

# J.P. Morgan

## 39<sup>th</sup> Annual Healthcare Conference

January 2021

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**icu**medical  
human connections



# 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 the potential impacts of 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.

# ICU Medical: a Global Leader with Focus and Scale

We are a \$1.2 billion global company focused exclusively on providing IV therapy products and services across the continuum of care



## IV Consumables ~40%

Gravity sets, needlefree connectors, closed system transfer devices (CSTD), and specialty IV consumables



## IV Systems ~30%

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



## IV Solutions ~25%

Sterile solutions, irrigation solutions, and certain nutritionals



## Critical Care ~5%

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



# Broad Product Offering Delivers Compelling Value

ICU Medical provides leadership positions in the largest infusion categories, offering customers an end-to-end solution.

| Product Category   | IV Solutions  | IV Sets, Connectors, and Specialty Devices   | IV Oncology CSTDs   | Infusion Pumps  | IV-EHR Interoperability   |
|--------------------|---|--|---|---|---|
| Differentiation    | Commodity   | More Differentiated  |   | Most Differentiated   |   |
| US Market Position |  |  |  |  |  |
|                    | #2  | #1   | #1  | #2 (Tie)  | #2  |
| Type of Market     | Mature  | Mature / Still-Developing Segments   | New Category Creation   | Mature  | New Category Creation   |
| US Market Size     | \$1.5B  | \$1.2B   | >\$300M   | \$1.2B  | Developing  |

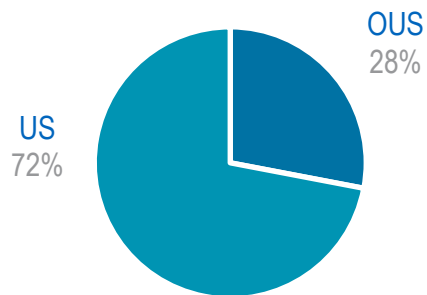
Notes:

1.) US market size based on the Company's estimates

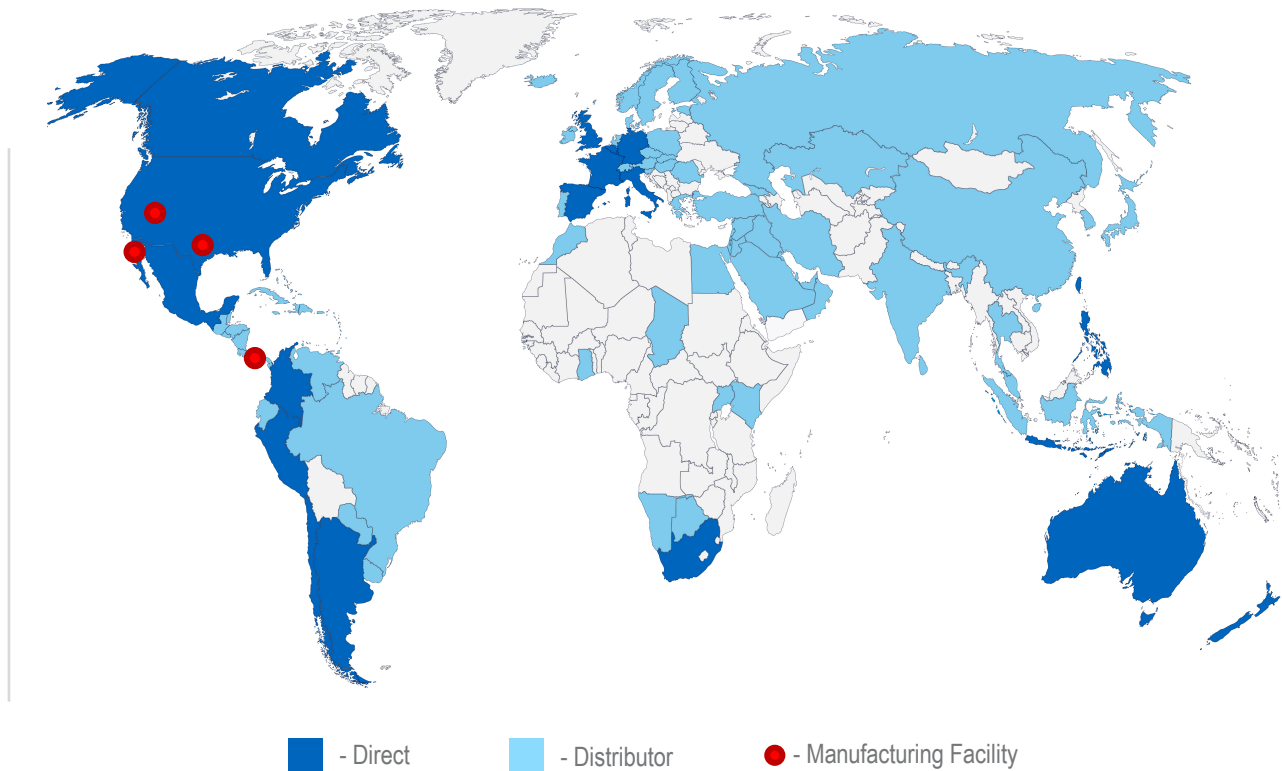
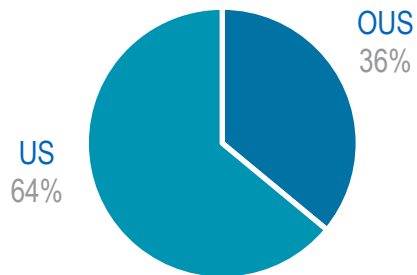


