

# Raymond James

## Institutional Investors Conference

March 2, 2020



# 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 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.

# Today's Agenda



# ICU Medical: a Global Leader with Focus and Scale



We are a \$1.2 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 – 40%

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



## IV Solutions – 28%

**Products Include:** Sterile solutions, irrigation solutions, and certain nutritionals



## IV Systems – 28%

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



## Critical Care – 4%

**Products Include:** Hemodynamic monitoring systems for patient fluid assessment, advanced sensor catheters, pressure transducers







Note: Business unit mix reflects the Non-GAAP revenue contribution for the year ended December 31, 2019



# 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 and Needlefree Connectors	IV Oncology CSTDs	Infusion Pumps	IV-EHR Interoperability
US Market Position					ICU Medical MedNet™
	#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	\$1B	>\$400M	\$1.2B	>\$400M
Differentiation	Commodity		More Differentiated		Most Differentiated

Notes:

1.) US Market Size based on the Company's estimates

# Overview – Key Financial Data



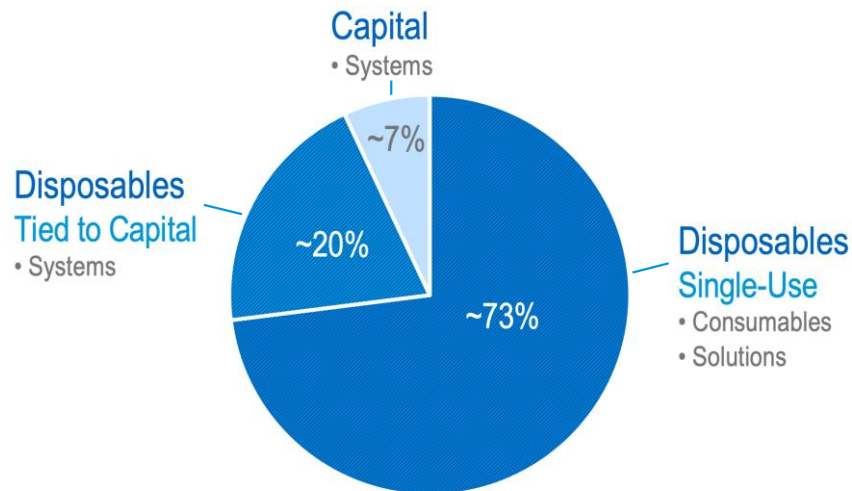
## Financial Overview

Share Price (2/27/20)	\$200.35
Diluted Shares Outstanding (12/31/19)	21.5 M
Diluted Equity Value	\$4,308 M
Net Cash & Investments	\$293 M
Enterprise Value	\$4,015 M
US Revenues (~71%)	\$ 848 M
Revenues OUS (~29%)	\$ 341 M

