

Delivering sustainable double-digit earnings growth

2024 Annual results

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Hosts



Karim Bitar

Chief Executive Officer



Jonny Mason

Chief Financial Officer

Overview

Strong delivery in 2024 and positive outlook

Strategy is delivering broad-based growth

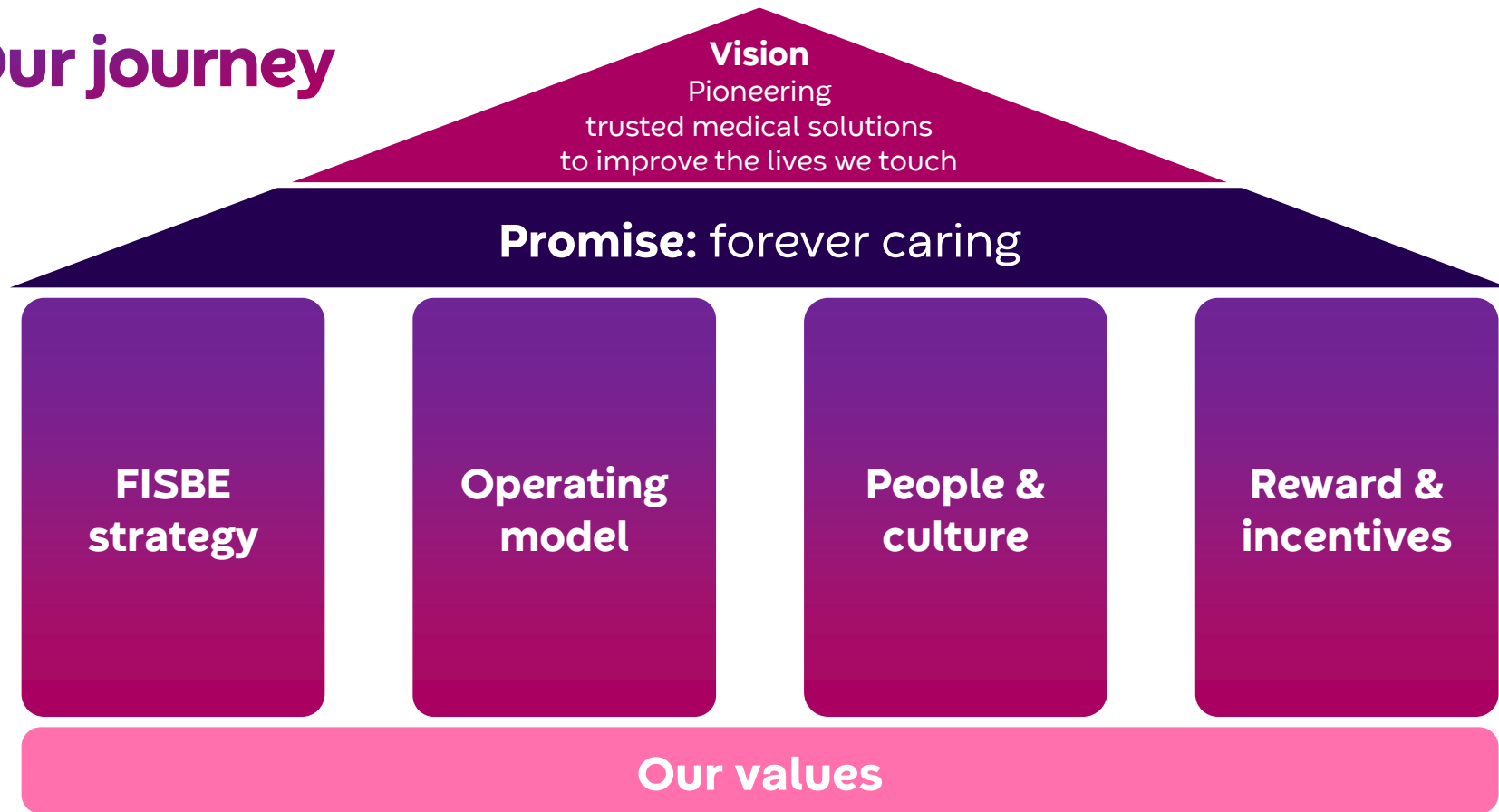
Further significant operating profit margin expansion

Double-digit EPS & free cash flow growth

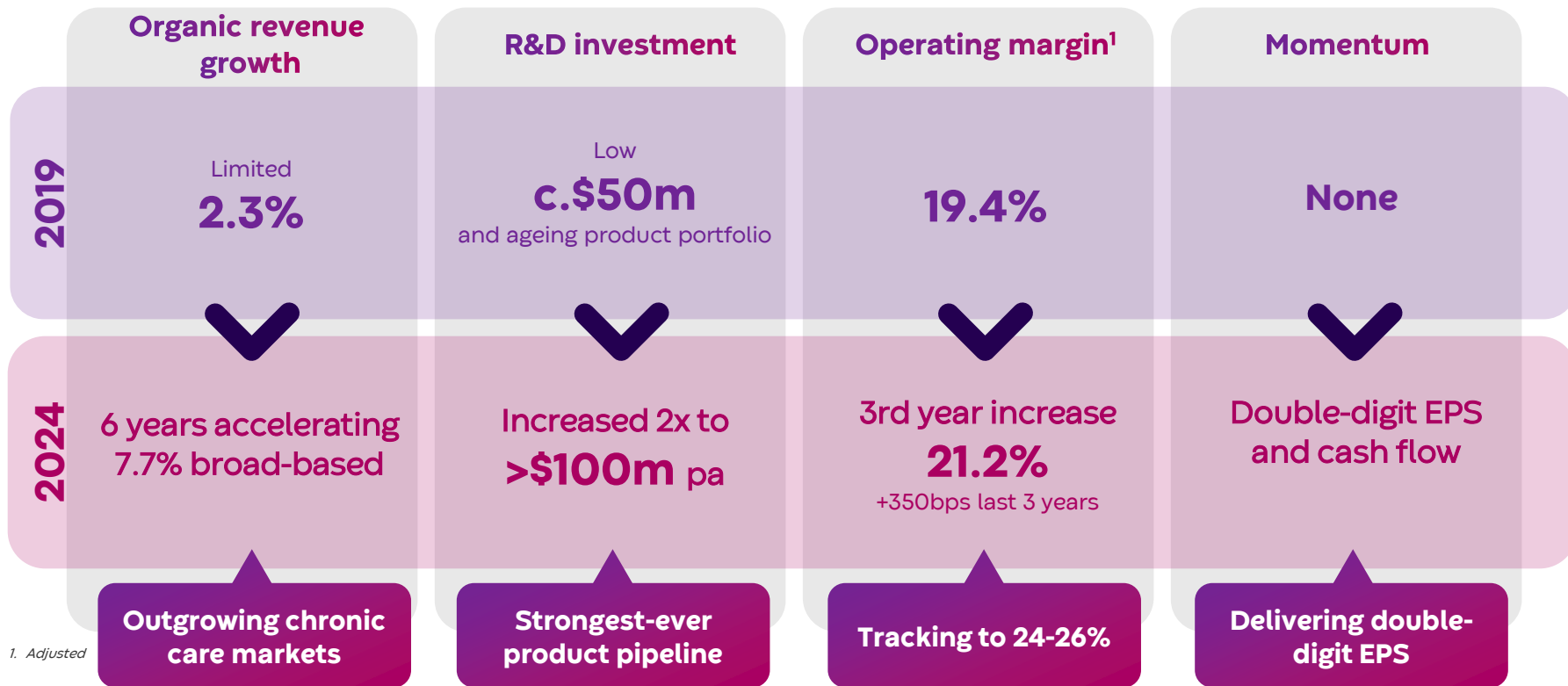
Strongest-ever new product pipeline

Reiterating our 2025 & medium-term guidance

Our journey



Successfully pivoted to sustainable and profitable growth



1. Adjusted

Convatec is positioned to deliver double-digit CAGR in EPS and FCF to equity

Leading positions in structurally growing, recurring revenue, chronic care categories