# A Focused Pure Play Infusion Company with a Strong Global Footprint

## Geographic Revenue Mix



## Mix Excluding Solutions



Notes:

1.) US and OUS revenue figures reflect Non-GAAP actual results for the twelve months ended September 30, 2020

# Overview – Key Financial Data

## Financial Overview

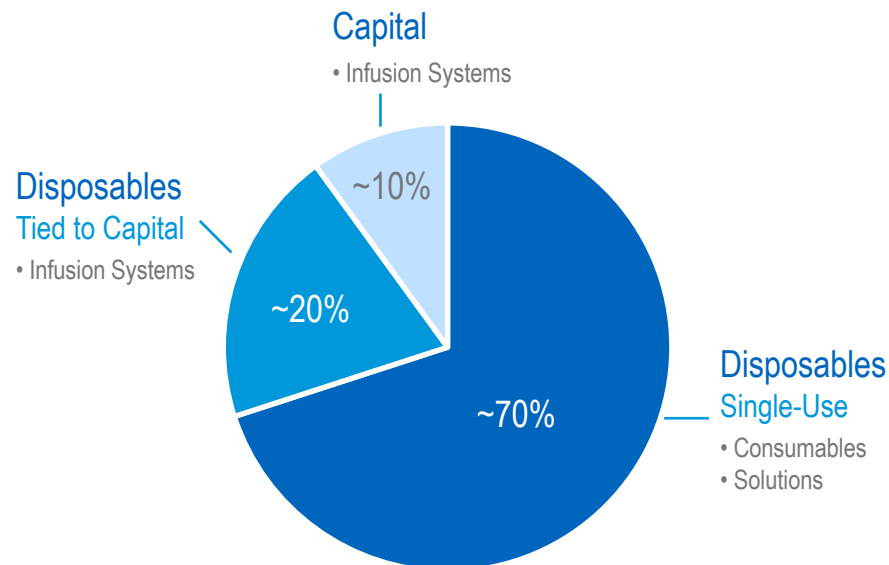
|                                      |           |
|--------------------------------------|-----------|
| Share Price (12/31/20)               | \$214.49  |
| Diluted Shares Outstanding (9/30/20) | 21.6 M    |
| Diluted Equity Value                 | \$4,623 M |
| Net Cash & Investments               | \$364 M   |
| Enterprise Value                     | \$4,259 M |
| US Revenues (72%)                    | \$872 M   |
| Revenues OUS (28%)                   | \$333 M   |

