2019 Interim Results

1 August 2019

ConvaTec

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Unless otherwise stated all stated financial metrics in this presentation are adjusted; for a full definition of the adjustments made please the slide ‘Reconciliation: 2019 adjustments’ in the Appendix.

Hosts & agenda

Rick Anderson
Executive Chairman

Frank Schulkes
Chief Financial Officer

David Shepherd
President AWC

1. Introduction – Rick Anderson
2. Financial and operational review – Frank Schulkes
3. Transformation update – Rick Anderson
4. US Wound update – David Shepherd
5. Summary and close – Rick Anderson
6. Q&A

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1. Introduction

Rick Anderson

Executive Chairman

Interim Results 2019 – Key Points

- Group organic revenue in H1 flat[1], +1.0% excluding the one-off rebate provision[2]
- Progress in Q2: Group organic growth 2.1%[1] with growth across all franchises
- Transformation Initiative on track:
  - — Annual gross benefit of $130 million – $150 million in 2021
  - — $14 million cost in first half
- Adjusted[3] H1 EBIT margin 18.6%
- Interim dividend of 1.717 cents maintained
- Leverage 2.6 times Net Debt/EBITDA[4], continued good cash generation: 89.8%[5] (2018: 75.2%[5])
- Guidance for the full year maintained

1. Organic growth presents period over period growth at constant exchange rates (“CER”), excluding M&A activities
2. One-off provision of $8.9 million taken in Q1 to revise the estimate of the distributor rebates accrual
3. Certain financial measures in this document, including adjusted results above, are not prepared in accordance with International Financial Reporting Standards ("IFRS"). All adjusted measures are reconciled to the most directly comparable measure prepared in accordance with IFRS in the Non-IFRS Financial Information
4. Last 12 months adjusted EBITDA of $458m
5. Cash conversion

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2. Financial and operational review

Frank Schulkes

Chief Financial Officer

Financial highlights

Performance in line with internal expectations

	H1 2019	H1 2018	Growth	Comments
Revenue	\$889m	\$921m	-3.5%	• FX -360 bps, rebate provision -100 bps, M&A +10bps • Organic[1] revenues flat
Gross margin[2]	58.6%	59.3%	-70 bps	• FX, rebate provision, flat operational • Net productivity benefits offset by negative price/mix
Opex[2] % revenue	40.0%	37.2%	+280 bps	• Investment in TI & MDR, regions, IT and commercial areas • Partially offset by cost control in other areas
EBIT[2] **EBIT margin[2]**	\$165m 18.6%	\$204m 22.1%	-18.8% -350 bps	• Investment driven decline, rebate provision, FX • Ex-TI/MDR margin 20.2%
EPS[2]	\$0.06	\$0.07		
Dividend per share (cents)	1.717	1.717		• Maintained
Cash conversion[2, 3]	89.8%	75.2%		• Continued strong cash conversion
Net Debt / EBITDA[2, 4]	2.6x	2.8x		• Leverage down, dividend paid

1 Organic growth is growth at constant exchange rates ("CER"), excluding M&A activities
2 Results are adjusted unless otherwise stated. A reconciliation of adjusted to reported results is provided on slides 32 & 33
3 Cash conversion (adjusted EBITDA – capex – net change in working capital / adjusted EBITDA). See slide 11
4 Last 12 months adjusted EBITDA of \$458 million (2018: \$518 million)