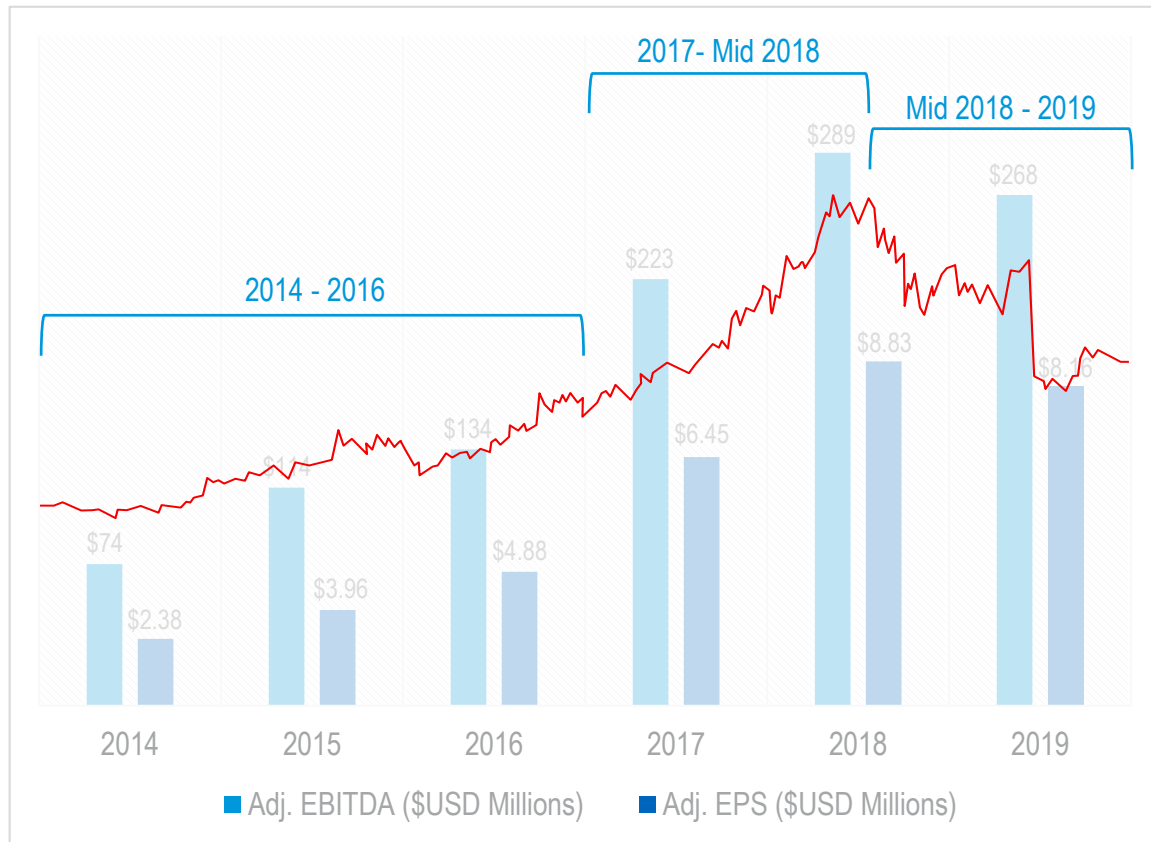
### Notes:

- 1.) Net cash and investments reflects 12/31/19 balance
- 2.) US and OUS revenue figures and capital / disposables mix reflect Non-GAAP actual results for the year ended 12/31/19

## Strong Disposables Profile



# Overview – Recent History



## 2014 - 2016

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

## 2017 - Mid 2018

- > Stepped into our customer (Hospira) to solve concentration risk
- > Benefited from significant industry shortages in IV solutions
- > Rebased cost position, executed OUS integration in ~20 countries
- > Continued to feel historical losses in pumps

## Mid 2018 - 2019

- > IV Solutions shortage environment flipped to surplus
- > Undertook massive US integration/cutover
- > Began to stabilize our business
- > Continued to feel the runoff of legacy Hospira tail

# Overview – Industry and Company Landscape



## 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
- > Emerging software opportunity

## ICU Medical:

- > A focused pure play infusion asset with a full solution from pharmacy to nursing
- > #1 Consumables global market share
- > High quality products that were commercially mismanaged
- > History and commitment to innovation
- > No debt, ~\$14/share in cash
- > Significant capital expenditures made into manufacturing
- > Incentives aligned with shareholder interests



# IV Consumables

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®**

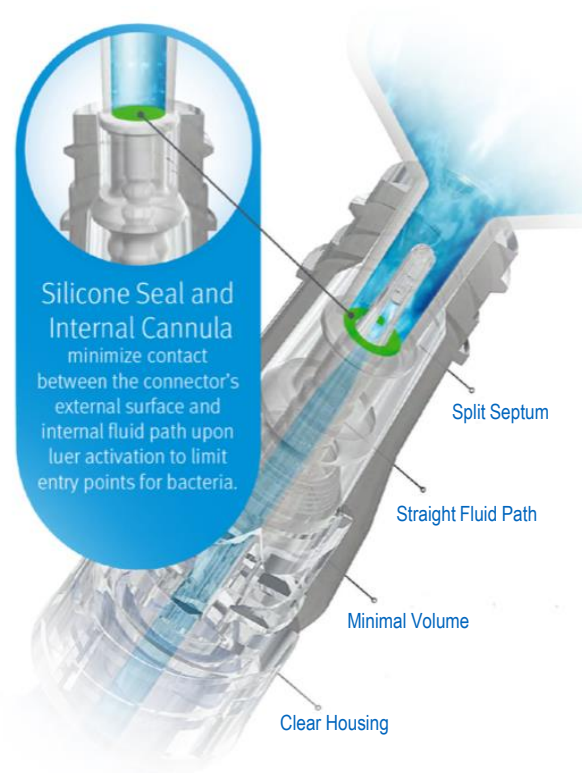
Specialty Care Products and  
Configurations