Notes:

1.) Net cash and investments reflects September 30, 2020 balance

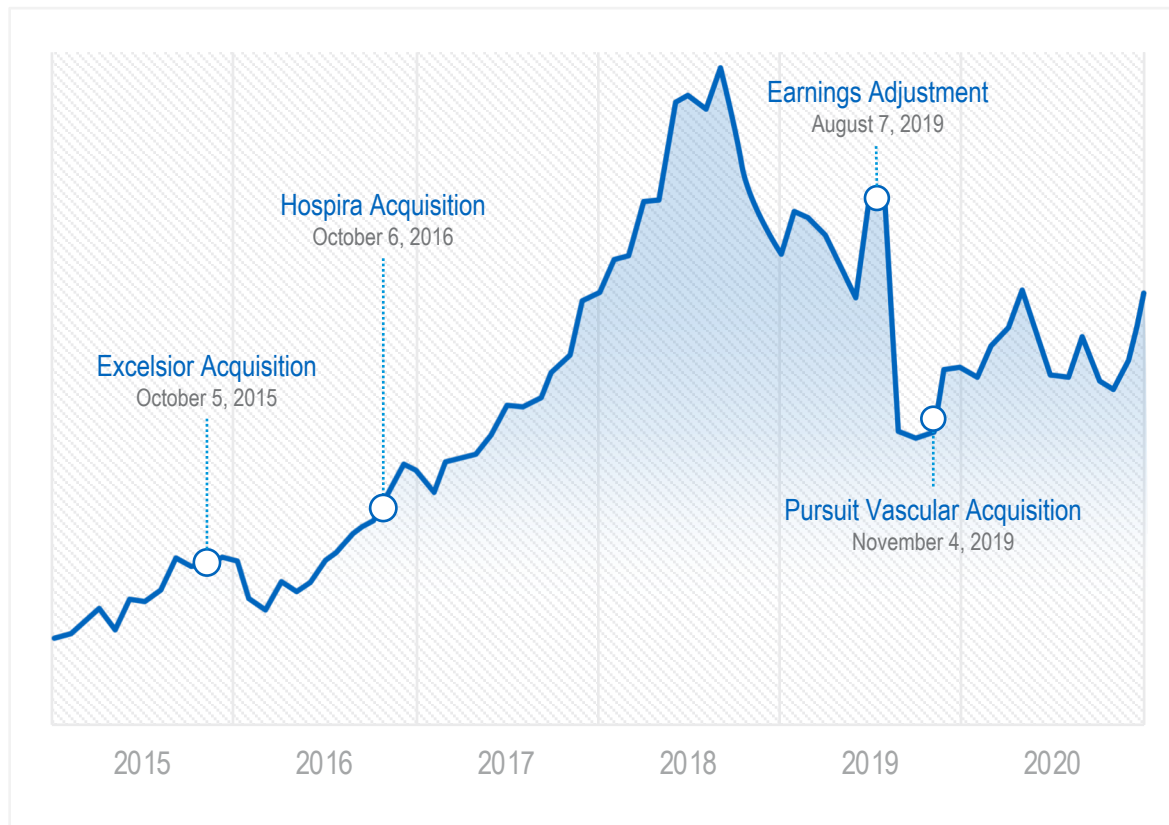
2.) US and OUS revenue figures and capital / disposables mix reflect Non-GAAP actual results for the twelve months ended September 30, 2020

## Strong Disposables Profile



# Overview – Recent History

Stock Price with Key Events



## 2014 - 2016

- > Focused on commercial execution
- > Diversified customer base
- > Warm up M&A

## 2017 - 2018

- > Acquired Hospira Infusion Systems
- > Benefit from IV solutions shortage
- > Historical IV pump losses occurring
- > Massive integration

## 2019 - 2020

- > Significant shift in IV Solutions
- > Optimization of supply chain
- > Full separation from Pfizer