Targeting fastest growing segments by developing innovative new products

Turnaround complete, strong foundations and momentum

Financial review FY24

2024: strong financial performance

Organic revenue growth¹

+7.7%

FY 23: 7.2%

Broad-based growth across all four categories

Operating margin² expansion

+100 bps

21.2% vs 20.2%
+160 bps CC

+350bps expansion since 2021
(**+390bps** at constant currency)

Earnings per share³ growth

+13.7%

15.2¢ vs 13.4¢

First year of double-digit growth

Equity cash conversion⁴

97%

FY 23: 83%

EBITDA: \$591m (FY 23: \$527m) **+12%**
Free cash flow to equity: \$302m (FY 23: \$228m) **+32%**

Leverage⁵

1.8x

FY 23: 2.1x

Maintaining a strong balance sheet while continuing to invest for future growth

Dividend per share growth

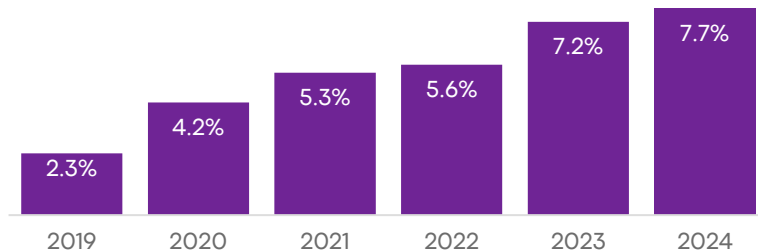
+3.0%

FY 23: +3.0%

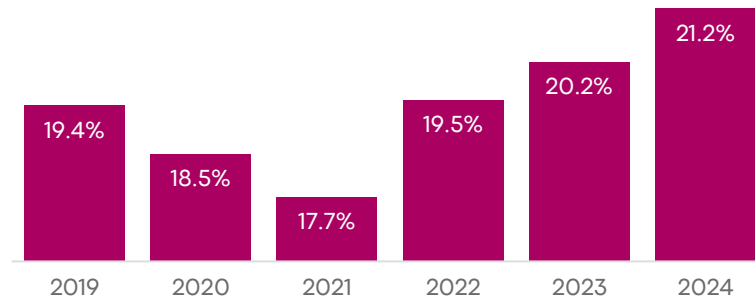
6.416 cents (2023: 6.229 cents)
Payout ratio of 42%

Successfully pivoted to sustainable and profitable growth

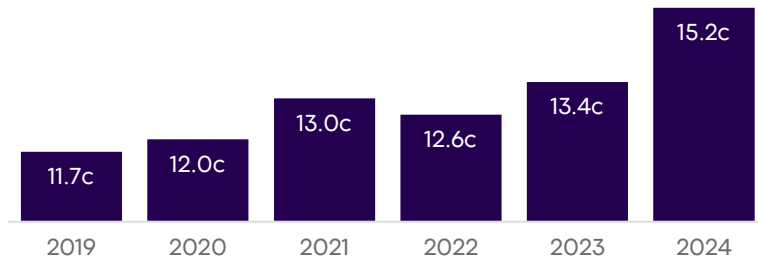
Organic revenue growth¹



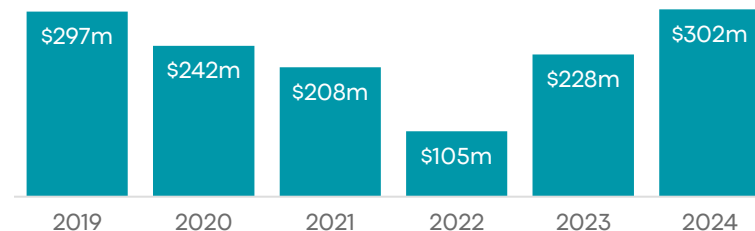
Operating profit margin²



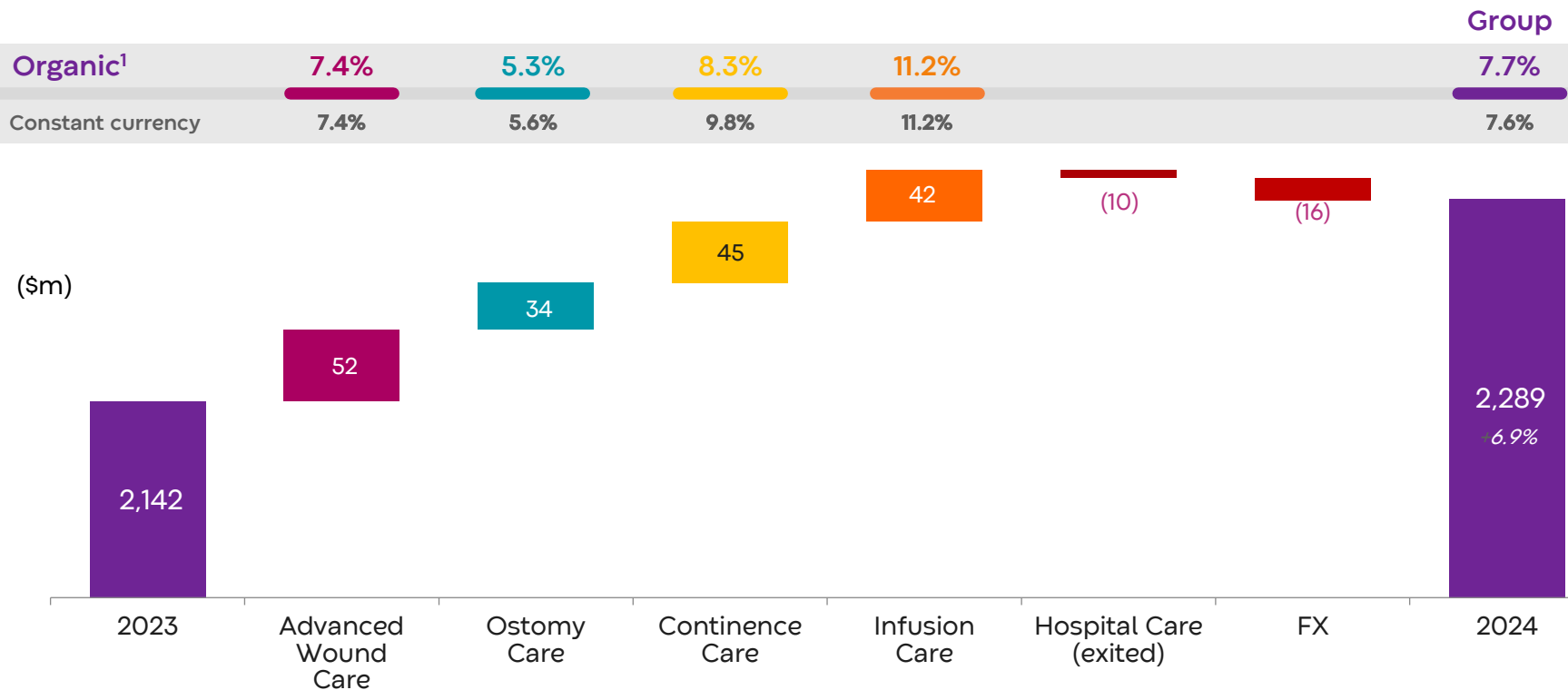
Diluted earnings per share²



Free cash flow to equity



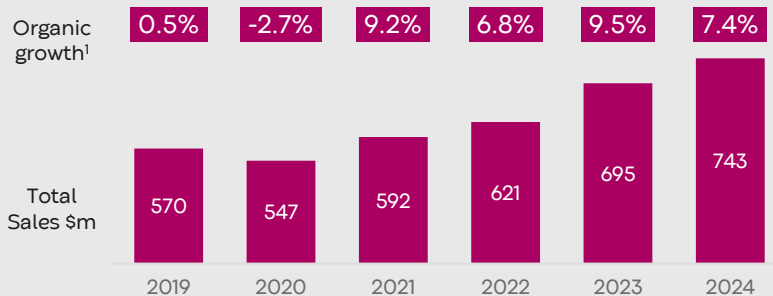
Broad-based growth across all categories