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Revenue performance

Q2 - good organic growth

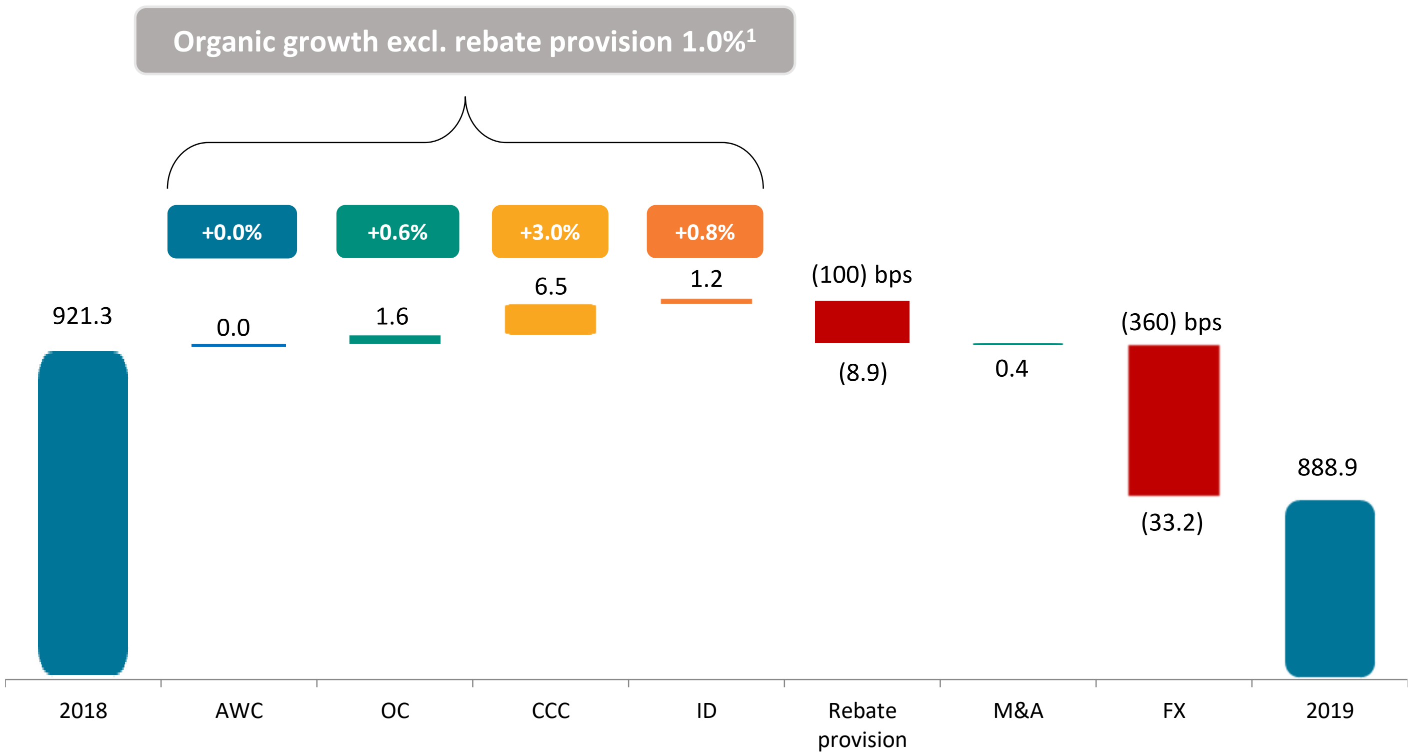
Advanced Wound Care
+3.3%[1]

Ostomy Care
+0.3%[1]

Continence & Critical Care
+2.8%[1]

Infusion Devices
+1.9%[1]

H1 2018 – H1 2019 revenue bridge



- Reported revenue declined 3.5%. Flat[1] on an organic basis
- $33 million currency headwind

1 Organic growth is growth at constant exchange rates ("CER"), excluding M&A activities.

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H1 2019: franchise performance

Advanced Wound Care

H1 19 (1.8)%[1]
Q2 19 +3.3%[1]

- Q2 organic growth +3.3%[1], H1 flat[1] ex. rebate provision
- AQUACEL™ Foam and Silver growth offset by legacy products
- US - completed our move to a new salesforce model, positive lead indictors
- Avelle™ disposable NPWT[2] and AQUACEL™Ag Advantage launched in US
- Good performance in APAC and EMEA markets - UK market still challenging

Ostomy Care

H1 19 (0.2)%[1]
Q2 19 +0.3%[1]

- Q2 organic growth +0.3%[1], H1 +0.6%[1] ex. rebate provision
- Continued traction with more recent product launches: Esteem +™ Flex Convex, Natura™ Accordion
- Good performance in Q2 in a number of markets in EMEA, LatAm

1 Organic growth is growth at constant exchange rates ("CER"), excluding M&A activities
2 NPWT = Negative Pressure Wound Therapy

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H1 2019: franchise performance

Continence & Critical Care

H1 19 +2.3%[1]
Q2 19 +2.8%[1]

- Q2 +2.8%[1] organic growth, H1 +3.0%[1] ex. rebate provision
- HDG remains growth driver
- Scaling up launch activity for next generation female catheter in Europe

Infusion Devices

H1 19 +0.8%[1]
Q2 19 +1.9%[1]