## 2021+

- > Integration finished
- > Restructuring costs down, FCF increasing
- > Ability to handle more

# Overview – Industry and Company Landscape

## Industry:

- > Consolidated industry structure
- > Continued high regulatory barriers
- > Hard to reproduce manufacturing assets
- > Recurring revenues with sticky market share absent unique events
- > Guideline tailwinds in oncology
- > International conversion to pumps albeit more fragmented
- > Emerging software opportunity

## ICU Medical:

- > A focused pure play infusion asset with a full solution from pharmacy to nursing
- > History and commitment to innovation
- > Net cash position of ~\$17/share and improving free cash flow
- > Significant capital expenditures made into manufacturing
- > Incentives aligned with shareholder interests
- > Hospira integration finished



# IV Consumables

Providing unmatched innovation, quality, and value with patient-centric IV technology

## IV Therapy

Market-leading infection control technology incorporated into a broad portfolio of IV connectors and sets

**We serve:** Hospitals, Alt Site, Extended and Home Care, and Skilled Nursing Facilities



## Specialty Devices

Innovative IV technologies to address unique clinical challenges

**We serve:** Dialysis Clinics and Hospitals



## Oncology

Minimizing hazardous drug exposure from preparation to administration

**We serve:** Hospitals, Cancer Centers, and Outpatient Cancer Clinics





# IV Therapy Consumables

Enhancing patient safety with industry-leading infection control technology

- > **Market-leading Clave™ connector technology** chosen by more clinicians around the world than any other
- > **Demonstrated clinical superiority** with lowest bacterial transfer rate
- > **Strong vertical integration** provides supply reliability, innovation, and clinical value driven by in-house design, manufacturing, and sterilization
- > **Broad portfolio of Clave sets enables standardization** across all care areas including clinician-driven specialty departments such as NICU and Anesthesia



# Specialty Devices

Innovating safe IV technology to address unique clinical challenges

## ClearGuard™ HD

### Antimicrobial Barrier Caps

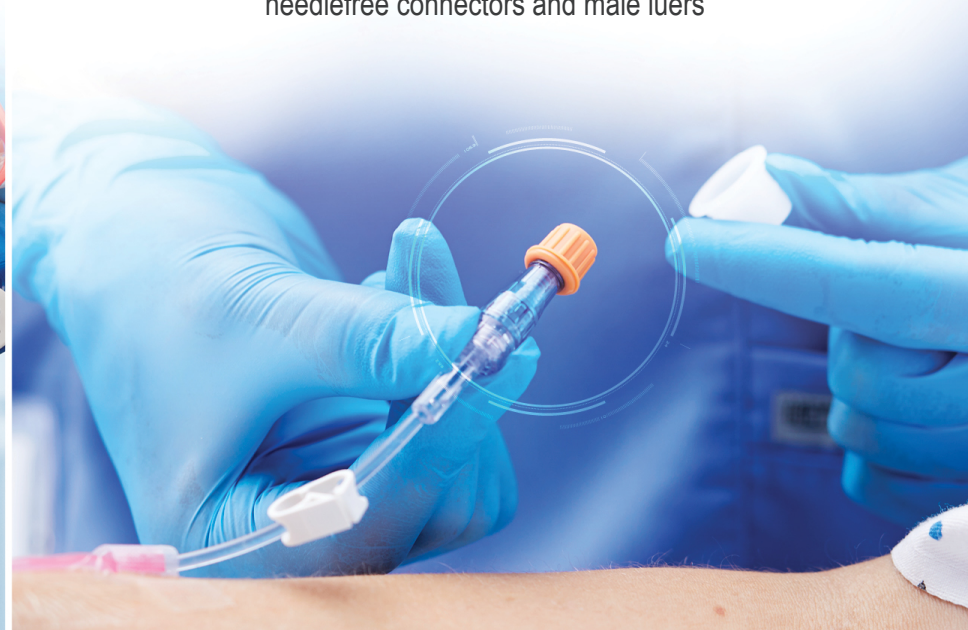
The proven solution for reducing the rate of bloodstream infections in hemodialysis catheters



## SwabCap™

### Disinfecting Caps

An expanded portfolio of disinfection technology includes disinfecting caps for needlefree connectors and male luer



# Oncology Consumables

Providing continuous innovation into market segments with evolving guidelines

- > Closed System Transfer Devices (CSTDs) ensure outside contaminants do not compromise drug sterility and hazardous vapors do not escape which can harm clinicians and patients.