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

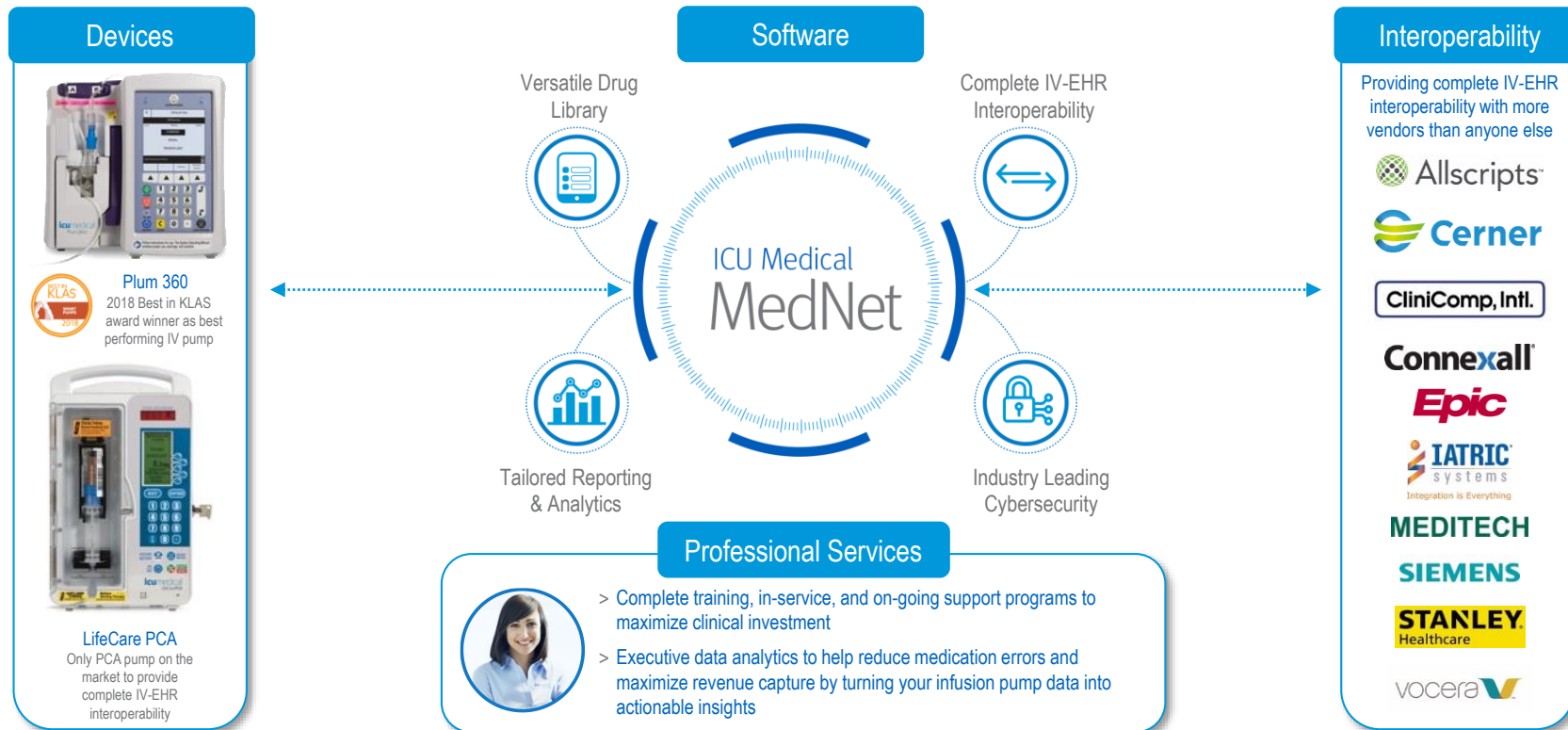
**Clave Technology**

More than Any Other Brand



# IV Systems

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



# IV Systems – External Validation of the Plum 360 Infusion System



## Theme

## Independent Body

## Status

Safety & Security



- Co-developed new Cybersecurity Standard with UL
- Plum 360 and MedNet – First and only IV system to meet new standard