- Strong level of orders from customers, Q2 +1.9%[1] organic growth, H1 +0.8%[1]
- Good underlying demand in insulin pump market
- Animas patient migration to impact revenues in FY 2019

1 Organic growth is growth at constant exchange rates ("CER"), excluding M&A activities

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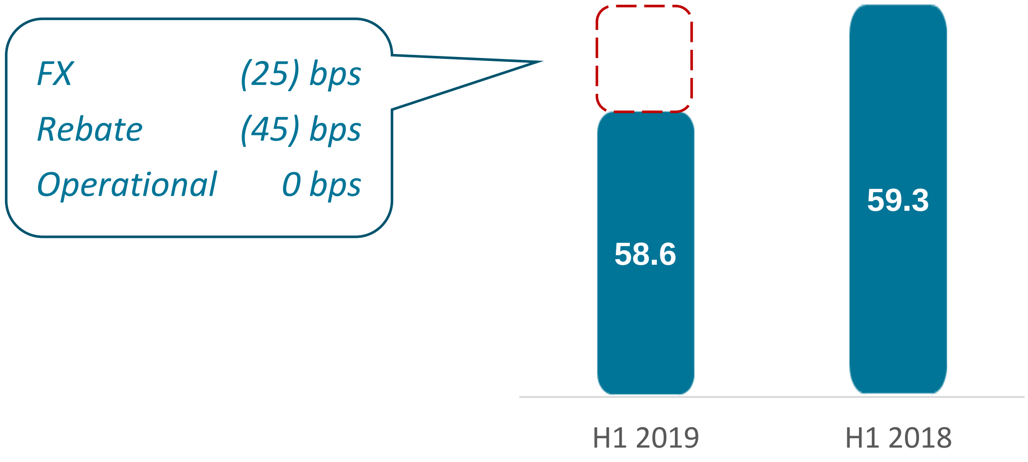
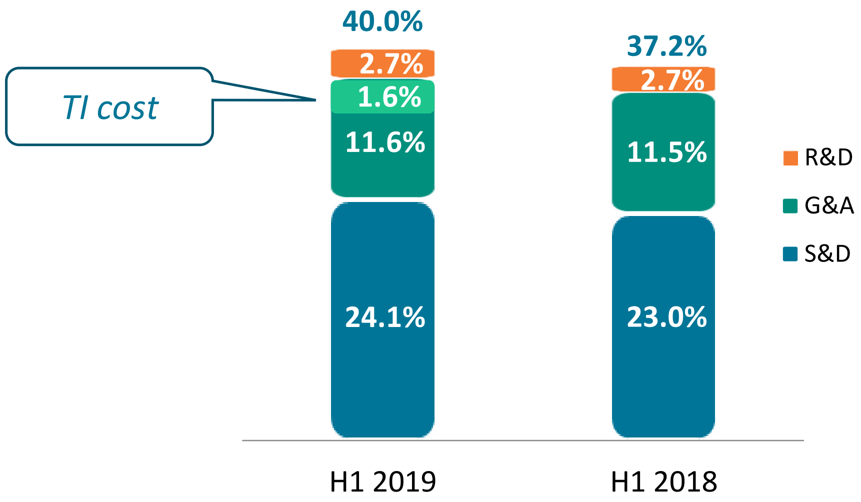
Margin and cost overview

H1 gross margin[1] rate %



H1 opex[1] % of revenue



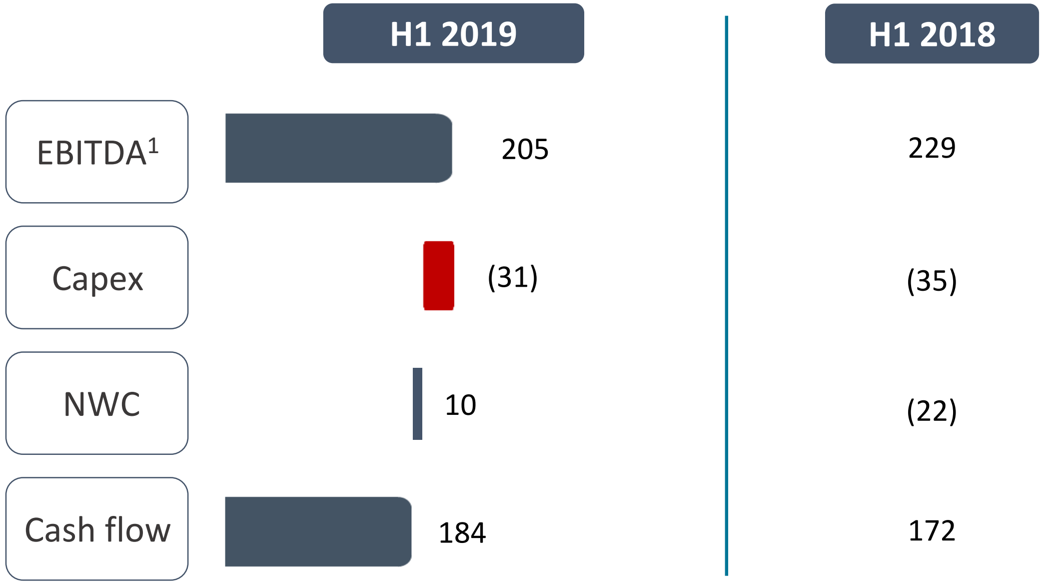
- Efficiency programmes delivered net positive productivity
- Offset by negative price/mix