## A flexible, user-driven CSTD portfolio

- > Two CSTD solutions allow for unmatched clinical customization



ChemoLock™



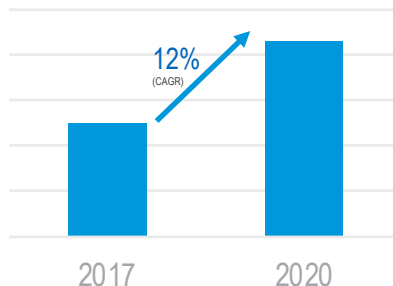
ChemoClave™

- > Easiest to use CSTDs on the market
- > Unique product and packaging configurations enable more efficient workflows and more cost-effective solutions

## 12% CAGR since 2017

- > Despite some COVID-19 related slowdowns, CSTDs continue to be a significant growth driver

Oncology Revenue 2017 – 2020

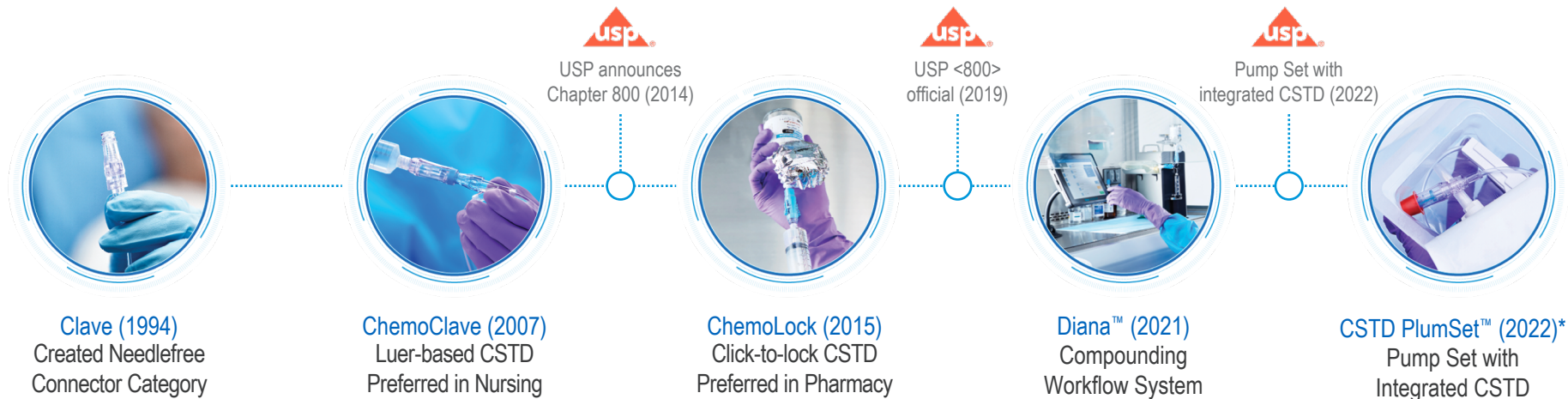


## Future growth fueled by market expansion and share gains

- > Further penetration of US market, particularly in Alternate Site segments, as USP <800> becomes enforceable
- > Further penetration of international markets as safety benefits are more widely understood via regionalized clinical studies
- > Market share gains in Japan via improved distribution
- > Expansion into new markets (e.g. China)

# Continuous Oncology Innovation

Building a complete, next generation medication delivery solution from pharmacy to nursing



Leveraged our market-leading position in connectors to build a CSTD portfolio in advance of guidelines




- > USP <800> is expected to act as a global standard for hazardous drug delivery in the future

