medical Advantage	<ul style="list-style-type: none"> > Significant on-shore manufacturing capability and scale > Numerous quality and operational improvements 	<ul style="list-style-type: none"> > Manufacturing cost advantage > Continued product innovation > Global distribution network > Custom set manufacturing leadership 	<ul style="list-style-type: none"> > Clinically preferred & lowest cost provider > Consistent clinical protocol across product line 	<ul style="list-style-type: none"> > Best practices CSTDs at lowest cost > Automated compounding system available using CSTDs 	<ul style="list-style-type: none"> > Broadest pump offering > Newest technology > Deep IT innovation > Global installed base > Significant investment in quality 	<ul style="list-style-type: none"> > Highest customer satisfaction for IV-EHR interoperability > IV-EHR interoperability with the most EHR vendors > Only vendor to support PCA IV-EHR interoperability 	<ul style="list-style-type: none"> > The first closed PIVC w/ advanced catheter stabilization & integrated tubing mgmt. > PIVC w/ integrated blood-containment & encapsulated needle protection

Helping customers enhance safety and efficiency by standardizing IV therapy across the continuum of care



Pharmacy



High Acuity: ED/OR/ICU



Low Acuity: General Floor



Pre-Acute Care

- > Physician Office/Clinic
- > Urgent Care Center
- > Ambulatory Procedure Center
- > Outpatient Cancer Center
- > EMS/Ambulance Service



Acute Care

Post-Acute Care

- > Inpatient Rehabilitation
- > Outpatient Rehabilitation
- > Extended Care Facility
- > Skilled Nursing Facility
- > Home Health and Hospice



- > **IV standardization with ICU Medical** helps enhance patient and caregiver safety and increase training efficiencies across the continuum with minimal disruption to current clinical practices and workflow

Enhancing patient safety by helping reduce CRBSIs and catheter occlusions with clinically-proven connectors



MicroClave®

Neutral Displacement
Connector



Clave Neutron®

Needlefree Catheter
Patency Device



NanoClave®

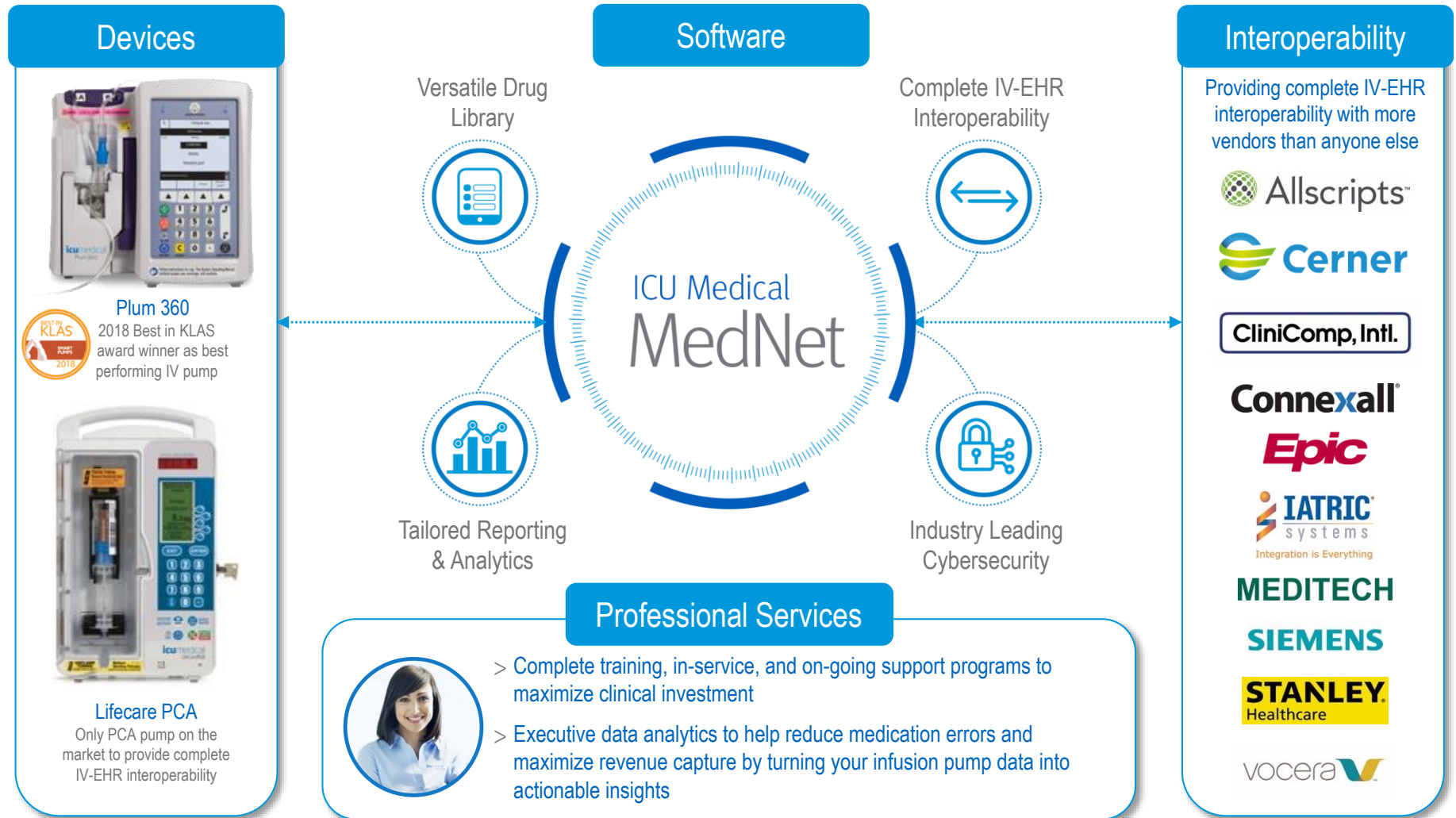
Specialty Care Products and
Configurations