AWC: good growth, led by Aquacel® & InnovaMatrix®

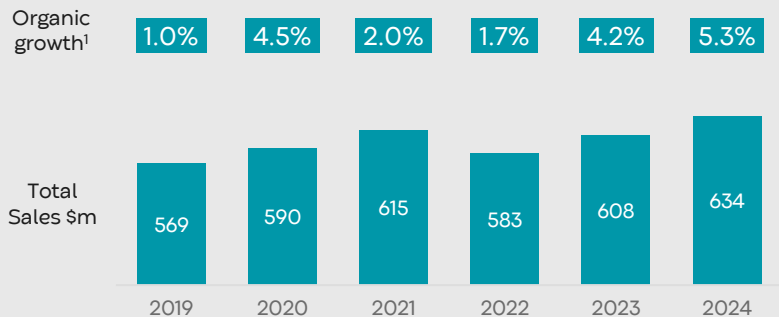
OC: new launch underpins improving momentum

Advanced Wound Care



- Strong performance in Aquacel® Ag+ Extra™, encouraging ConvaFoam™ launch which will continue in FY25
- InnovaMatrix® sales up 34%, with non-LCD indications up 70%
- Good growth in US and Europe; strong growth in GEM

Ostomy Care

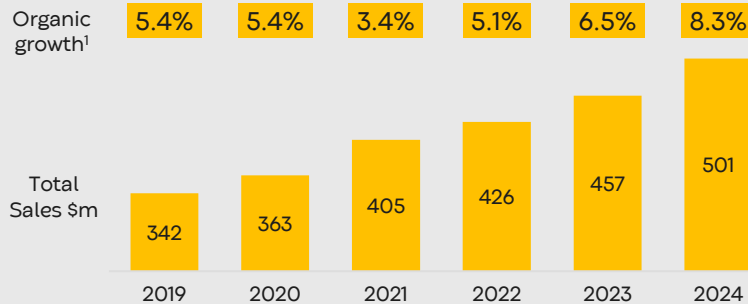


- Successfully launching Esteem Body™ (1-piece soft convex product)
- Good growth in Europe; strong growth in GEM
- US growth building, supported by growth in new patient starts

CC: strong growth driven by US performance

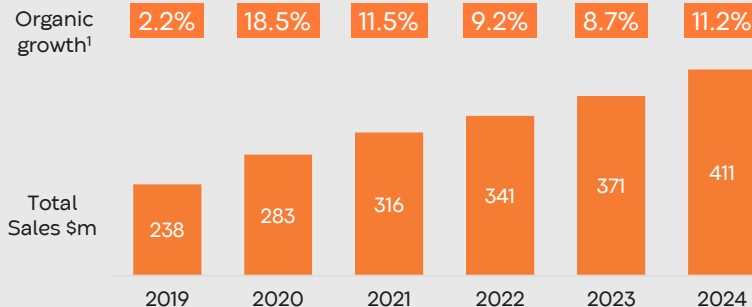
IC: diversification driving double-digit growth

Continence Care



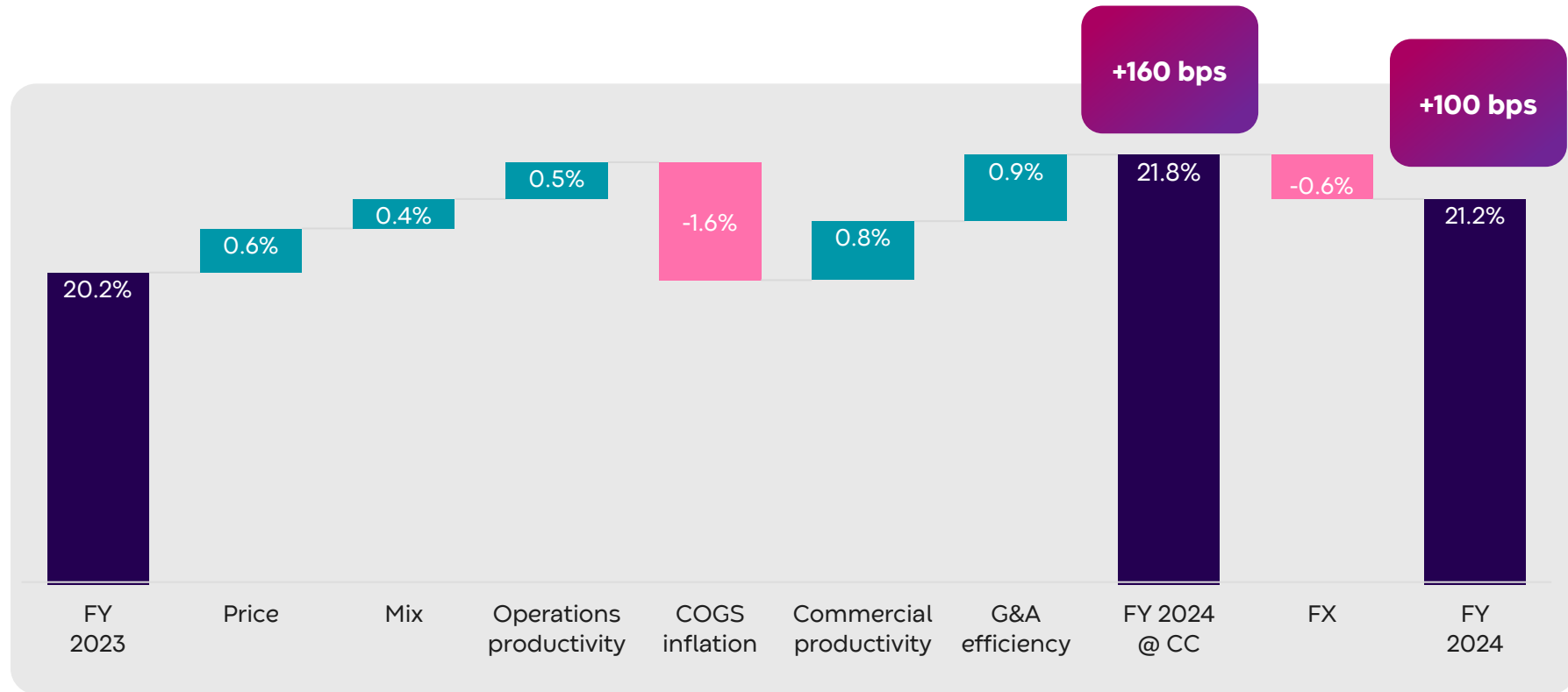
- Strong US performance, volume and share growth, supported by excellent customer service
- Increasing proportion of Convatec and hydrophilic products
- International contributed 1 ppts of growth

Infusion Care



- Accelerating growth in diabetes to existing and new customers
- Increasing demand and penetration of automated insulin delivery
- Excellent double-digit growth in non-diabetes (our Neria™ Guard brand)