Clinical Leaders



- Several new 2019 IV smart pump guidelines are unique to underlying Plum 360 technology

Hospitals (Customers)



- Plum 360 recognized by customers as the top IV smart pump for three consecutive years – 2018, 2019 and 2020

Technical

ECRI Institute

- Received a 5-star rating – highest ever for an IV pump and ahead of all competitive pumps



# Value Driver – Oncology



ICU Medical provides clinically preferred oncology products into markets with evolving regulatory guidelines

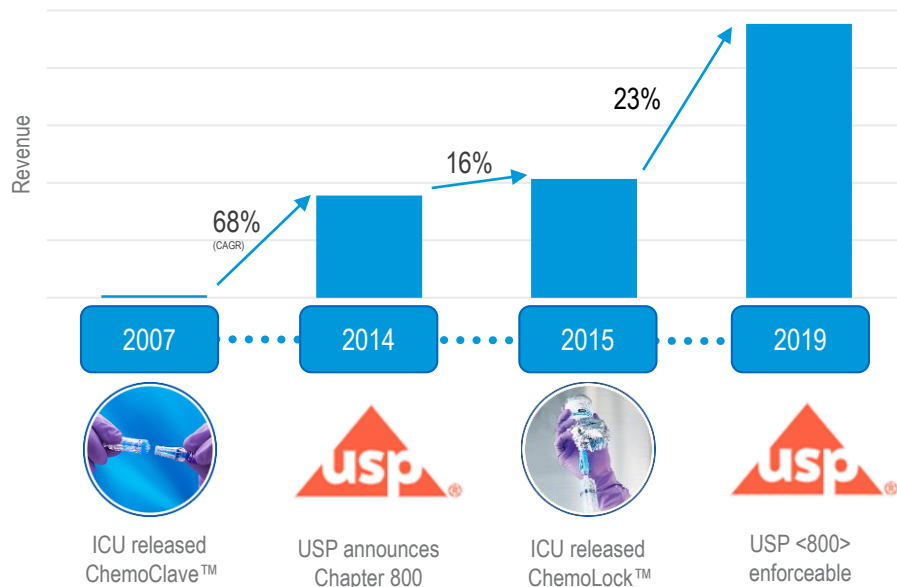
- > Closed System Transfer Devices (CSTD) ensure outside contaminants do not compromise drug sterility and hazardous vapors do not escape which can harm clinicians and patients.

ICU Medical's ChemoLock™ is the most clinically preferred CSTD

- > Easiest to use CSTD on the market with a simple Click-to-Lock design
- > Membrane-to-membrane connection ensures nothing gets in and nothing gets out

- > Regulations such as USP <800> have increased awareness of the dangers of hazardous drugs which has driven CSTD adoption.
- > USP <800> is expected to act as a global standard for hazardous drug delivery in the future.

ICU Medical Global Oncology Growth  
2007-2019



# Value Driver – Oncology



Only ICU Medical can provide a complete, next generation medication delivery solution for Pharmacy and Nursing

- > From Preparation to Administration, ICU Medical allows facilities to seamlessly integrate with Hospital EHRs which will optimize the process of Oncology medication delivery

The ICU Medical Value Proposition in Oncology



Enhance Safety



Improve Efficiency



Maximize Profitability

Pharmacy



**Future Innovation**  
Diana Compounding Workflow  
System

Market leading CSTD position leveraged to add value with “smart” pumps in Pharmacy and Nursing



**ChemoLock**  
*Preferred in Pharmacy*



**ChemoClave**  
*Preferred in Nursing*

Nursing



**Future Innovation**  
Integration with Infusion Pump

# Value Driver – Specialty Consumables



November 4, 2019

## ICU Medical, Inc. to Acquire Pursuit Vascular, Inc.

*Upfront purchase price is \$75 million with a potential earn-out payment in 2021*

The addition of Pursuit Vascular's ClearGuard HD is a natural extension of ICU Medical's needlefree IV connector and other infection control technologies, which together will provide best of breed solutions.



