

Pivoting to sustainable & profitable growth

Interim results ended 30 June 2022

4 August 2022

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Hosts



Karim Bitar
Chief Executive Officer



Jonny Mason
Chief Financial Officer

Pivoting to sustainable & profitable growth

Strong organic revenue growth

Stable profit despite inflation & investment

Strengthening competitive position

On track to deliver full year guidance

Financial review

Good financial performance

Constant Currency Revenue Growth

+8.0¹%

Revenue \$1,045m
(H1 2021: \$1,008m)

Organic Revenue Growth

+6.4²%

(H1 2021: 7.4%)

Adjusted EBIT Margin

19.6%

Adjusted EBIT of \$204m
(H1 2021: \$204m @ 20.3%)

Adjusted PBT

\$174m

(H1 2021: \$181m)

Adjusted FCF Pre Tax

\$99m

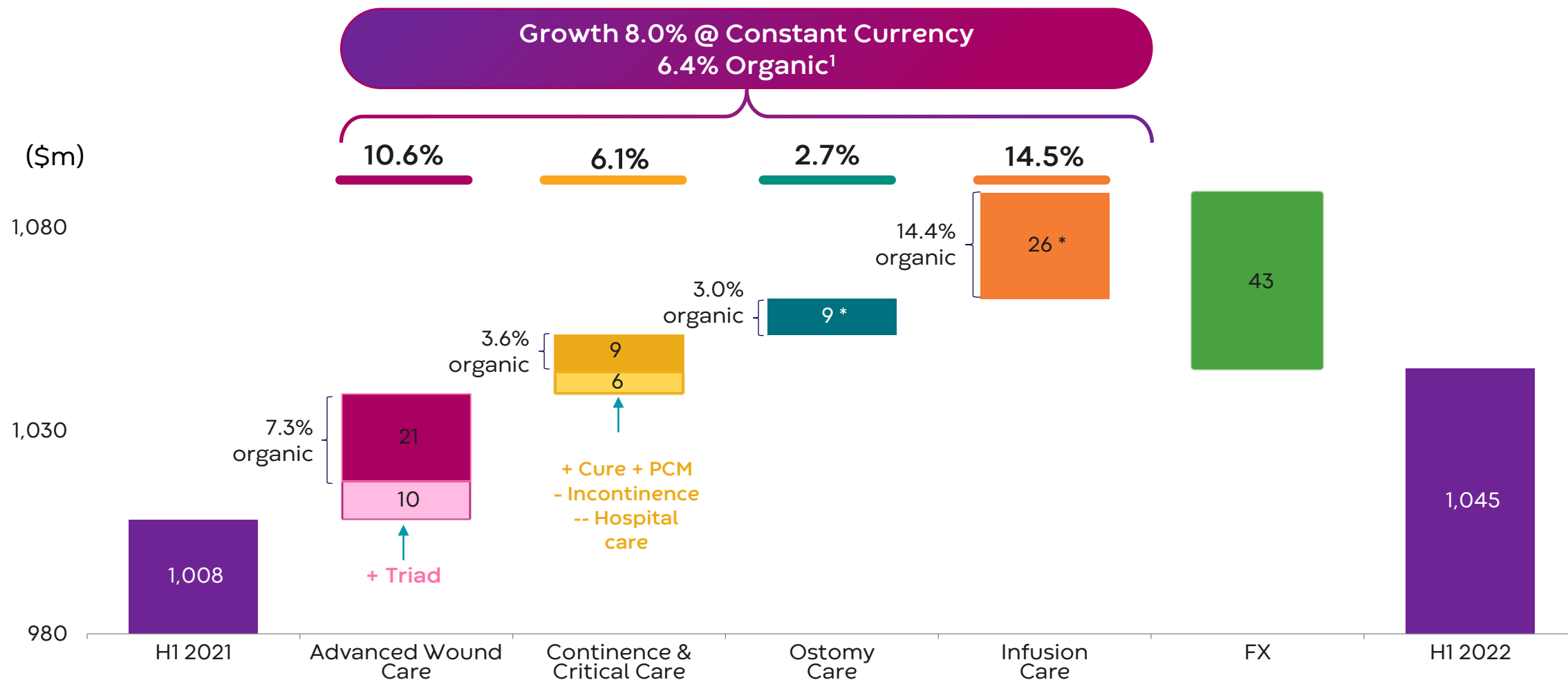
(H1 2021: \$142m)

Leverage

2.3x

Net Debt / Adjusted EBITDA
(FY 2021: 1.9x)

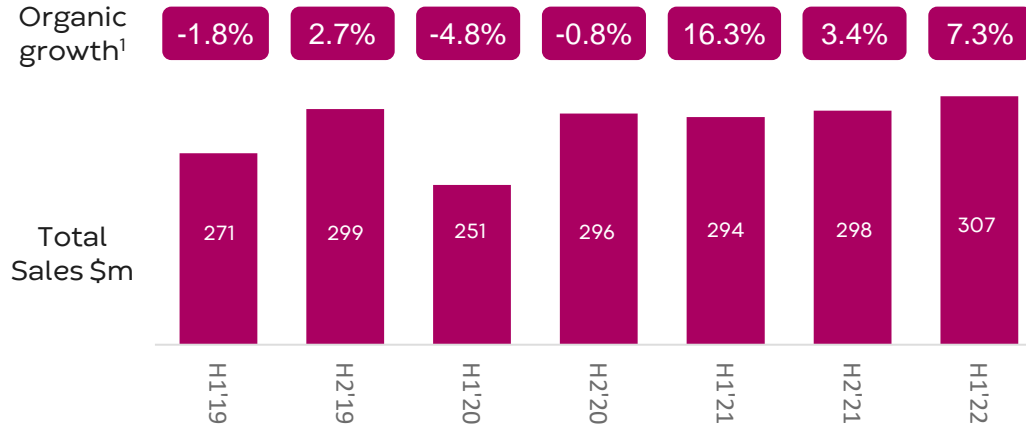
Strong revenue growth partially offset by FX