Operating margin¹ up 100 bps

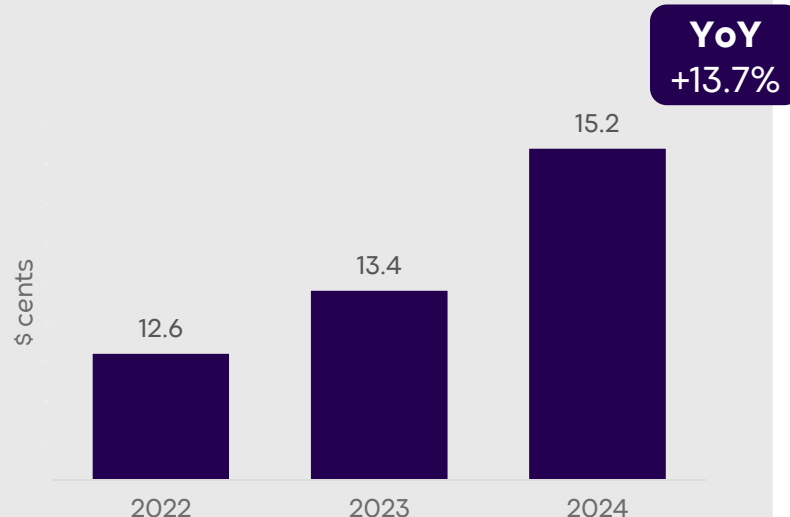


Pivoted to double-digit adjusted EPS growth

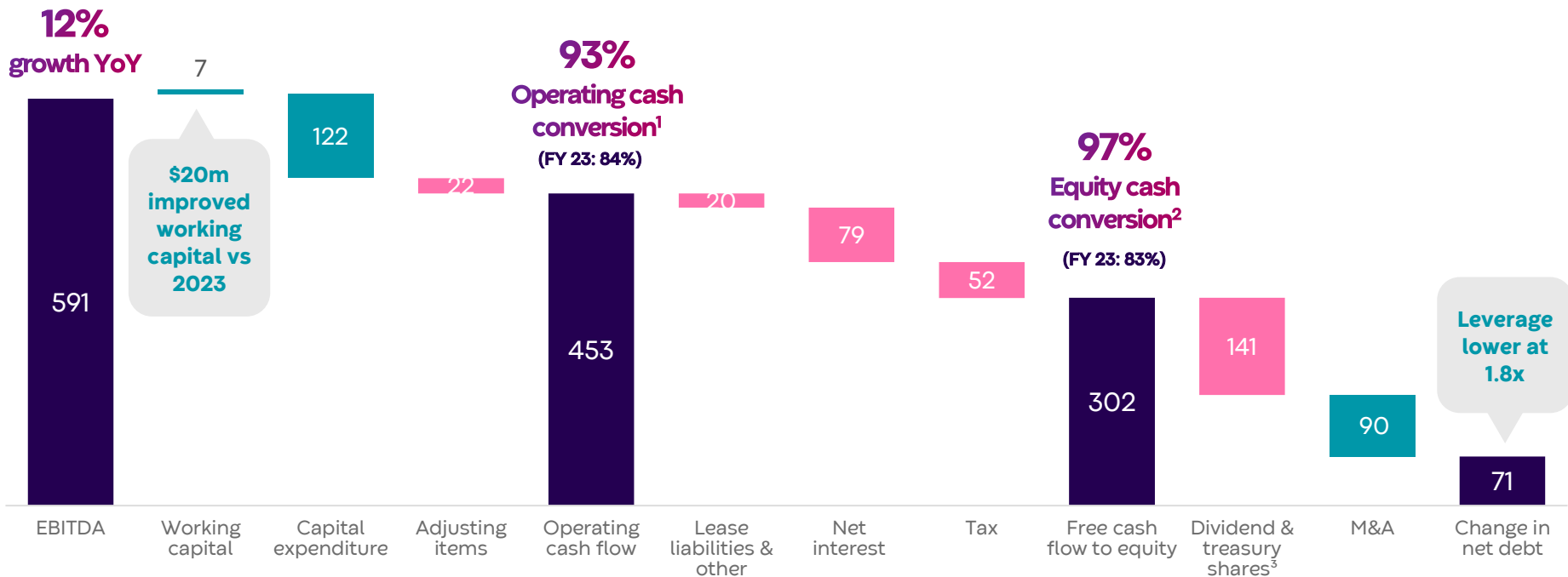
Adjusted P&L

	2023	2024	
Operating profit	\$432m	\$485m	+12.4%
Financing & other	\$(75)m	\$(74)m	
Tax	\$(83)m	\$(99)m	
Net profit	\$274m	\$312m	+14.0%

Adjusted diluted earnings per share



Strong cash generation enables investment for growth and strengthened balance sheet



FY25 guidance

Organic sales growth
ex-InnovaMatrix®

5-7%

AWC: MSD ex-IMX
OC: MSD
CC: M-to-HSD
IC: HSD

- Continued broad-based growth excluding InnovaMatrix® (which represented 96% of Group FY24 sales)
- Based on the implementation of LCDs on 13 April, we expect a reduction of InnovaMatrix revenue of approximately \$50m

Adjusted operating
margin

22.0-22.5%

- Further operations, commercial & G&A productivity improvements
- On-track for mid-20s% by 2026 or 2027

Earnings per share²

≥10%

Double-digit
growth

- Adj. net finance expense: \$70-75m
- Adj. book tax rate: c.24%

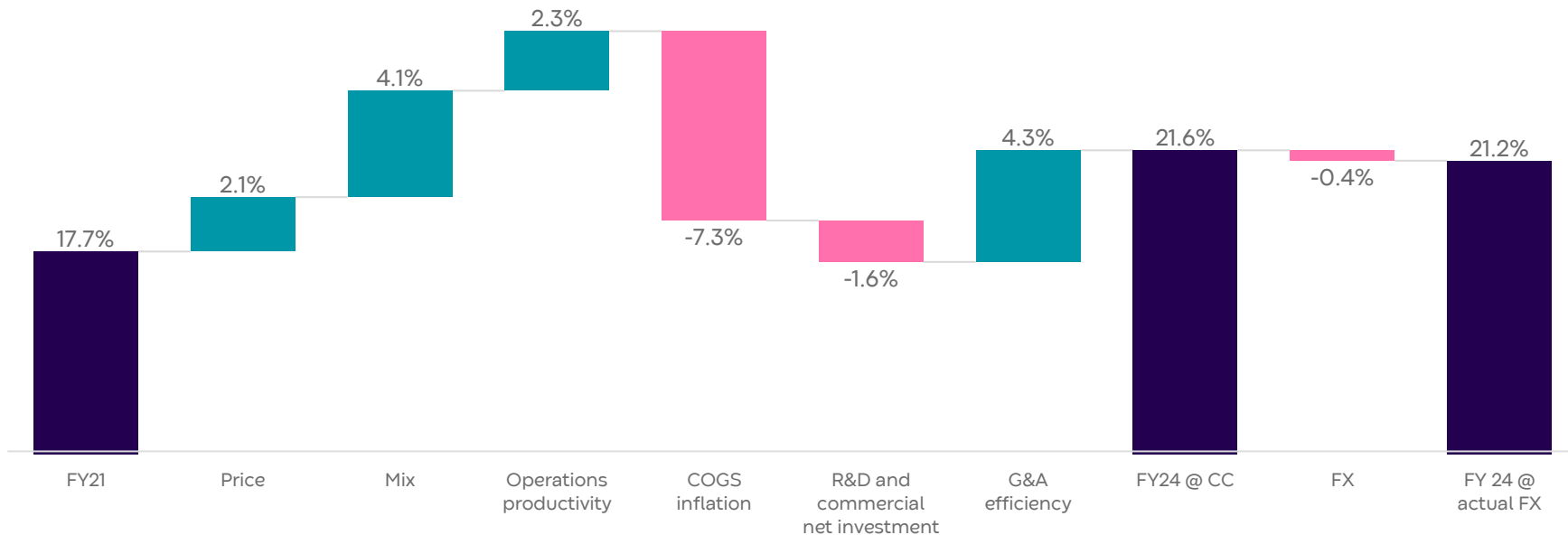
Free Cash Flow
to Equity³

≥80% conversion

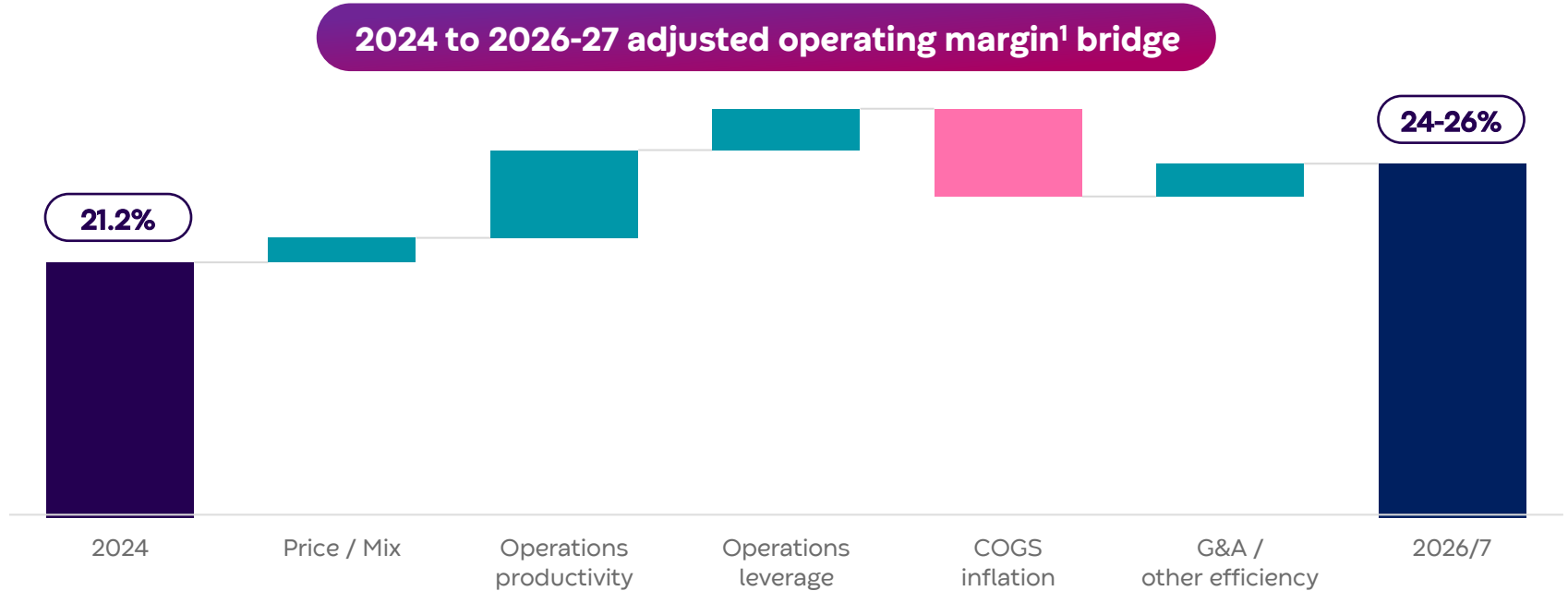
- Capex: \$130-150m
- Adjusting items similar to FY 2024 (c.\$20m)
- Continue to expect double-digit medium-term CAGR