ICU Medical is working to bring innovative solutions to the pharmacy and nursing

- > Diana compounding workflow system provides both Automated Compounding and Remote Verification, to automatically document hazardous drug preparations and eliminate the need to have a pharmacist in the cleanroom
- > Pump sets with integrated CSTDs will enhance nursing workflow and improve compliance by eliminating the need to add CSTD components to pump sets



# IV Systems – External Validation of the Plum 360™ Infusion System (LVP)

| Theme                   | Independent Body   | Status  |
|-------------------------|--|---|
| ✓ Safety & Security     |   | <ul style="list-style-type: none"> <li>&gt; Plum 360™ and ICU Medical MedNet™ – First and only IV system to meet new standard</li> </ul>                            |
| ✓ Clinical Leaders      |   | <ul style="list-style-type: none"> <li>&gt; Several new 2019 IV smart pump guidelines are unique to underlying Plum 360 technology</li> </ul>                       |
| ✓ Hospitals (Customers) |   | <ul style="list-style-type: none"> <li>&gt; Plum 360 recognized by customers as the top IV smart pump for three consecutive years – 2018, 2019, and 2020</li> </ul> |
| ✓ Technical             | ECRI Institute   | <ul style="list-style-type: none"> <li>&gt; Received a 5-star rating – highest ever for an IV pump and ahead of all competitive pumps</li> </ul>                    |
| ✓ Informatics           |  | <ul style="list-style-type: none"> <li>&gt; Broadest portfolio of informatics partnerships globally</li> </ul>  |