AWC: Strong growth enhanced by Triad

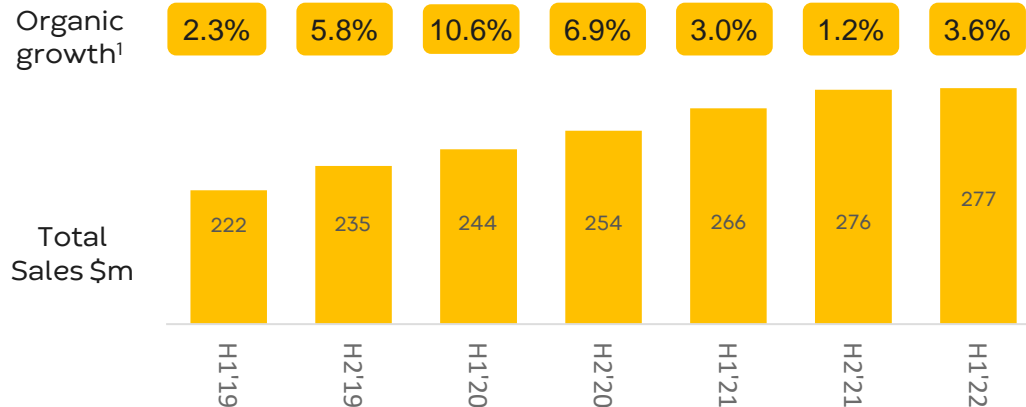
CCC: Good growth

Advanced Wound Care



- Organic growth in GEM and Europe more than offset North American decline
- Strong performance enhanced by the acquisition of Triad
- Total CC growth 10.6%

Continence & Critical Care

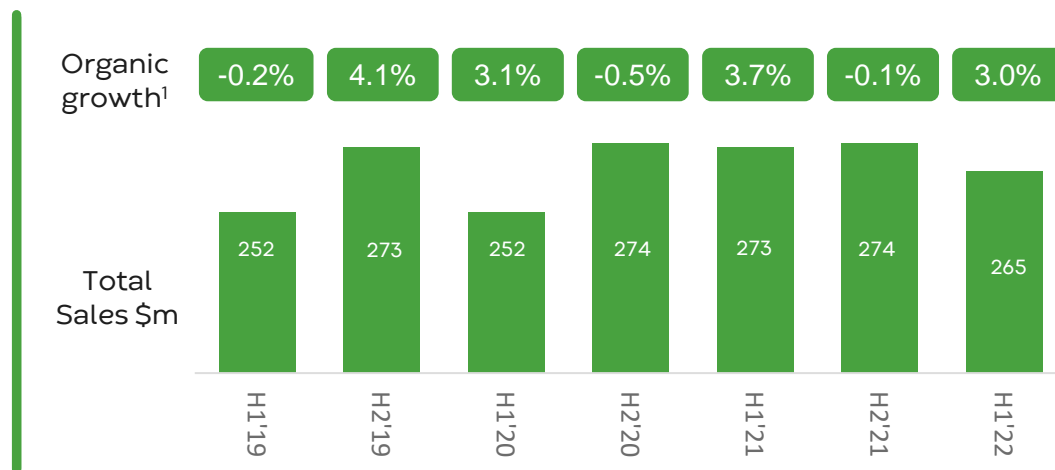


- Good operating performance with:
 - Contience Care up 4.3% organically
 - Critical Care up 1.8% organically
- Supported by contributions from Cure Medical and PCM acquisitions, partially offset by the incontinence disposal and hospital care exit

OC: Solid growth

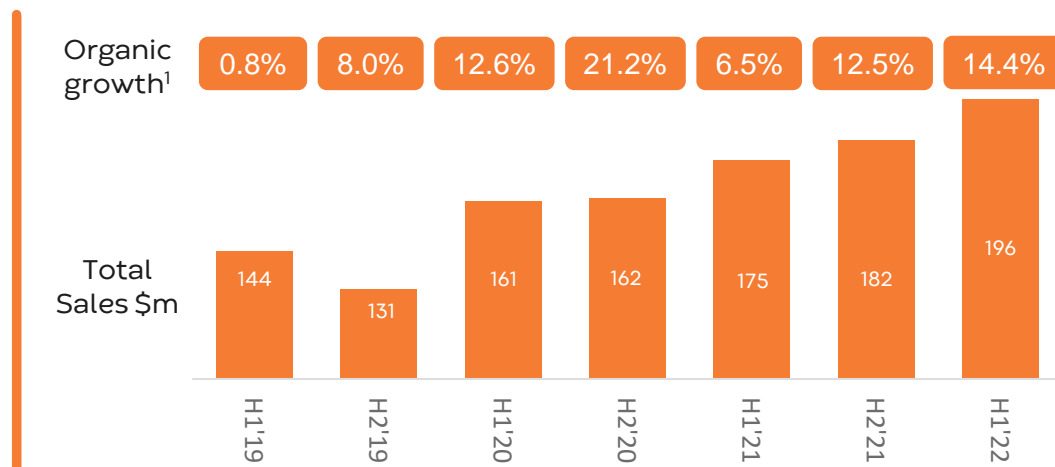
IC: Very strong growth

Ostomy Care



- Strong growth in GEM and good performance in Europe
- North America - performance impacted by continued SKU rationalization (80bps), but HSG gaining traction
- Revenue from ConvaTec products up 4.3% at constant currency