+350 bps margin¹ expansion delivered in 2021-24

2021 to 2024 adjusted operating profit margin¹ bridge



Medium term: on track to deliver mid-20s adjusted operating profit margin



Financial summary

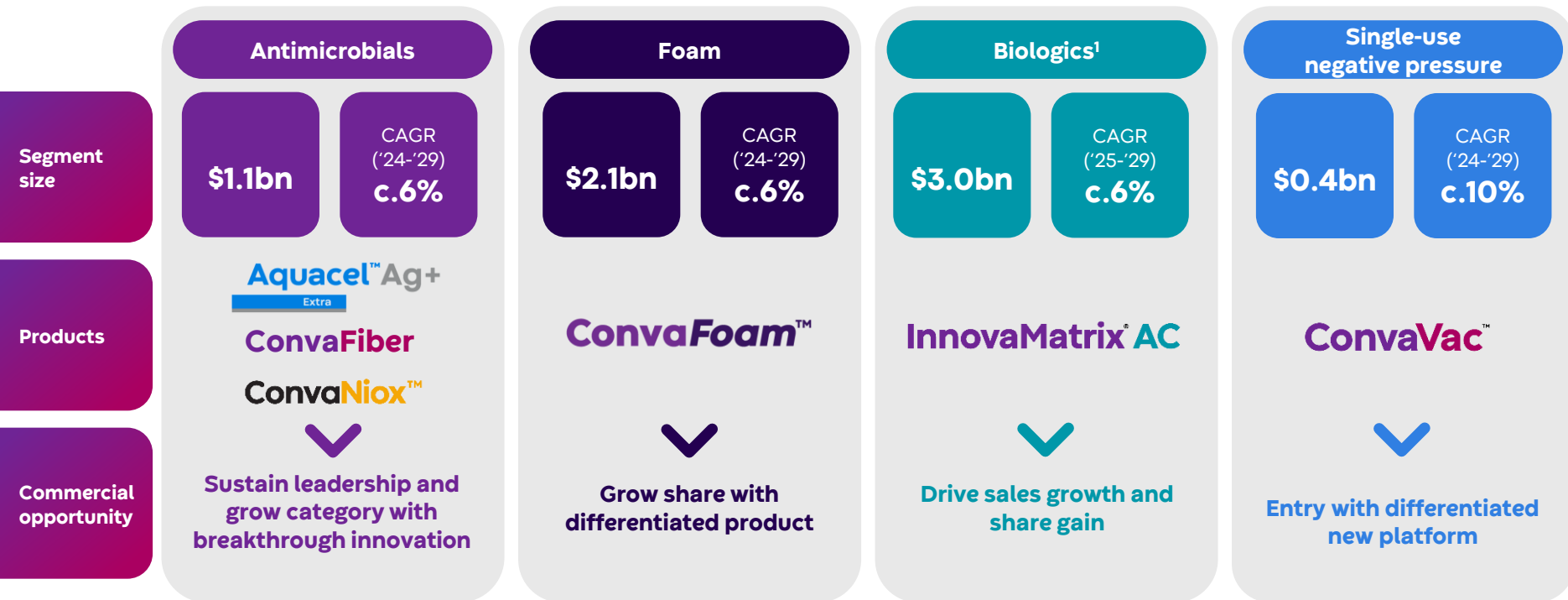
2024: strong financial performance delivered - sales, margin, earnings and cash each ahead of expectations

2025: expect another year of delivery, including further margin expansion and double-digit EPS, despite InnovaMatrix[®] headwinds

Medium-term: well-positioned to deliver sustainable and profitable growth of 5-7% revenue pa and double-digit EPS and FCF CAGR

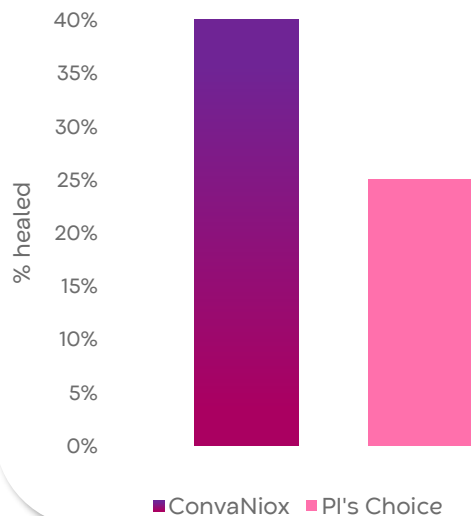
Strategic update

AWC – Growth across key segments, driven by innovative new product pipeline

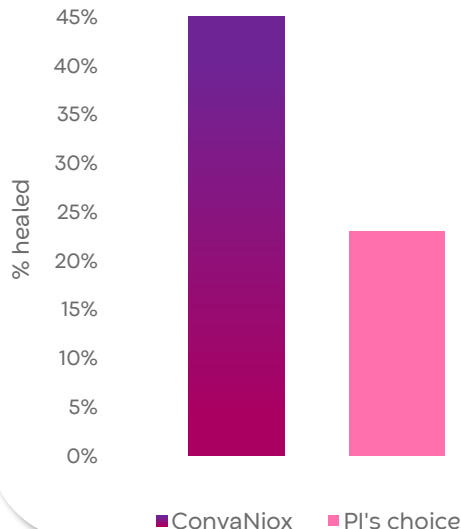


ConvaNiox™: our break-through solution for hard to heal wounds

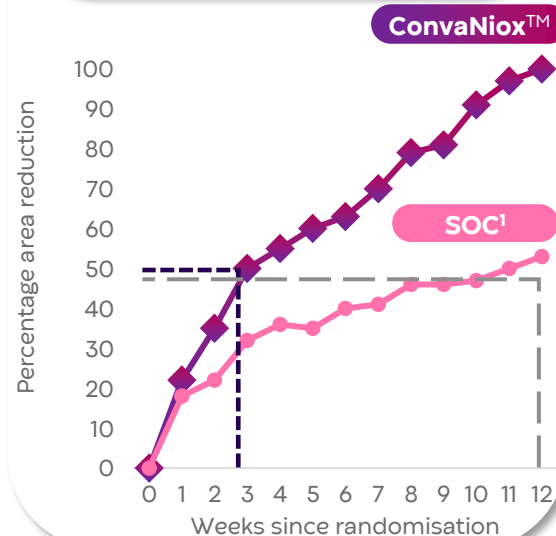
60% more ulcers healed
within 12 weeks treatment