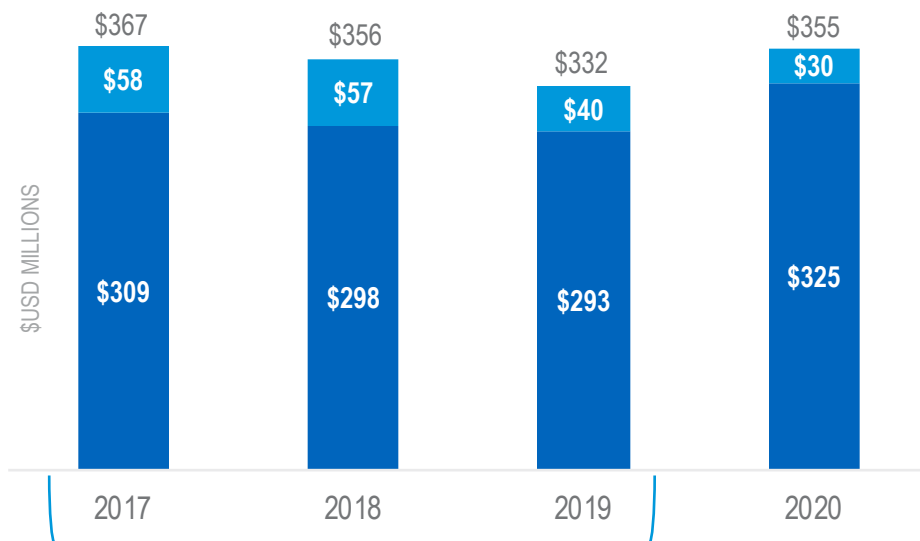




# LVP Growth

## Infusion Systems – Global Revenue

■ LVP ■ Non-LVP



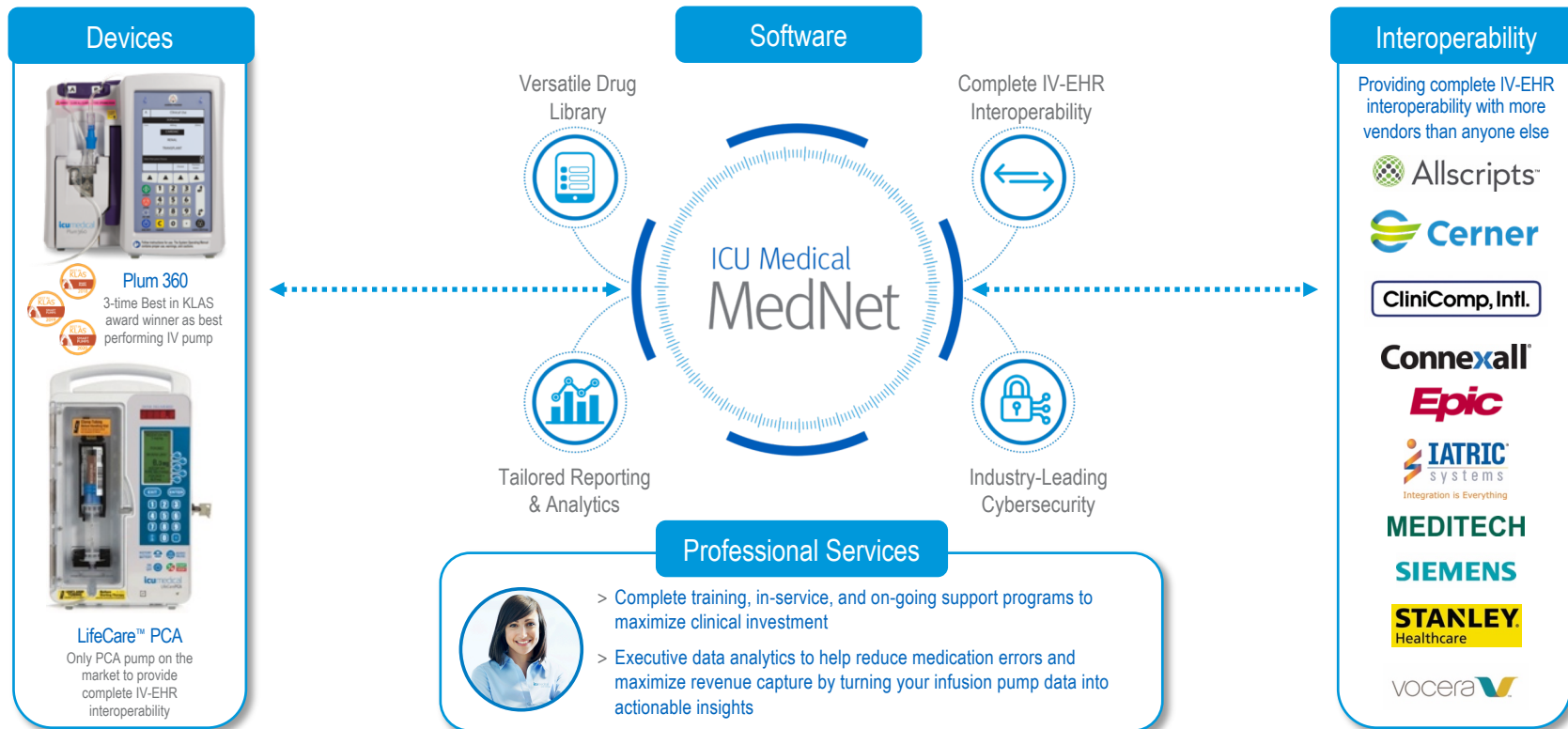
Pre-acquisition losses by Hospira took 18–24 months to be reflected in the run-rate

LVP installed base growing for first time in 10+ years with revenue surpassing pre-acquisition levels

- > Business has experienced >\$25M revenue decline in non-core, non-LVP business
- > Continued value drivers
  - **Short-term:** continued LVP installed base growth
  - **Mid to longer-term:** next generation platforms, additional infusion modalities, and informatics offerings