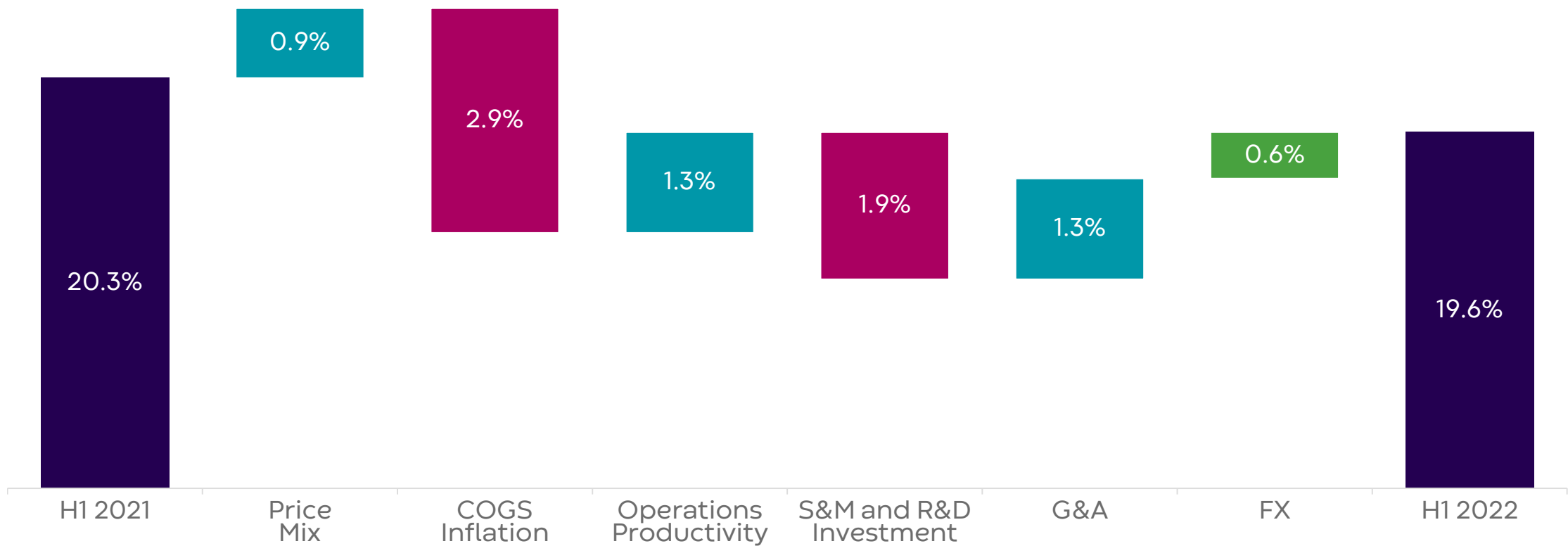
Infusion Care



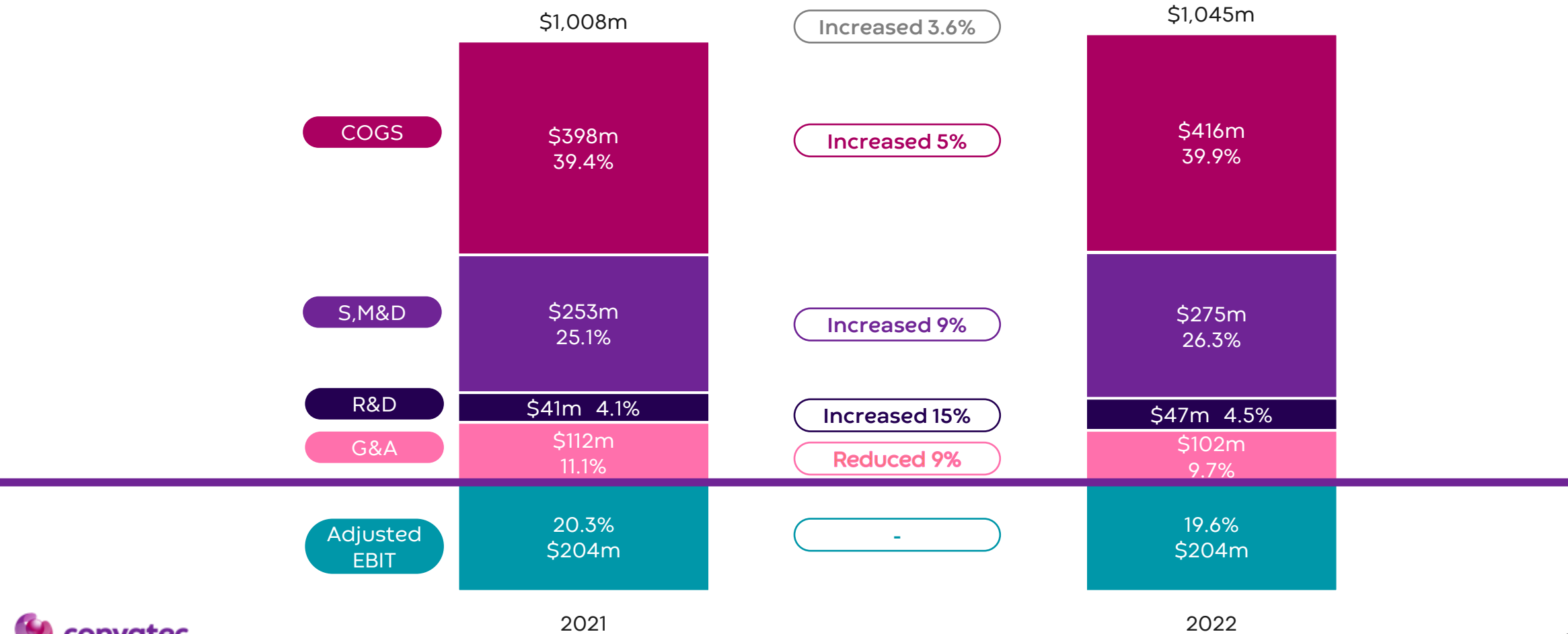
- Strong growth in automated insulin delivery segment
- Supported by very favourable order phasing
- Strong growth in non-diabetes, off a small base