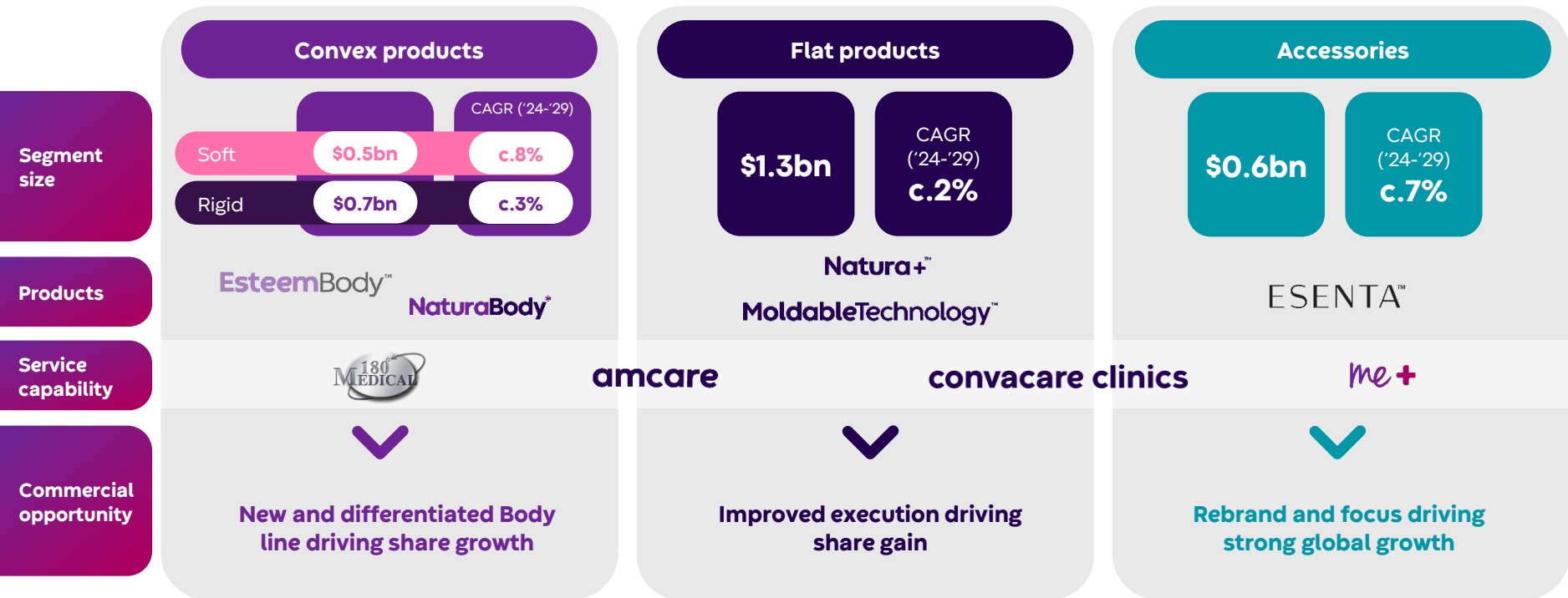
96% more infected ulcers healed
within 12 weeks treatment



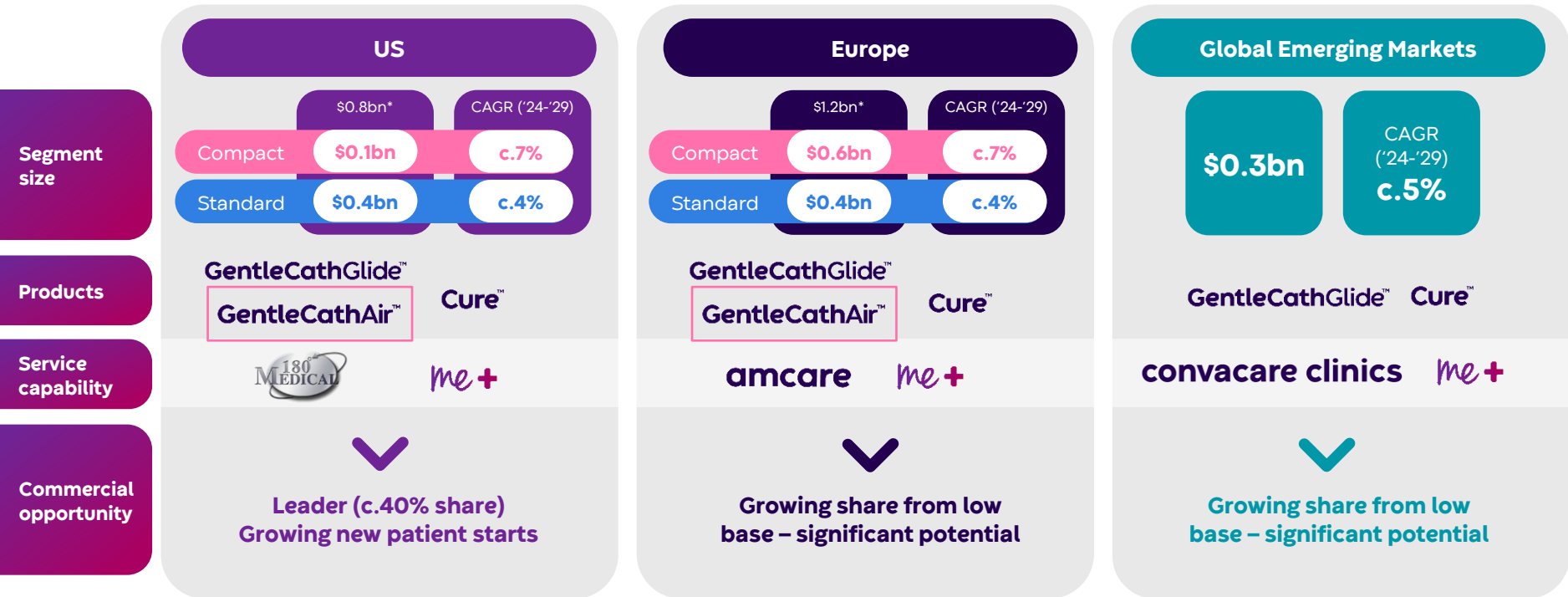
3x faster wound area reduction
within 12 weeks treatment



OC - Successful Esteem Body™ launch and improved commercial execution



CC – Bolstering our US leadership, driving int'l expansion & targeting fast growth segments



IC (diabetes) – Diversifying customer base

Insulin pump penetration is accelerating

People with diabetes
c.350m

Users of intensive insulin treatment
c.10% (35m)

Pumps
Multiple Daily Injection

c.6%

94%

CAGR '20-'23

11%

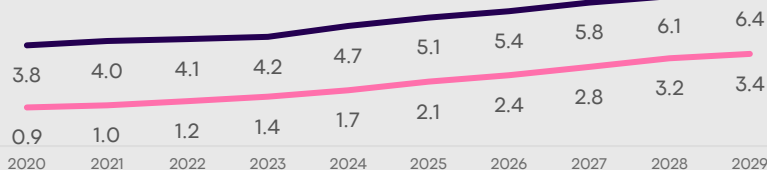
0%

Large opportunity for increased pump penetration

Durable pumps (%)

Patch pumps (%)

Pump penetration (%)



CAGR '20-'23

7%

20%

'23-'29

8%

17%

Innovation driving acceleration in pump users

Medtronic



Tandem



Beta Bionics



Ypsomed



Global leader & diversifying customer base

IC (non-diabetes) – very strong growth in new therapies

Global growth drivers - subcutaneous infusion care

Parkinson's disease

- 10m patients and 8% market growth¹
- AbbVie and Mitsubishi Tanabe targeting advanced patients

Pain management

- 7.5m patients² and 8% market growth³
- Morphine for pain management therapy in palliative care

Immunoglobulin deficiency

- 6m patients⁴ and 10% market growth⁵
- Subcutaneous Immunoglobulin antibodies for autoimmune & cancer