### ClearGuard™ HD Antimicrobial Barrier Caps

- > The first and only device that kills infection-causing bacteria inside a hemodialysis catheter to help prevent catheter contamination
- > Reduces central-line associated bloodstream infections by approximately 70% when compared to current products<sup>1,2</sup>

<sup>1</sup> Cluster-Randomized Trial of Devices to Prevent Catheter-Related Bloodstream Infection, Steven M. Brunelli, David B. Van Wyck, Levi Njord, Robert J. Ziebol, Laurie E. Lynch and Douglas P. Killion, JASN April 2018, 29 (4) 1336-1343; DOI: <https://doi.org/10.1681/ASN.2017080870>

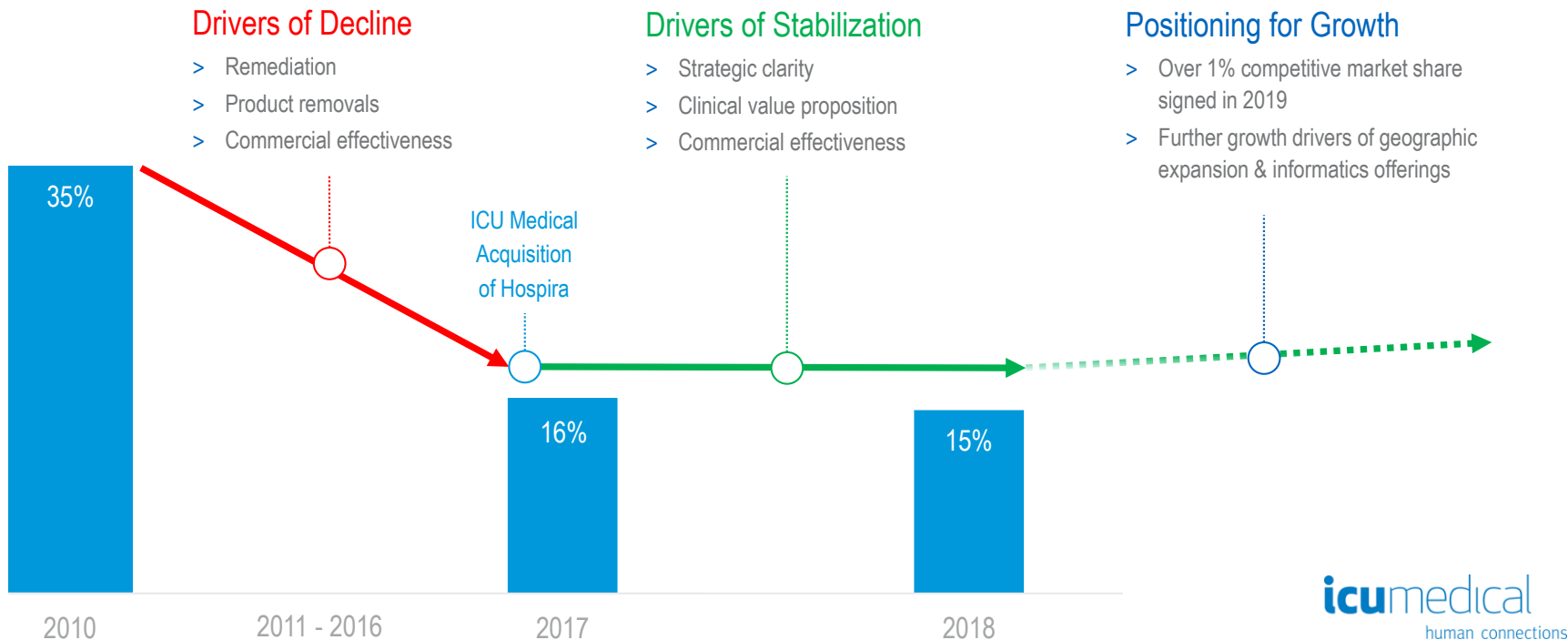
<sup>2</sup> Dialysis Catheter-Related Bloodstream Infections: A Cluster-Randomized Trial of the ClearGuard HD Antimicrobial Barrier Cap, Jeffrey L. Hymes, MD, Ann Mooney, MSN, RN, CNN, Carly Van Zandt, MS, Laurie Lynch, PhD, Robert Ziebol, BS, and Douglas Killion, MBA, Am J Kidney Dis. 2017;69(2):220-227