Strong operating performance largely offset inflation headwinds & investment

Adjusted EBIT margin movement



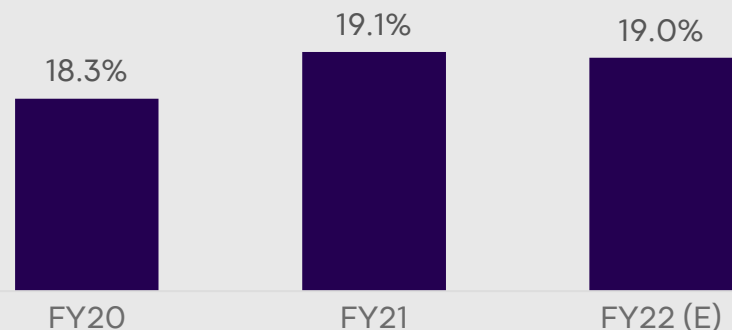
Adjusted EBIT - stable despite inflation & continued investments



Cash tax rate flat, book tax rate and accounting adjustments impacting EPS

Tax rates

Cash tax



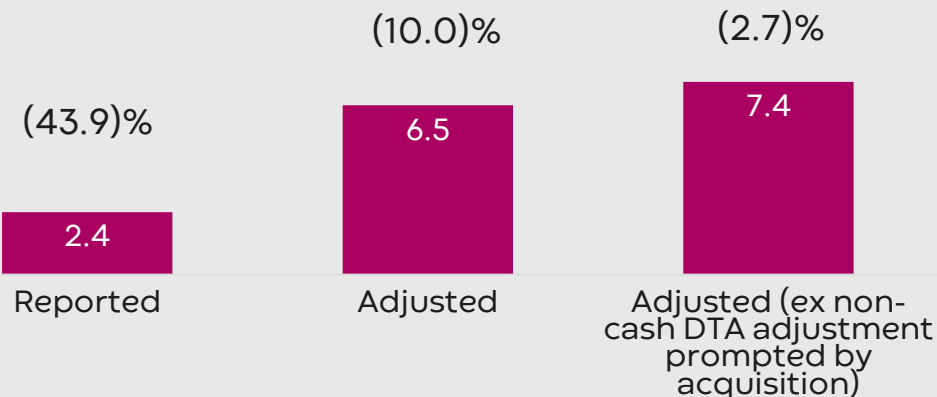
Book tax - ETR



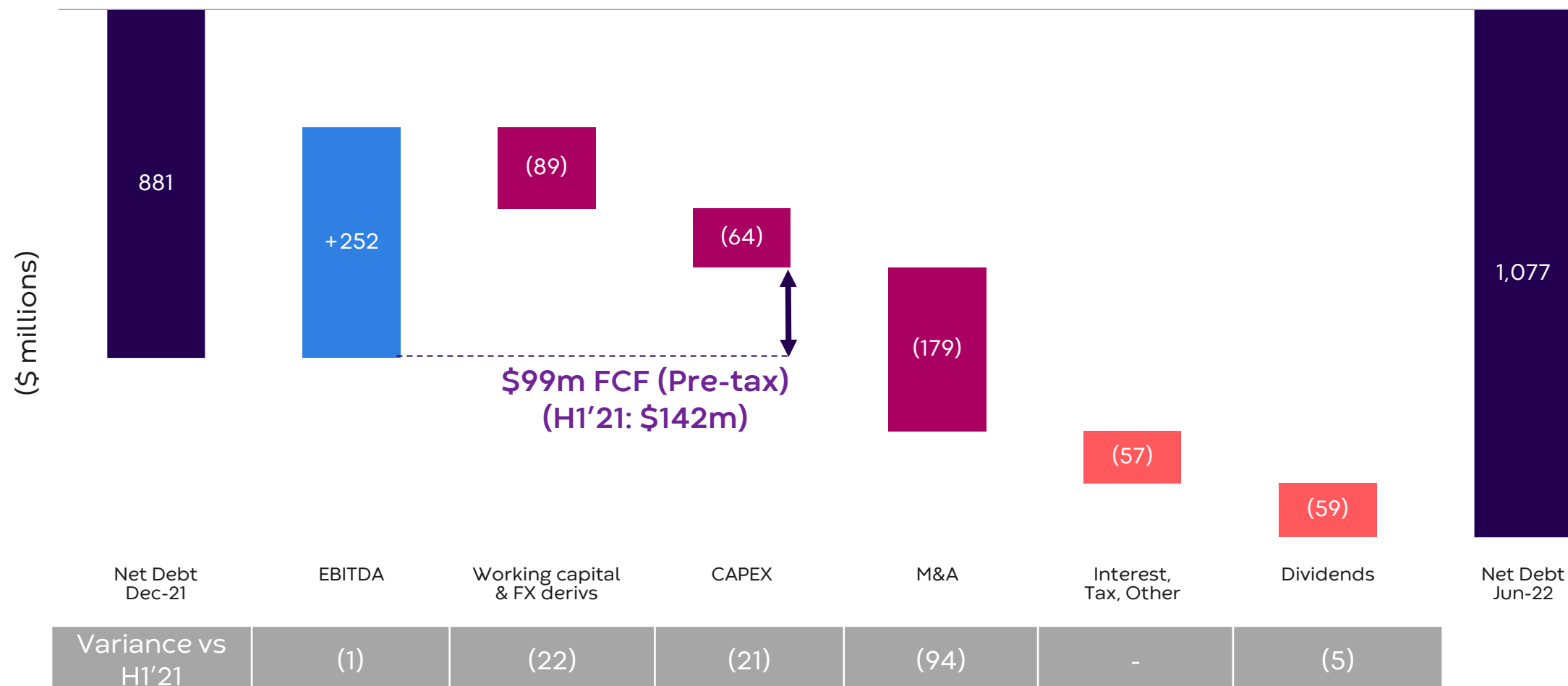
Adjustments to reported profit

(\$m)	2021	2022
Amortisation	66	67
M&A	2	21
Restructure	2	40
Tax	(9)	(45)

Diluted EPS (cents)



Strong cash generation and investing for future growth

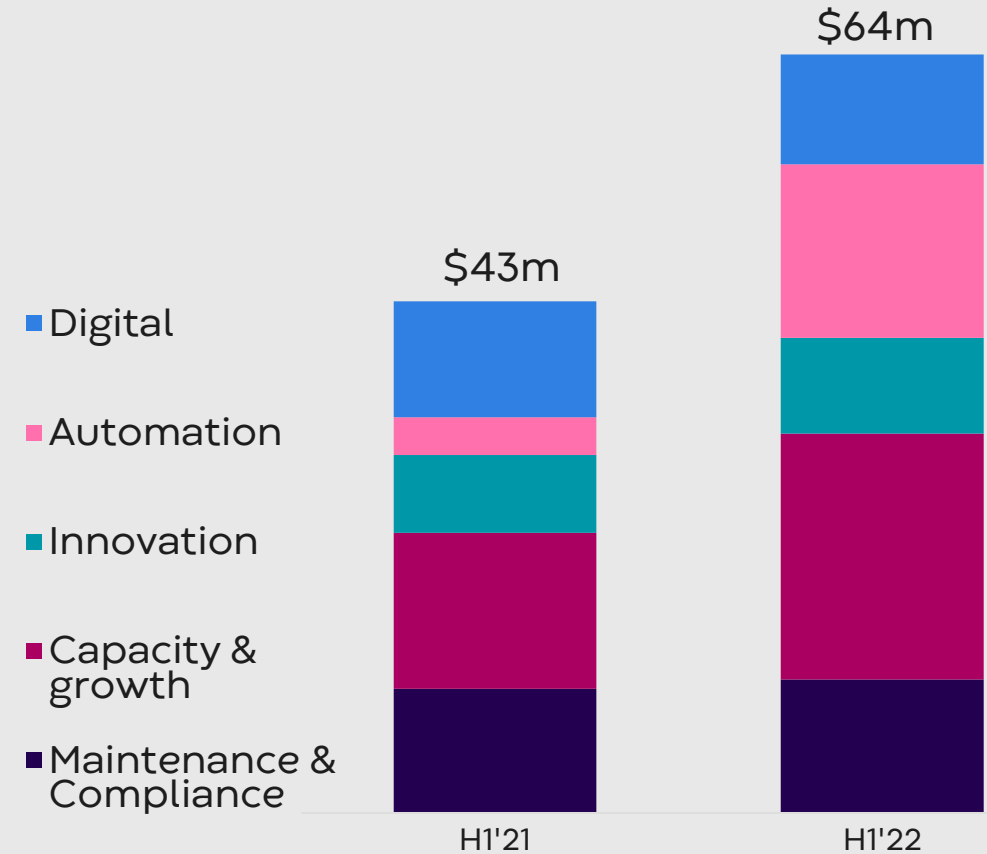


Capex investment to drive future growth