Revenue growth, CAGR

Neria™ Guard

> 10% of IC revenue

Expect mid-to-high teens CAGR

Adding c.2 pts of growth to IC

1. WHO 2022 fact sheet and Convatec estimates based on latest market research

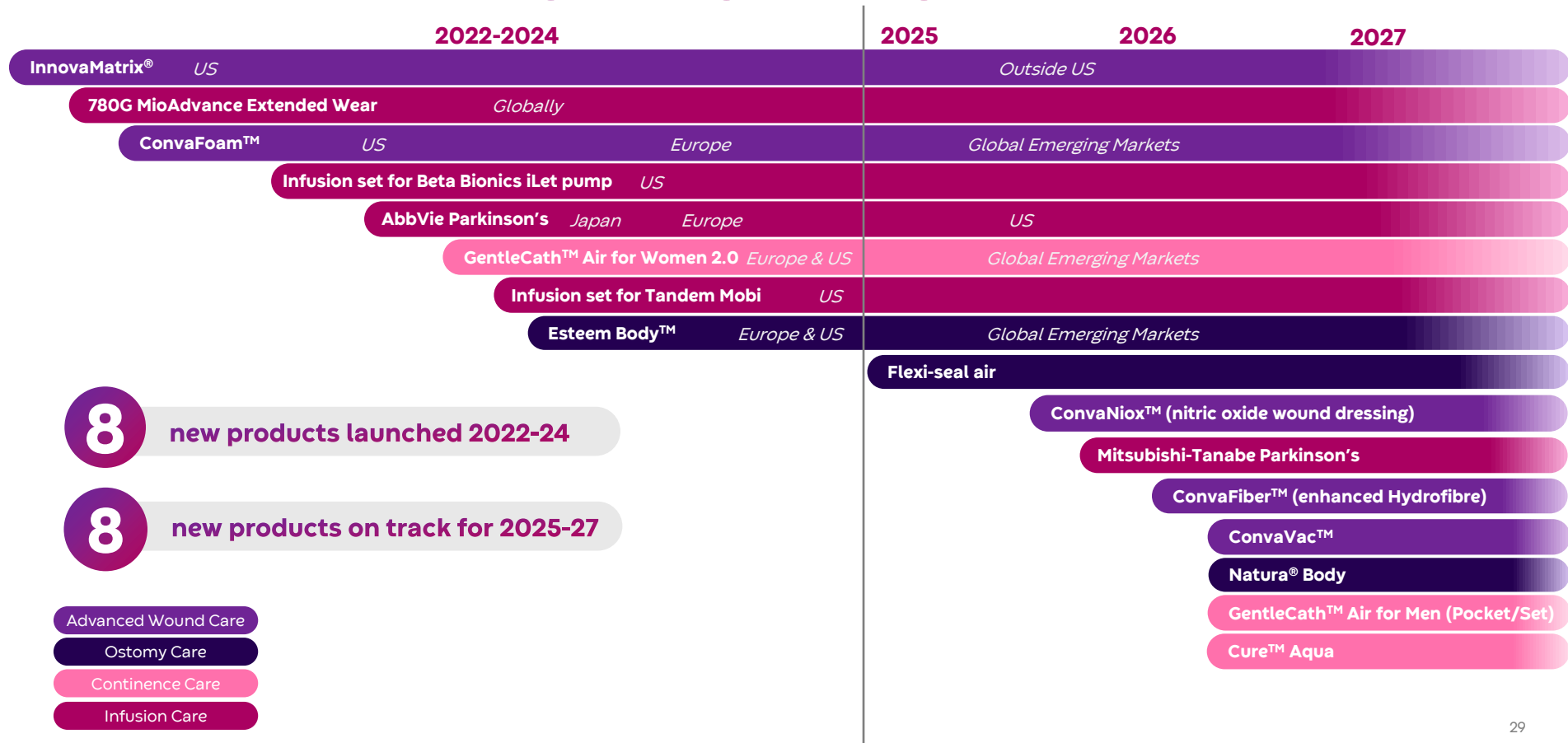
2. WHO 2020 – Palliative Care fact sheet

3. Center to Advance Palliative Care facts and stats

4. Bousfiha et al. Primary Immunodeficiency Diseases Worldwide: More Common than Generally Thought. J Clin Immunol. 2013; 33:1-7

5. MEGAN A. COOPER et al. Primary Immunodeficiencies Am Fam Physician. 2003;68(10):2001-2009

Innovate – strong and growing pipeline



Summary and outlook



FY24 – pivoted to sustainable and profitable growth

- Sixth year of accelerating organic revenue growth
- Third year of further strong operating margin expansion²
- Double-digit EPS¹ and free cash flow to equity³ growth



2025 guidance reiterated

- Organic revenue growth of 5-7% in sales excluding InnovaMatrix®
- Operating profit margin²: ≥22.0-22.5%
- Double-digit EPS¹ growth with strong cash conversion³



Positive outlook and attractive future prospects

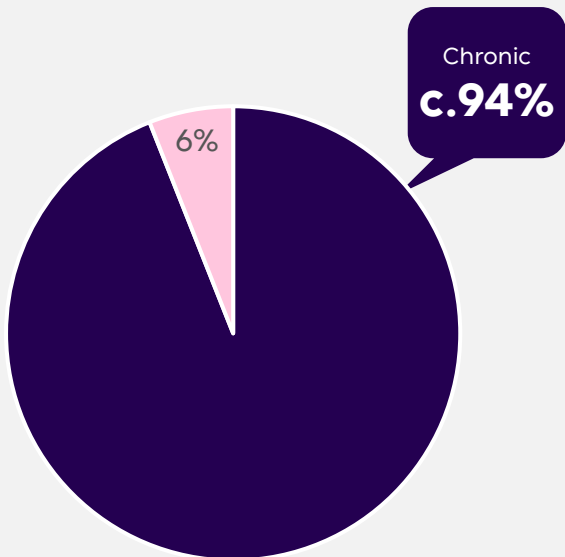
- Strong positions in structurally growing chronic care markets
- Future growth underpinned by innovative new product pipeline
- On-track to deliver double-digit CAGR in EPS¹ and free cash flow to equity³