- TI investment $13.7 million – largely in G&A
- Increased commercial investment to support:
  - regional growth
  - commercial capability; AWC US
- MDR: $1.4 million

1 Results are adjusted unless otherwise stated. A reconciliation of reported to adjusted results is provided on slides 32 & 33

Good cash conversion and reduced leverage

Adjusted Cash Flow ($m)



89.8% adjusted cash conversion (H1 2018: 75.2%)

Net Debt

	30 Jun 2019 ($m)	31 Dec 2018 ($m)	30 Jun 2018 ($m)
Long-term borrowings[2]	(1,588)	(1,621)	(1,779)
Cash and cash equivalents	376	316	339
Net Debt	*(1,212)*	*(1,305)*	*(1,440)*
Net Debt / EBITDA[1,3] (x)	2.6	2.7	2.8

Targeting 2x net debt/adjusted EBITDA in the medium[4] term

1 Results are adjusted unless otherwise stated. A reconciliation of reported to adjusted results is provided on slides 32 & 33
2 Carrying value of total interest bearing liabilities excluding finance lease obligations
3 Last 12 months transformation adjusted EBITDA is $458 million (2018: $518 million)
4 Medium term is 3 years

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2019 Guidance maintained

Organic revenue growth 1.0% to 2.5%[1]

Guidance assumptions

Includes negative impact of one-off rebate provision in Q1 (c.-50bps)

Assume price erosion for FY 2019 in line with 1.0% to 1.5% estimate

H2 comparators will provide uplift in Group growth

Adj. EBIT margin 18% to 20%

Guidance assumptions

Negative impact of one-off rebate provision in Q1 (c. -40 bps)

c.$26 million Transformation Initiative and c.$8 million MDR[3] cost expected in H2

Expect FY positive net productivity from operational excellence

Excluding non-recurring transformation costs and MDR, FY 2019 Adj. EBIT margin expected to be 21.0% to 22.5%

1 Organic growth is growth at constant exchange rates ("CER"), excluding M&A activities
2 EU Medical Device Regulations

3. Transformation update

Rick Anderson

Executive Chairman

Recap: Pivot to Growth

SIMPLIFY

INNOVATE

SEGMENT

INVEST

Recap: Transformation Initiative

Commercial Excellence	Operational Excellence	Business Services Transformation	Portfolio Optimisation

3 year investment programme	$150 million investment	
	Capex $45 million	Operational cost $105 million
Payback	2 - 3 years	
Ongoing costs[1]	$50 million p.a. by 2021	