Capex over time



H1 Capex

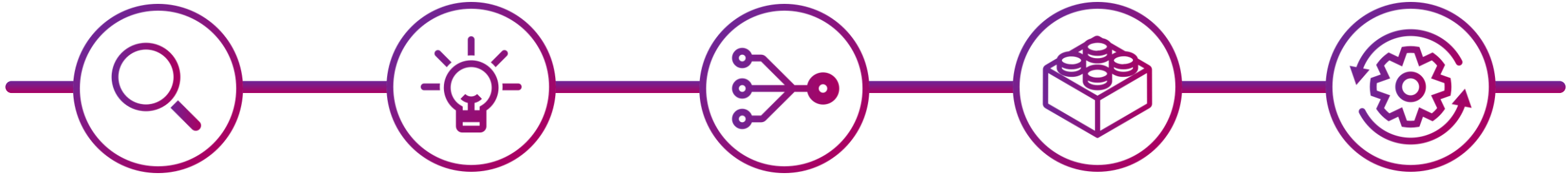


2022 Guidance

	H1 2022	FY Guidance	Rationale
Organic Revenue Growth	6.4%	4.0-5.5%	<ul style="list-style-type: none">- IC: H2 slower with FY slightly ahead of market- Some light headwinds in AWC, CCC and OC
Adjusted EBIT Margin	19.6% 19.0% @CC	>18.0% @CC	<ul style="list-style-type: none">- Flatter H1:H2 phasing than '21 because:<ul style="list-style-type: none">- COGS inflation impact lagged (FY 8-9%)- Operating costs flatter than 2021
Other	<ul style="list-style-type: none">• Adjusted interest expense of approximately \$50-55m• Adjusted cash tax rate unchanged at ~19%; Book rate increased to ~25%• Capex \$100-120m		