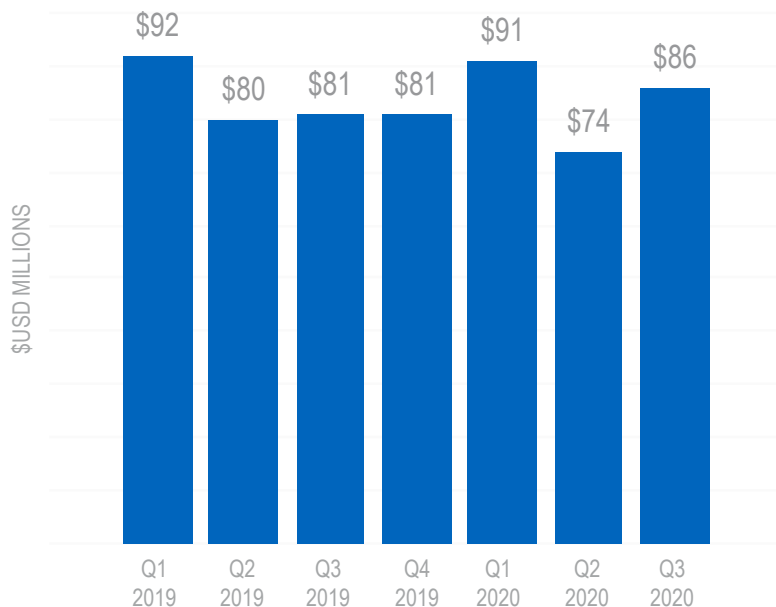
# Future Growth Driver – Software and Interoperability

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



# IV Solutions

## IV Solutions Stability



Notes:

1.) Revenue figures reflect Non-GAAP actual results

## Investments

- > Since the Hospira acquisition the Company has invested over \$60M in CapEx for our Austin manufacturing facility
- > Additional \$35M+ to transition 500 mL manufacturing from Pfizer RM to Austin
- > Opened the SuperHub national distribution center to improve logistics efficiency and supply reliability

## New Products



**Grifols Fleboflex® IV Solutions**  
Non-PVC, Non-DEHP IV Solutions

Hazardous drug compatible  
IV containers in a wide range of sizes



**Rio™**  
Drug Transfer Device

Helping meet admixture needs in the  
pharmacy or at the point of care

# 2020 Revenue and COVID-19 Impact

## 2020 Adjusted Revenue

|                      | 2020<br>Q1 | 2020<br>Q2 | 2020<br>Q3 | 2020<br>Q4 |
|----------------------|------------|------------|------------|------------|
| Infusion Consumables | 124        | 111        | 116        |            |
| YoY Growth (FXN)     | 4%         | -5%        | -4%        |            |
| IV Solutions         | 91         | 74         | 86         |            |
| YoY Growth (FXN)     | -1%        | -7%        | 6%         |            |
| Infusion Systems     | 89         | 92         | 88         |            |
| YoY Growth (FXN)     | 7%         | 15%        | 12%        |            |
| Critical Care        | 12         | 12         | 12         |            |
| YoY Growth (FXN)     | -3%        | 14%        | 14%        |            |
| <b>Total</b>         | <b>316</b> | <b>289</b> | <b>303</b> |            |
| YoY Growth           | 2%         | 0%         | 4%         |            |
| YoY Growth (FXN)     | 3%         | 1%         | 4%         |            |

 Positively Impacted by COVID-19

 Negatively Impacted by COVID-19

## COVID-19 Impact

- > **Consumables and Solutions** – volumes driven primarily by hospital census and procedures. Q1 included some customer stocking of solutions. Q2 was low-point with continued improvement through remainder of 2020.
- > **Infusion Systems** – Q2 and Q3 reflect significant positive impact from government stockpile orders and incremental purchases from existing customers which more than offset negative impact from lower dedicated set volumes.
- > We are cautiously monitoring hospital census and elective procedures amid rising 2021 COVID-19 infection rates.

# Summary – Value Drivers

## Industry:

- > Consolidated industry structure
- > Continued high regulatory barriers
- > Hard to reproduce manufacturing assets
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## Management's view of value creation

- > Grow our differentiated businesses of IV consumables and LVP
- > Continue stability in IV solutions
- > Deliver new product innovation
- > Further optimize our supply chain costs
- > Continue strong FCF generation as integration fades
- > Deploy capital successfully



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