Benefits

Higher revenue growth
More profitable revenue
Lower cost base

1. Additional annual costs of $50 million in 2021 will build from expected costs of approx. $15 million in FY 2019

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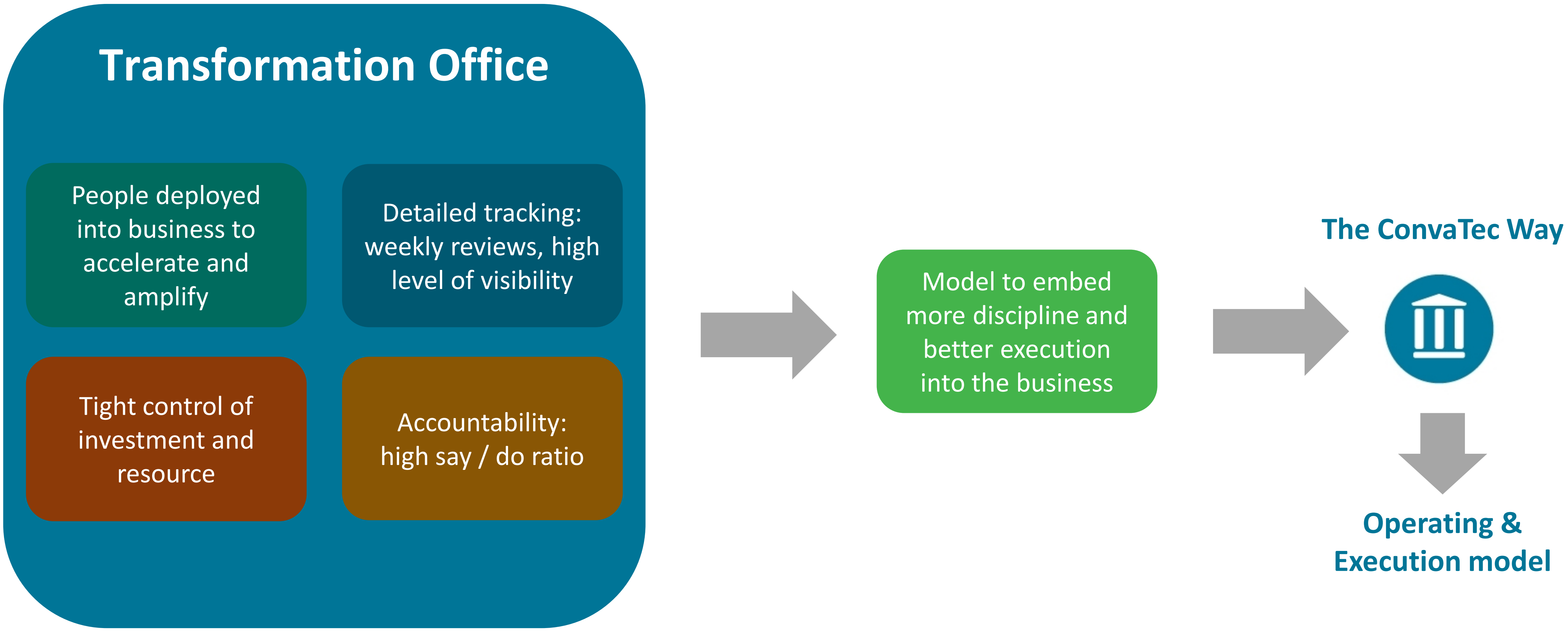
Transformation office established – embedding our new execution model