Strategic update

Strengthening Convatec's competitive position



Focus

on our key markets
and categories

Innovate

in our work and
trusted solutions

Simplify

our organisation

Build

"mission-critical"
capabilities

Execute

with excellence

H1 progress

Strengthening
through acquisitions
& exits

Launching new
products

Initiatives
beginning to
deliver

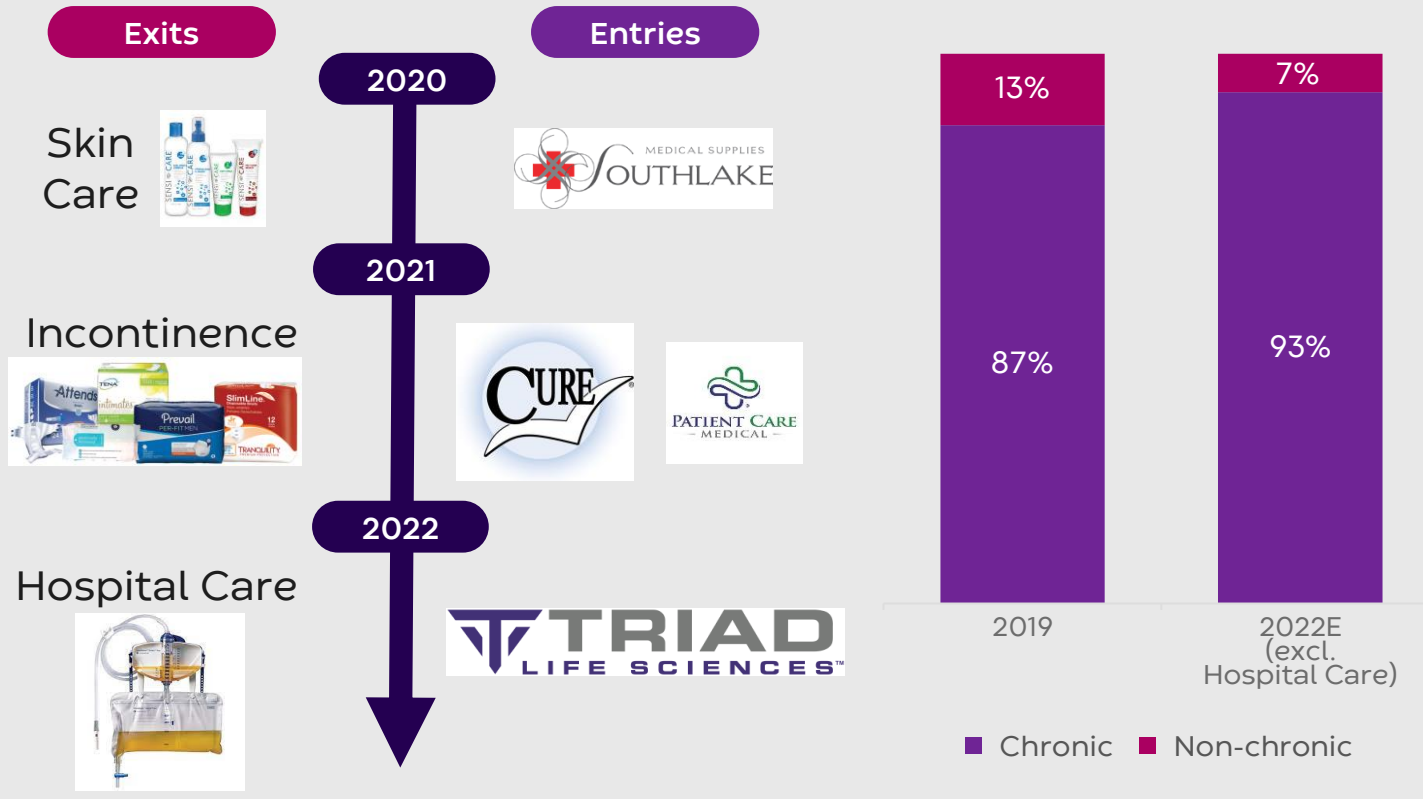
Positively impacting
performance

