# Q4 2016 Conference Call Presentation
# Combined Company 2017 Guidance

March 1, 2017

# 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, 2016. 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.

# 2017 Combined Forecast

**2017 Combined Revenue* Guidance $1.2 billion - $1.25 billion**

## 2017 Combined Adjusted EBITDA/EPS Guidance

| 2016 ICU Reported Adjusted EBITDA | $134 million |
|---|---|
| **Plus** impact of normal ICU Medical direct growth and new customer wins – assumes 10% growth | ~ $13 million |
| **Plus** expected HIS adjusted EBITDA | $35-$40 million |
| **Minus** impact to ICU from additional HIS revenue decline | ~ $12 million |
| **Minus** impact of excess acquired inventory | ~ $5 million |
| FY 2017 Adjusted EBITDA guidance $165 million - $175 million | |
| Adjusted EPS $3.55 - $3.90 | |

* Excludes OEM contract manufacturing business of ~$50M and pre-close Hospira legacy performance from January 1, 2017 to February 2, 2017



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# 2018 Adjusted EBITDA Run Rate Goal

| | |
|---|---|
| 2017 Guidance Midpoint | $170 million |
| **Plus** Synergies started 2017, realized 2018 | ~ $30-$35 million |
| **Plus** Transition from TSA's/additional synergies started 2018 | ~ $35 million |
| **Plus** impact of normal ICU Medical direct growth and new customer wins | ~ $10 million |
| 2018 Adjusted EBITDA **Run Rate Goal** $250 million | |



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# 2017 Forecast GAAP – NON GAAP

In millions except per share data

| | Low End of Guidance | | High End of Guidance | |
|---|---|---|---|---|
| GAAP net income | $ | 59 | $ | 66 |
| | | | | |
| Non-GAAP adjustments: | | | | |
| Stock compensation expense | | 18 | | 18 |
| Depreciation and amortization expense | | 62 | | 62 |
| Provision for income taxes | | 26 | | 29 |
| Total non-GAAP adjustments | | 106 | | 109 |
| | | | | |
| Adjusted EBITDA | $ | 165 | $ | 175 |

| | | | | |
|---|---|---|---|---|
| GAAP diluted earnings per share | $ | 2.89 | $ | 3.24 |
| | | | | |
| Non-GAAP adjustments: | | | | |
| Stock compensation expense | | 0.86 | | 0.86 |
| Amortization expense | | 0.14 | | 0.14 |
| Estimated income tax impact from adjustments | | (0.34) | | (0.34) |
| Adjusted diluted earnings per share | $ | 3.55 | $ | 3.90 |



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# 2017 Reporting Framework Revenue and Gross Profit

| In $millions | Three Months Ended Mar 31, | | % Change | Twelve Months Ended Mar 31, | | % Change |
|---|---|---|---|---|---|---|
| | 2017 | 2016 | | 2017 | 2016 | |
| Net Sales GAAP | | | | | | |
| Contract manufacturing(1) | | | | | | |
| ICU intercompany sales to Hospira(2) | | | | | | |
| Net Sales Adjusted | | | | | | |
| Gross Profit GAAP | | | | | | |
| Contract manufacturing(1) | | | | | | |
| ICU intercompany sales to Hospira(2) | | | | | | |
| Inventory step up in value(3) | | | | | | |
| Gross Profit Adjusted | | | | | | |
| Gross Profit % of Sales | | | | | | |
| Gross Profit Adjusted % of Sales | | | | | | |

(1)Contract manufacturing to Pfizer at cost
(2)ICU sales to Hospira previously recognized as revenue but remained in Hospira inventory at time of close. Adjustment is to record revenue as if originally sold to end customer
(3)Hospira Inventory marked to market at time of purchase



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# 2016 Combined Revenue

| In $ millions, unaudited, pro forma combi | 2016 | | | | |
|---|---|---|---|---|---|
| | Q1 | Q2 | Q3 | Q4 | Total |
| Infusion Systems | 111.1 | 101.7 | 105.0 | 99.4 | 417.2 |
| Infusion Consumables(2) | 118.4 | 122.3 | 119.9 | 114.8 | 475.4 |
| IV Solutions | 116.1 | 121.8 | 113.8 | 116.3 | 468.0 |
| Critical Care | 13.0 | 13.2 | 14.0 | 13.4 | 53.6 |
| Total(1) | 358.6 | 359.0 | 352.7 | 343.9 | 1,414.2 |

(2)Excludes 114.5 ICU Sales to Hospira
(1)ICU legacy Infusion and Oncology included in Infusion Consumables

# What to expect in 2017

- 2017 will be a bumpy year, complex separation from PFE and integration into ICU, in particular for IT
  - *Significant stand up costs in separation from PFE, some will be duplicative to TSA costs as we prepare for exit*
- First few quarters unlikely to be sequentially predictive as local distribution decisions made, customer losses annualized. Certain OUS markets have delayed close
- Visible cash flow from the acquisition resulting in increasing bank balances will not show until sometime in 2018
- Likely very similar to ICU Medical recent history: once all actions have been taken and pieces are in place, returns could be generated quickly
- First FDA inspections under ICU ownership at legacy Hospira Infusion Systems facilities



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