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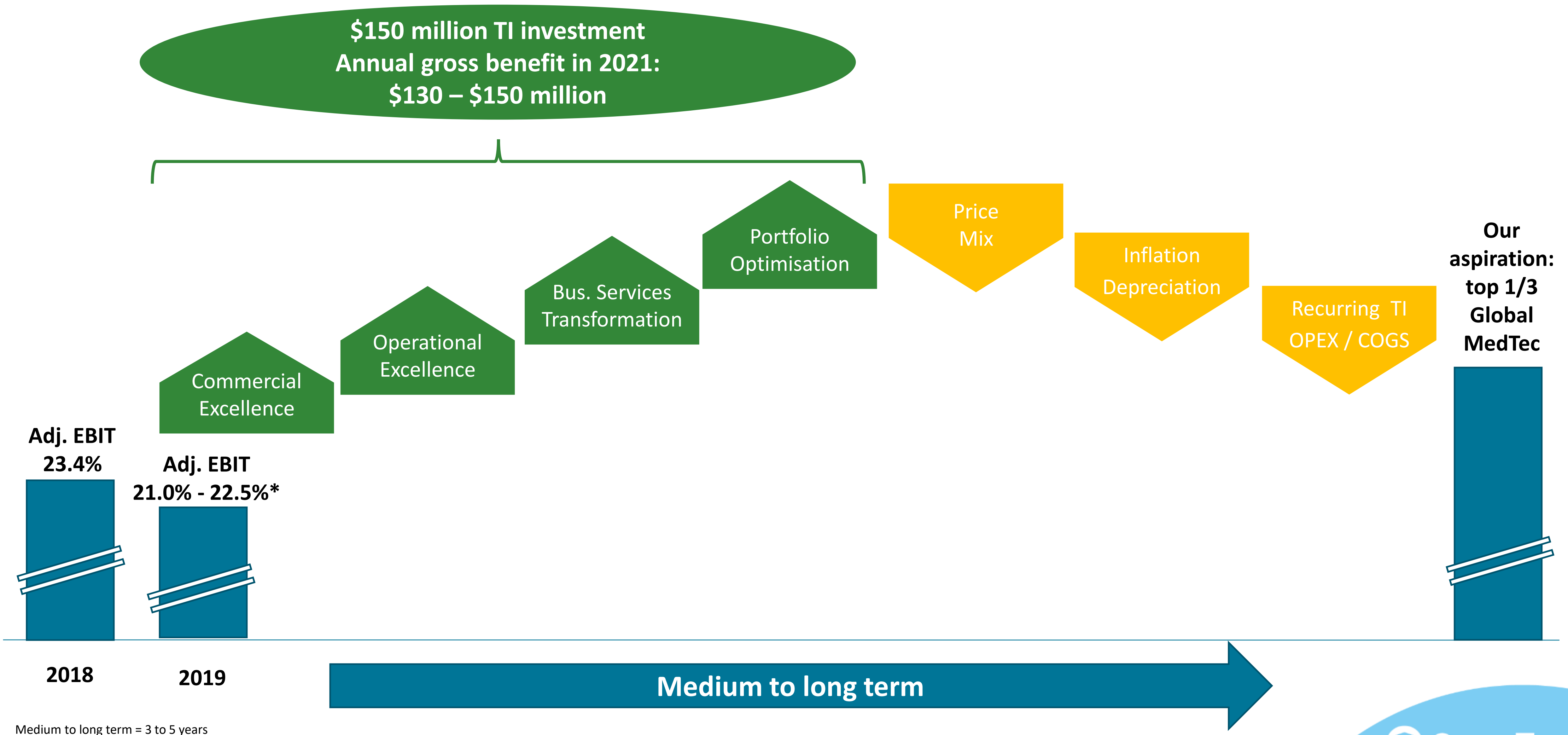
Transformation Initiative – progress in first six months

Commercial Excellence	• Completed significant US AWC salesforce restructuring & expansion • Improved pricing discipline
Operational Excellence	• Delivered net positive productivity
Business Services Transformation	• Scoped pilot initiatives and moved to detailed design
Portfolio Optimisation	• Continued identification of portfolio rationalisation opportunities

Attractive return on our investment plans



Medium to long term = 3 to 5 years
* Excluding TI & MDR spend

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4. US Wound update

David Shepherd

President Advanced Wound Care

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Introduction

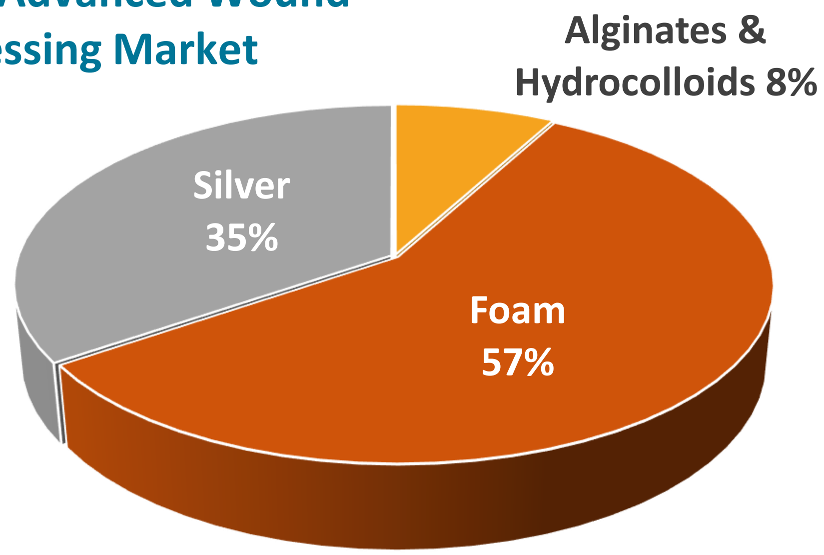
- Joined ConvaTec in November 2018
- 26 years at Johnson and Johnson - variety of sales, marketing, strategic and general management roles – all within Medical Devices
  - Area Vice President, Southern EMEA with responsibility for all the J&J Medical Devices business in Southern Europe.
  - US President for Cardiovascular and Speciality Services
  - Worldwide President for Biosense Webster (CA)
- J&J Woundcare experience in sales, marketing and general management