Effectively
implementing key
initiatives

Focus - strengthening position in key chronic care categories and markets

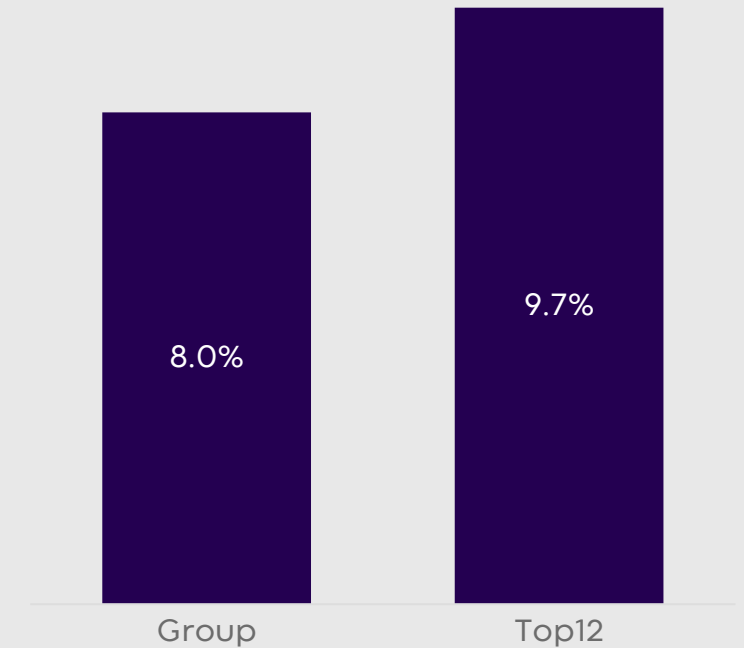


Four chronic care categories

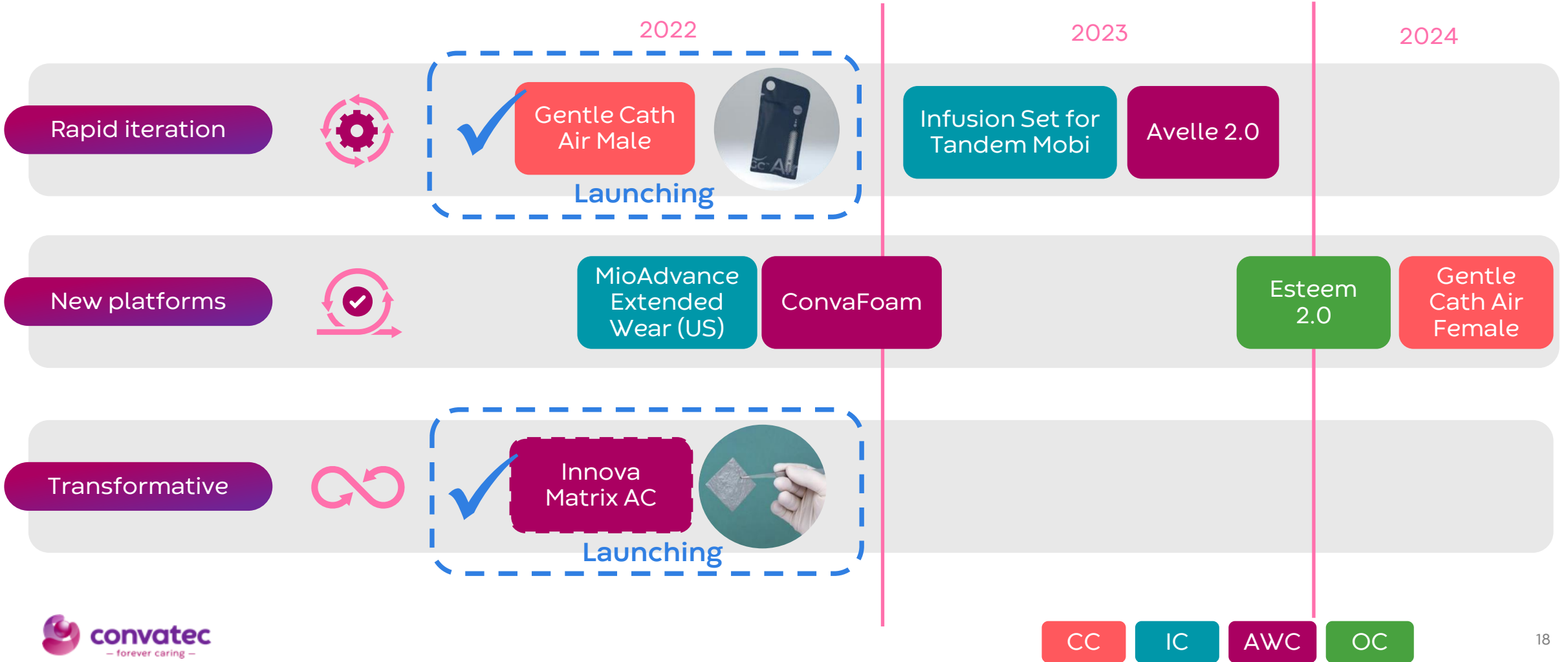


12 key markets

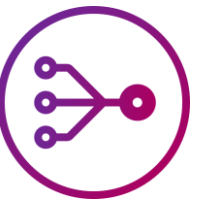
H1 Constant Currency Growth



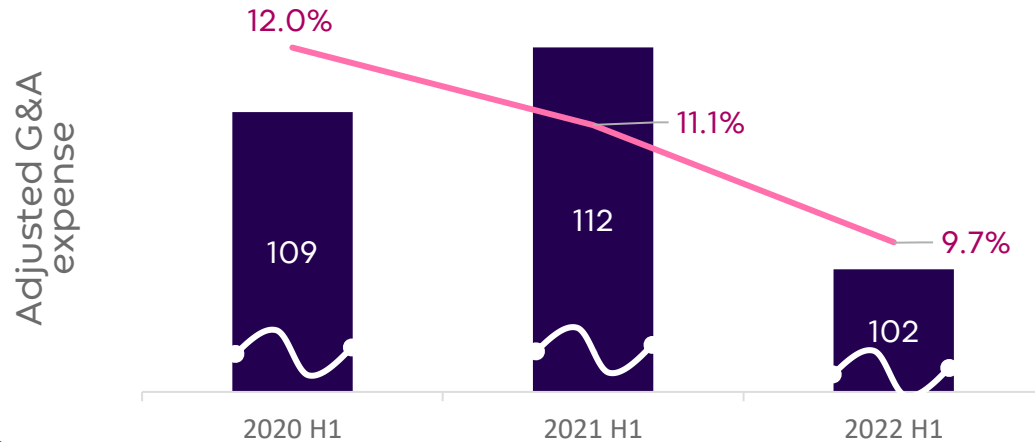
Innovate - launching two new products and on track for six more