A consistent clinical protocol is used across the entire Clave portfolio to reduce the risk of clinical error, enhance patient safety, and cut training time

Clinicians Around the World Choose
Clave Technology
More than Any Other Brand



Enabling cost-effective increases in the safety, accuracy, and efficiency of IV medication delivery





Macro drivers for industry:

- > Consolidated industry structure
- > Hard to reproduce manufacturing assets
- > Recurring revenues with sticky market share absent unique events
- > Regulatory tailwinds in oncology
- > International conversion to pumps albeit more fragmented

Macro drivers specific to ICU:

- > Scarcity and creation of pure play asset, full solution from pharmacy to nursing
- > Significant scale in consumables globally
- > High quality products that were commercially mismanaged
- > History and commitment to innovation

Synergies:

- > Moving everyone to a mindset of urgency, cost discipline
- > Stand-up away from Pfizer
- > Various synergies around logistics, R&D, other discretionary expenses

Reality/Risk:

- > Still a turnaround—losses still to come
- > Cultural change
- > Massive IT integration and operational changes underway

Value driver: regulatory guidelines fuel oncology growth



USP <800> calling for the use of closed systems transfer devices (CSTD) in hazardous drug compounding and administration in US-based hospitals and cancer centers by December 2019



The Diana Compounding Workflow System



ChemoLock & ChemoClave CSTD for USP <800> Compliance



Plum 360 Infusion Pump with Closed Air Management Technology



Full IV-EHR Interoperability with ICU Medical MedNet



ChemoLock and ChemoClave CSTD for USP <800> Compliance

Only ICU Medical provides a completely closed system from beginning to end, allowing hospitals to:



Enhance Safety

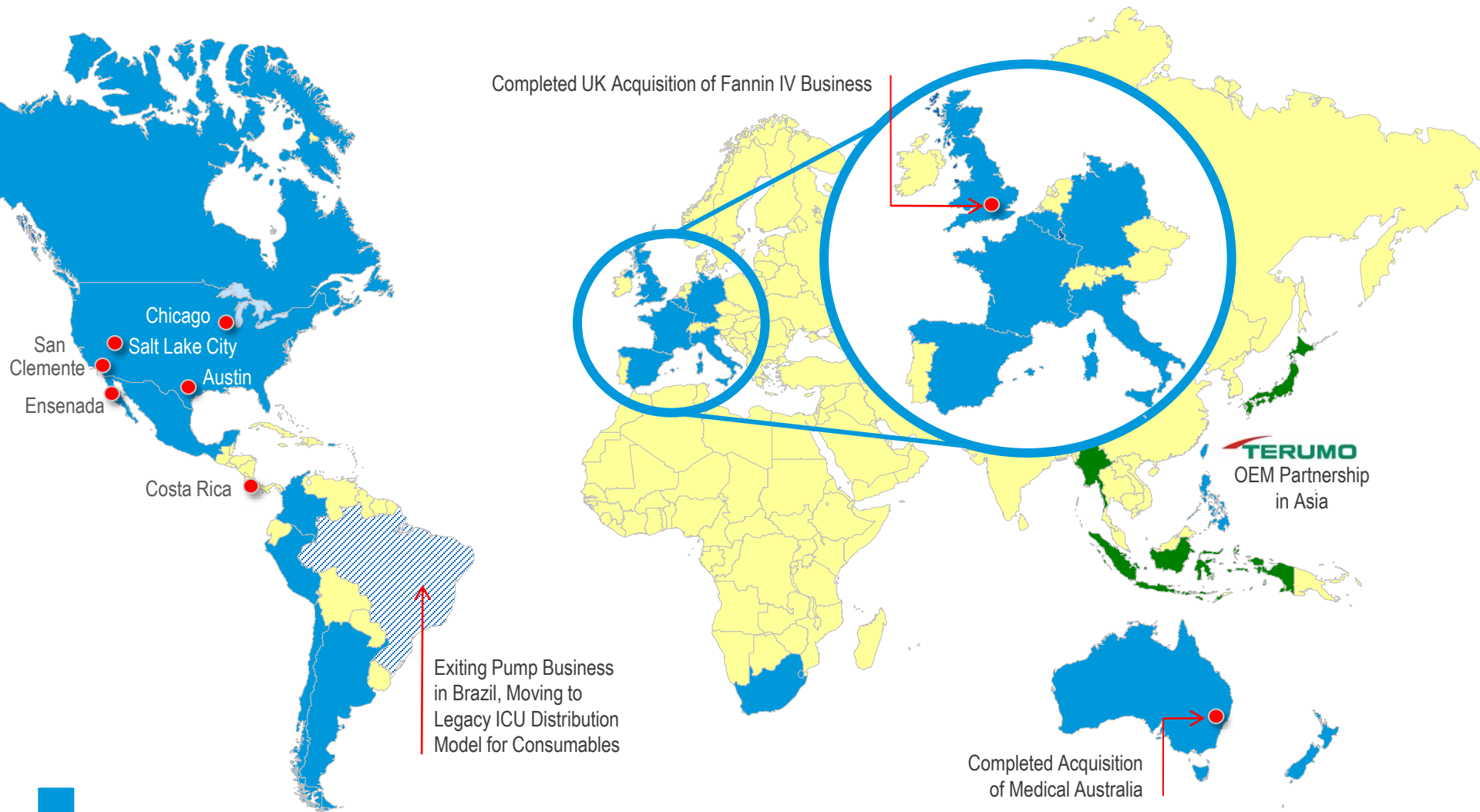


Improve Efficiency



Maximize Profitability

Value driver: international growth opportunities



ICU Medical
Direct Operations

Value driver: 2018 integration activities & synergy targets



Intra-company
profits realization

Timing:
Spread evenly FY 2018



Synergies

- > Logistics optimization
- > Capacity utilization
- > DR plant closure
- > Commercial restructuring
- > Reduce R&D

Timing:
Building throughout FY 2018



TSA Separation

\$10M in 2018, \$5M realized already

- > Stand up IT, Finance, and key operational areas
- > System integration

Timing:
Back-end loaded FY 2018

Situation Update – As of September 2018



Q3 Activities

- > All geographies except USA already cutover to ICU System for order to cash
- > US order to cash cutover planned for September 26
 - Four shipping days lost in Q3
 - End of Q3 and early Q4 will be choppy, as remaining systems and data issues are getting addressed

Q4 Activities


- > Most manufacturing, pump service/repair conversions will follow US order to cash conversion
- > Exit all remaining ~50 TSA items
 - Key areas: IT, Finance
- > Complete Brazil exit for pumps
- > Address remaining Pfizer ownership

Longer Term Activities

- > Reduced spend by year-end on restructuring and integration leading to improved cash balance
- > Austin manufacturing facility ERP systems conversion (not under TSA)
- > Finish product re-labeling effort (IV Solutions have longest lead time)
- > Finish capacity expansion in Austin
- > Plan for longer term MSA exit from Pfizer Rocky Mount facility

2018 Updated Guidance



	Original 2018 Guidance	Updated on Q2 Earnings Call	
Adjusted EBITDA	\$240 - \$260	\$270 - \$280	10% 

Adjusted EPS	\$6.60 - \$7.30	\$8.30 - \$8.70	22% 
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	Low End of Guidance	High End of Guidance
GAAP net income	\$ 80	\$ 88
Non-GAAP adjustments:		
Stock compensation expense	24	24
Depreciation and amortization expense	73	73
Restructuring, strategic transaction and integration	85	85
Provision for income taxes	8	10
Total non-GAAP adjustments	190	192
Adjusted EBITDA	\$ 270	\$ 280

GAAP diluted earnings per share	\$ 3.70	\$ 4.10
Non-GAAP adjustments:		
Stock compensation expense	\$ 1.13	\$ 1.13
Amortization expense	\$ 0.76	\$ 0.76
Restructuring, strategic transaction and integration	\$ 3.97	\$ 3.97
Estimated income tax impact from adjustments	\$ (1.26)	\$ (1.26)
Adjusted diluted earnings per share	\$ 8.30	\$ 8.70

ICU Medical-specific investment rationale



- > High percentage of “sticky” recurring revenues
- > P&L w/large income statement and expense base for margin improvement
- > International opportunities are increasing. Direct business now in 17 countries vs. 7
- > Tailwinds and policy making driving oncology, unified distribution channels allow full market access
- > World-class low cost manufacturing with excess capacity
- > Strong balance sheet with net cash at approximately \$15/diluted share for shareholder protection
- > Ability to make sustained investments
- > Focused pure play company with engaged management and incentives aligned with shareholder interests

IV Consumables



IV Solutions



IV Systems



Critical Care





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