US Advanced Wound Care

- US is 30% of Advanced Wound Care revenue
- Previously too focused on:
  - acute vs. chronic in terms of segment
  - Surgical Cover Dressing in terms of product

- Not enough commercial discipline
- Insufficient drive of in-market demand
- Our growth has been significantly below the market

US Advanced Wound Dressing Market



$842 million market

Mid-single digit growth

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#2 acute
#4 post acute

Overview of strategy for acceleration: progress update

Priority	Actions	Progress
1. Improve focus on top accounts	• Focus on top accounts for acute & chronic sales teams • Weekly tracking of field activities	>20% improvement in call rates in Q2 across salesforce
2. Expand and remodel salesforce	• Q1 - built Specialty focussed US sales teams • Clear targeting, segmentation and call planning	Completed salesforce expansion
3. Enhance training	• New "Pacesetter" training programme • Training team FTEs increased	100% of new starters through the program
4. Drive contract and pricing excellence	• Better pricing discipline • Identifying additional pricing opportunities	Revenue and margin opportunity
5. Execute on key priorities	• Capitalise on clinically differentiated products	Good traction with AQUACEL Ag Advantage

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Summary of progress to date

Seeing positive lead indicators as new model settles down

Accelerating call activity

Rigorous tracking of activity and accountability

Sales pipeline identified and validated – still lots of opportunity

On track with our plan – focused on driving momentum

5. Summary & close

Rick Anderson

Executive Chairman

Summary and outlook

Improving trend in Q2 - expect continued progress in H2

Transformation - on track, spend H2 weighted

Full year guidance maintained

Q&A

Appendix

Revenues by geography

	H1 2019 reported ($m)	H1 2018 reported ($m)	Reported growth	Organic growth[1]	Organic growth[1] ex rebate[2]
EMEA	358.1	378.3	(5.3)%	+1.5%	+1.5%
Americas	462.3	475.1	(2.7)%	(1.9)%	(0.1)%
APAC	68.5	67.9	+0.9%	+5.6%	+5.6%
Group	888.9	921.3	(3.5)%	0.0%	+1.0%

1 Organic growth presents year on year growth at constant exchange rates ("CER"), excluding M&A activities
2 Excluding one-off provision of $8.9 million taken in Q1 to revise the estimate of the distributor rebates accrual

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Quarterly revenue performance

Quarterly reported revenues by franchise

$m	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1	2019 Q2
AWC	147.1	142.9	146.8	150.7	129.7	141.7
OC	128.0	138.0	131.4	135.9	119.6	132.6
CCC	108.4	111.7	107.5	115.4	108.4	113.0
ID	74.7	70.5	66.5	56.6	72.9	71.0
Group	**458.2**	**463.1**	**452.2**	**458.6**	**430.6**	**458.3**

Organic growth rate by franchise[1]

%	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1	2019 Q2
AWC	2.2	(0.2)	0.8	(1.8)	(6.8)	3.3
OC	(2.5)	0.3	1.5	(1.5)	(0.8)	0.3
CCC	5.6	5.9	1.4	3.9	1.8	2.8
ID	16.3	2.7	(3.7)	(24.9)	(0.2)	1.9
Group	**3.7**	**1.7**	**0.4**	**(4.0)**	**(2.0)**	**2.1**

1 Organic growth presents year on year growth at constant exchange rates, excluding M&A activities

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Quarterly revenue performance

Quarterly reported revenues by region

$m	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1	2019 Q2
Americas	234.3	240.8	231.9	238.3	220.9	241.4
EMEA	192.2	186.1	184.6	184.5	176.9	181.2
APAC	31.7	36.2	35.7	35.8	32.8	35.7
Group	**458.2**	**463.1**	**452.2**	**458.6**	**430.6**	**458.3**

Organic growth rate by region[1]

%	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1	2019 Q2
Americas	8.1	4.8	(1.1)	(6.0)	(5.0)	1.1
EMEA	(0.9)	(2.1)	1.3	(3.5)	(0.2)	3.3
APAC	0.3	1.8	5.5	7.3	8.9	2.8
Group	**3.7**	**1.7**	**0.4**	**(4.0)**	**(2.0)**	**2.1**