Simplify - driving simplification and efficiency

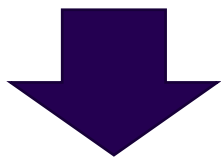


G&A efficiencies

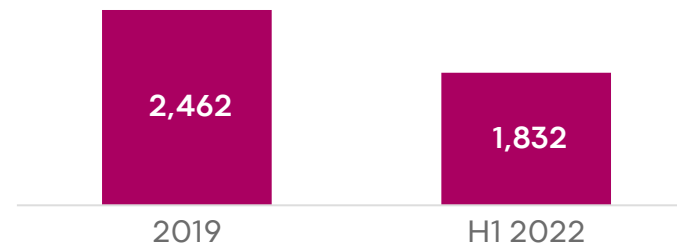


- IT hub consolidation
- Finance team consolidation
- HR processes and systems refresh

OC portfolio simplification

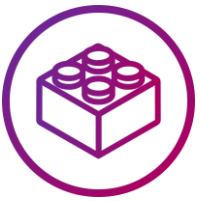


SKUs
-25% since 2019



- US - largely complete
- Europe - ongoing
- GEM - ongoing

Build – Centres of excellence delivering



Pricing



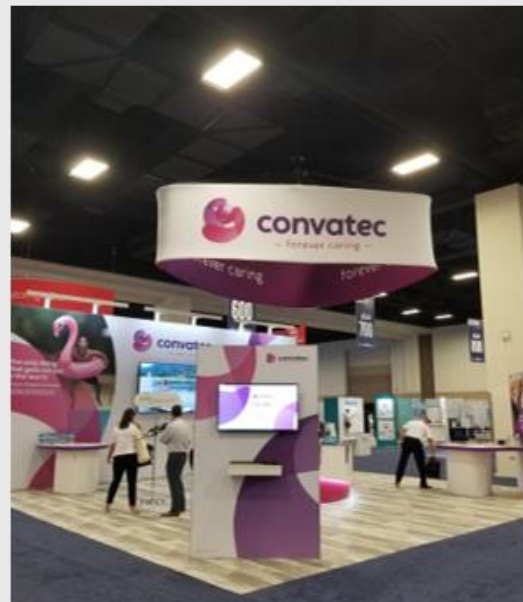
+60 bps¹

SFE²



Improving
productivity

Marketing – refreshed master brand



WOCNext 2022
5-8 June, Texas, US

Customer response

- **100k** Impressions for Brand refresh posts
- **70%** Positive Sentiment vs. Benchmark 49%
- Health care professionals very positive

Execute – driving operational excellence & embedding ESG



Execution excellence across Convatec



Equipment Efficiency

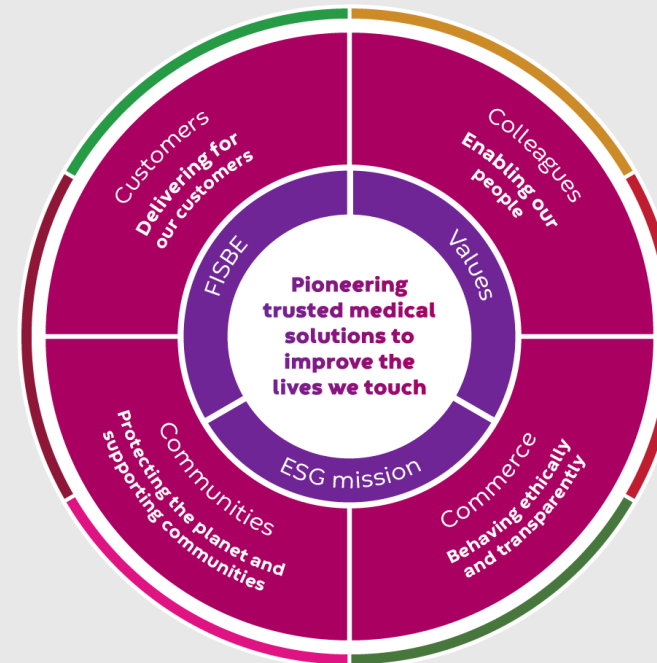
Continuous improvement initiatives decreased annual production costs of Natura pouch by >\$800k

Process improvement

Standardisation and consolidation of sterilization validation methodology saved \$425k p.a.



Embedding our ESG framework: 'Convatec Cares'



Setting targets

By 2045
Net Zero Target

By 2025
>40% female senior leadership

Summary and outlook



H1 2022 - good financial performance

- Strong revenue growth
 - Stable profit despite inflation and investment
-



Pivoting to sustainable and profitable growth

- Strengthening competitive position in attractive chronic care markets
-



On track to deliver FY 2022 guidance

- Organic revenue growth: 4.0 to 5.5%
- CC Adjusted EBIT margin: > 18%

Q&A



If you would like to ask a question during the
Q&A please dial into:

United Kingdom - 0330 165 4012

United States - 800-289-0720

Access code: 9879873



Adjusted EPS

	H1 2021	H1 2022	Variance	
Adjusted operating profit	204.4	204.3	\$(0.1)m	
Adjusted Net Finance expense	(19.8)	(23.0)	\$(3.2)m	
Non-operating expense	(3.6)	(7.0)	\$(3.4)m	Impacted by accounting treatment of acquisition
Adjusted Income tax expense	(35.8)	(43.2)	\$(7.4)m	
Adjusted ETR %	19.8%	24.8%	+5.0%pts	Impacted by deferred tax recognition in the US following Triad acquisition
Adjusted net profit	145.2	131.1	\$(14.1)m	
Diluted NOSH	2,025 million	2,031 million	+0.3%	
Diluted adjusted EPS	7.2 cents	6.5 cents	(10.0)%	
Diluted adjusted EPS - after deferred tax recognition adjustment	7.6 cents	7.4 cents	(2.7)%	