# Value Driver – LVP Stabilization / Growth\*



U.S. LVP market share has stabilized after 10+ years of consistent declines

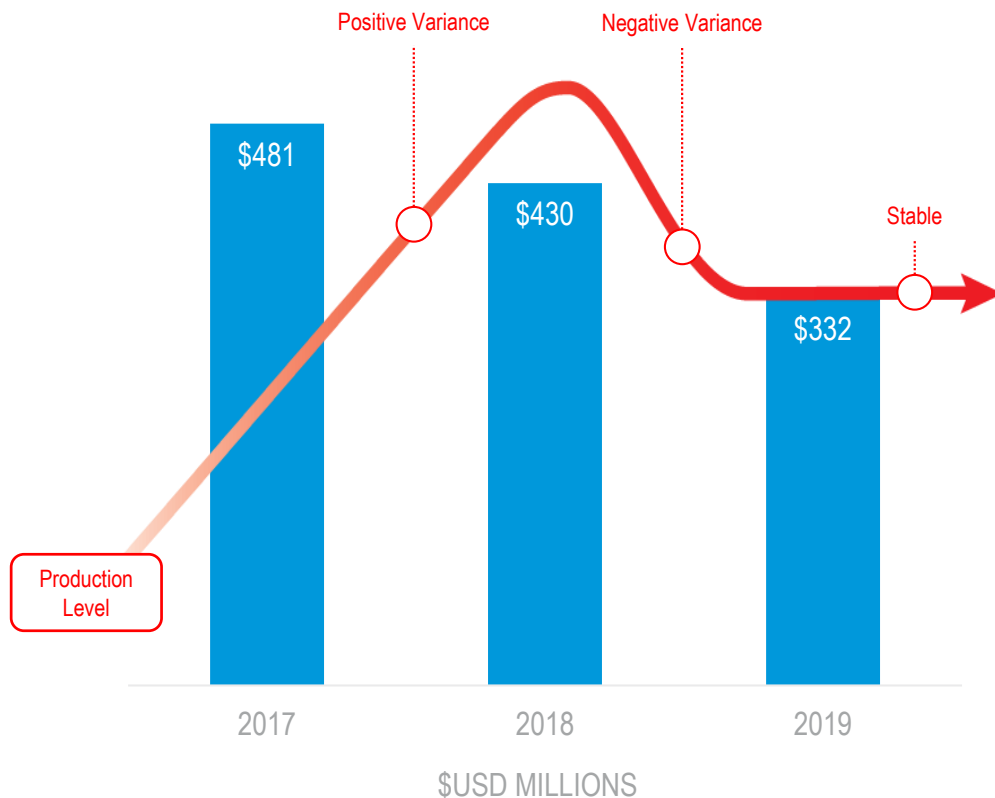
## ICU Share in U.S. LVP market %



\* Excludes ambulatory and PCA

# Value Driver – IV Solutions Stability

## Revenue vs Production



### 2019 Intervention

Overestimated demand – did not assume return to below pre-shortage levels

- > Adjusted production
- > Destroyed inventory
- > Addressed negative cost absorption
- > Absorbed Pfizer commitments

### Today we hold:

- > Highest quality customer book
- > More committed units under contract but at lower ASP
- > Lowest percentage ever of non-contracted business

Notes:

1.) IV Solutions revenue figures are presented on a Non-GAAP basis



# Value Driver – Standardizing IV Therapy Across the Continuum of Care



## 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

# Summary – Value Drivers



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## Management's view of value creation

- > Grow our differentiated businesses of IV consumables and LVP
- > Find stability in IV solutions
- > Optimize our supply chain cost base for revised view on IV solutions
- > Get back to strong FCF generation as integration fades
- > Deploy capital successfully

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