[1] Organic growth presents year on year growth at constant exchange rates, excluding M&A activities

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FX rates

	H1 2019 Average	H1 2018 Average
EUR/USD	1.13	1.21
GBP/USD	1.29	1.38
DKK/USD	0.15	0.16

	H1 2019 Closing	H1 2018 Closing
EUR/USD	1.14	1.17
GBP/USD	1.27	1.32
DKK/USD	0.15	0.16

Reconciliation reported earnings to adjusted earnings

Six months ended June 2019

Six months ended 30 June 2019	Revenue $m	Gross profit $m	Operating costs $m	**Operating profit $m**	Finance costs $m	Other expenses, net $m	**PBT $m**	Taxation $m	**Net profit $m**
Reported	**888.9**	**459.2**	**(365.6)**	**93.6**	**(32.1)**	**(0.2)**	**61.3**	**(16.8)**	**44.5**
Amortisation of pre-2018 acquisition intangibles	—	61.7	8.5	**70.2**	**—**	**—**	**70.2**	(5.1)	**65.1**
Restructuring and other related costs	—	—	1.4	**1.4**	—	—	**1.4**	—	**1.4**
Total adjustments and their tax effect	—	61.7	9.9	**71.6**	—	—	**71.6**	(5.1)	**66.5**
Adjusted	**888.9**	**520.9**	**(355.7)**	**165.2**	**(32.1)**	**(0.2)**	**132.9**	**(21.9)**	**111.0**

Software and R&D amortisation	**4.7**
Post-2018 acquisition amortisation	**0.5**
Depreciation	**28.2**
Post-IPO share-based payment compensation	**6.1**
Adjusted EBITDA	**204.7**

Restructuring and other related costs were $1.4 million, pre-tax, in the six months to 30 June 2019 and related to the transition of the head office support functions from the US to the UK and restructuring of geographical sales teams. These programmes are considered substantially complete.

Reconciliation reported earnings to adjusted earnings

Six months ended June 2018

Six months ended 30 June 2018	Revenue $m	Gross profit $m	Operating costs $m	**Operating profit $m**	Finance costs $m	Other expenses, net $m	**PBT $m**	Taxation $m	**Net profit $m**
Reported	921.3	480.4	(358.4)	**122.0**	(32.9)	(0.6)	**88.5**	16.1	**104.6**
Amortisation of pre-2018 acquisition intangibles	—	63.3	8.6	**71.9**	—	—	**71.9**	(6.4)	**65.5**
Impairments/write-offs	—	0.3	0.1	**0.4**	—	—	**0.4**	—	**0.4**
Restructuring and other related costs	—	2.6	2.4	**5.0**	—	(1.9)	**3.1**	(0.1)	**3.0**
Pre-IPO share-based payment expense and related costs	—	—	4.2	**4.2**	—	—	**4.2**	—	**4.2**
Total adjustments and their tax effect	—	66.2	15.3	**81.5**	—	(1.9)	**79.6**	(6.5)	**73.1**
Other discrete tax items	—	—	—	**—**	—	—	**—**	(33.4)	**(33.4)**
Adjusted	921.3	546.6	(343.1)	**203.5**	(32.9)	(2.5)	**168.1**	(23.8)	**144.3**

Software and R&D amortisation	**4.4**
Post-2018 acquisition amortisation	**0.3**
Depreciation	**18.1**
Post-IPO share-based payment compensation	**2.9**
Adjusted EBITDA	**229.2**

Restructuring and other related costs were $3.1 million, pre-tax, in 2018 and related to three significant restructuring programmes including:

- $5.0 million in relation to the transition of the head office support functions from the US to the UK and restructuring of geographical sales teams.
- offset by gain on sale of asset $1.9 million relating to the divestment of Symbius in 2018.

The impairment/write-off charge of $0.4 million relates to the final write-off of certain manufacturing fixed assets following the closure of the Greensboro site in 2017.

Other discrete items principally represent tax benefits of $30.6 million in respect of previously unrecognised deferred tax assets arising from the US Tax Cuts and Jobs Act.

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Technical guidance

Tax

- Effective tax rate c.16.5%

Foreign exchange impacts

- Approx. movement of US dollar on revenue and EBIT, $US weakens 1%:

Currency	Revenue	Adjusted EBIT
EUR/DKK	*~$5 million*	*~$2 million*
GBP	*~$2 million*	*~($1) million*

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