Q&A

Appendix

Majority of revenue is recurring – supporting patients with chronic conditions

Convatec FY '24 revenue split



Underlying conditions

AWC

Cardiovascular disease
Diabetes

OC

Bowel & bladder cancer
Crohn's disease

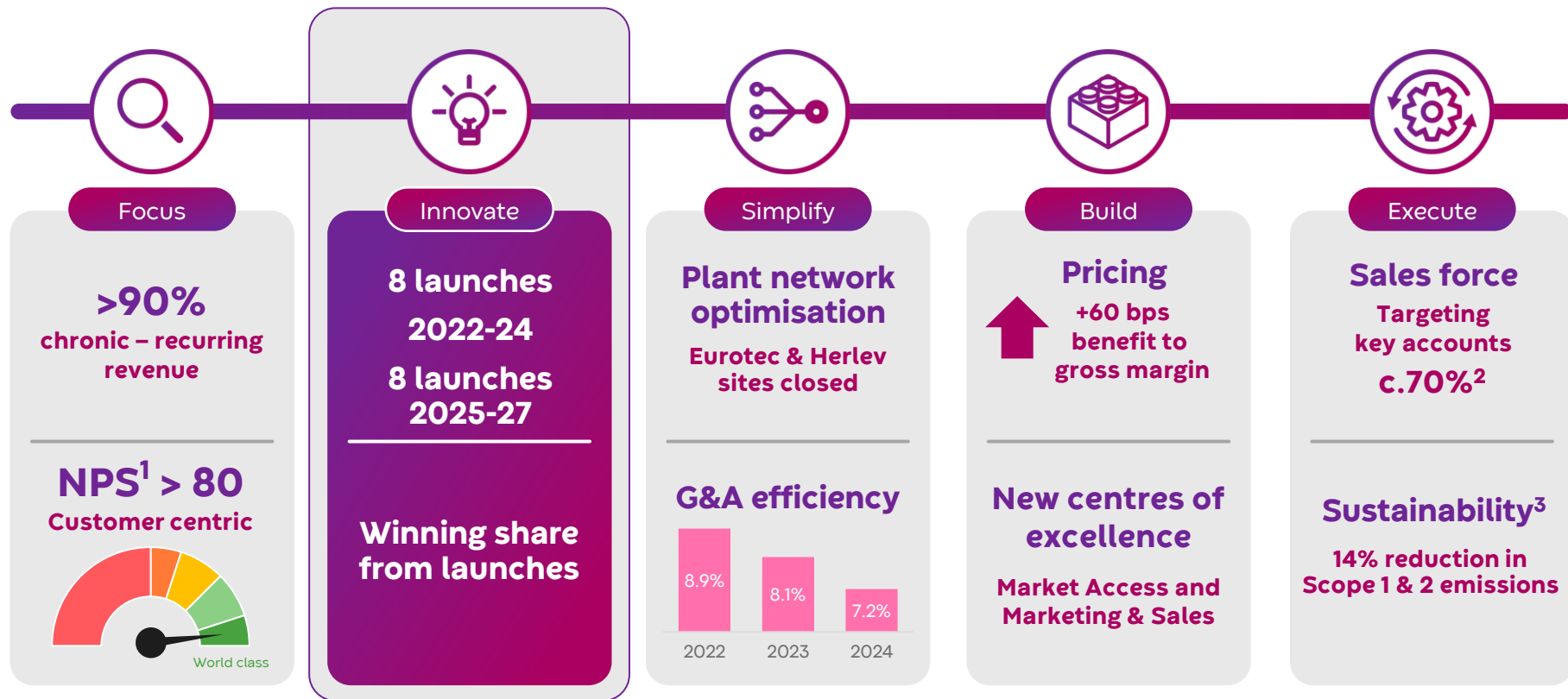
CC

Multiple sclerosis
Spinal cord injuries

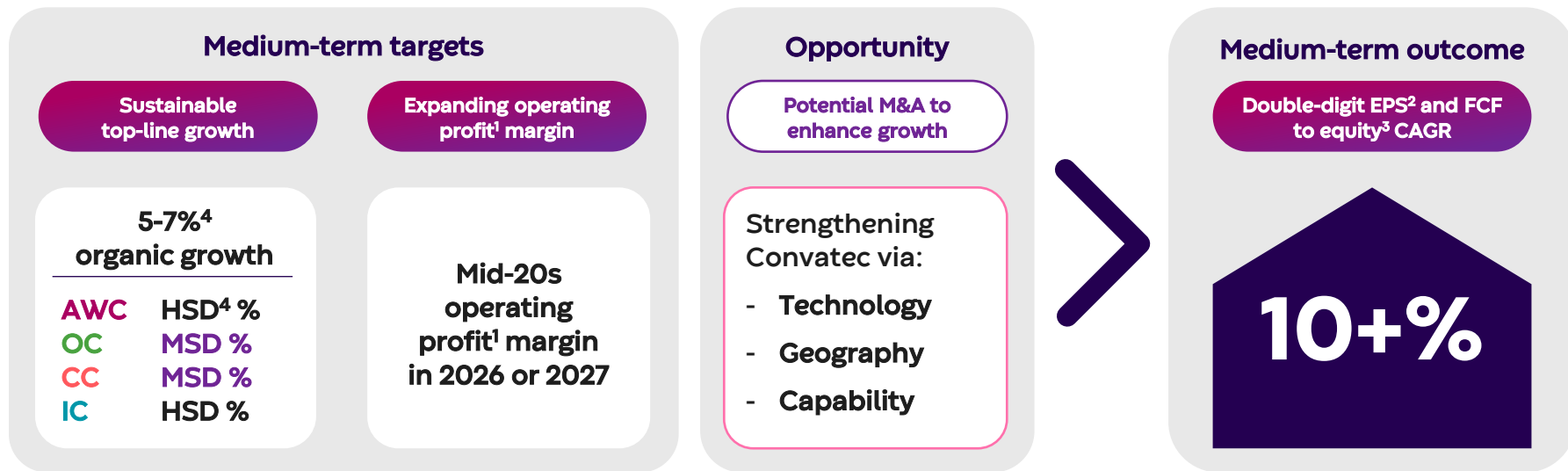
IC

Diabetes
Parkinson's

Convatec's FISBE strategy is delivering



Our model is designed to deliver double-digit CAGR in EPS² & FCF to equity³



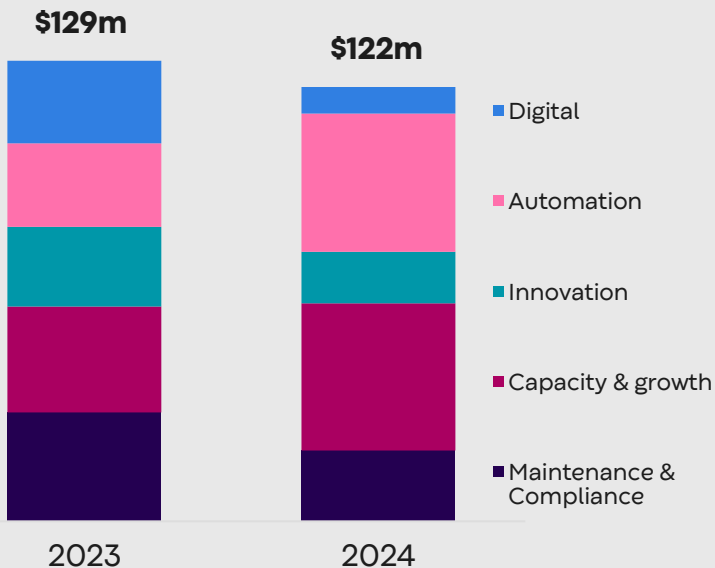
Group P&L - H1 / H2 split

1. Reported revenue and organic revenue YoY growth
2. Adjusted operating profit, margin and YoY growth
3. Net interest and adjusted other non-operating income
4. Adjusted tax charge and tax rate
5. Adjusted and diluted EPS in US dollar cents, and YoY growth

<i>Italics = Growth</i>	2023			2024		
	H1 23	H2 23	FY 23	H1 24	H2 24	FY 24
AWC ¹	338 <i>+8.7%</i>	357 <i>+10.3%</i>	695 <i>+9.5%</i>	360 <i>+6.7%</i>	383 <i>+8.1%</i>	743 <i>+7.4%</i>
OC ¹	300 <i>+3.1%</i>	308 <i>+5.4%</i>	608 <i>+4.2%</i>	311 <i>+4.9%</i>	323 <i>+5.7%</i>	634 <i>+5.3%</i>
CC ¹	221 <i>+7.6%</i>	236 <i>+5.5%</i>	457 <i>+6.5%</i>	243 <i>+8.2%</i>	258 <i>+8.4%</i>	501 <i>+8.3%</i>
IC ¹	186 <i>+7.5%</i>	185 <i>+10.0%</i>	371 <i>+8.7%</i>	199 <i>+7.3%</i>	212 <i>+15.1%</i>	411 <i>+11.2%</i>
Hospital Care	10	1	11			
Group ¹	1,055 <i>+6.6%</i>	1,087 <i>+7.8%</i>	2,142 <i>+7.2%</i>	1,113 <i>+6.6%</i>	1,176 <i>+8.8%</i>	2,289 <i>+7.7%</i>
Op. profit ²	214 <i>+4.8%</i>	218 <i>+9.2%</i>	432 <i>+7.0%</i>	223 <i>+4.1%</i>	263 <i>+20.6%</i>	485 <i>+12.4%</i>
Op. margin ²	20.3%	20.0%	20.2%	20.0%	22.3%	21.2%
Finance costs ³	(34)	(41)	(75)	(41)	(34)	(74)
Tax & Tax rate ⁴	(42) 23.0%	(42) 23.5%	(83) 23.3%	(43) 23.7%	(55) 24.2%	(99) 24.0%
EPS ⁵	6.78 <i>18.9%</i>	6.58 <i>-6.9%</i>	13.35 <i>6.1%</i>	6.77 <i>-0.1%</i>	8.42 <i>28.0%</i>	15.19 <i>13.7%</i>

Investing to drive future growth and resilience

Capex



Key project - examples

- **Digital:** omnichannel, improvements to supply chain hub
- **Automation:** Further automation for IC in Osted and Reynosa
- **Innovation:** ConvaNiox™ and ConvaVac™
- **Capacity:** AWC (Deeside) and IC
- **Maintenance:** Haina facilities improvement

Adjusting items mainly non-cash

Amortisation will reduce substantially in 2026

(\$m)	Commentary	P&L		Cash	
		2023	2024	2023	2024
Fundamental restructuring	<ul style="list-style-type: none"> Transformation related – e.g factory closure One-time material restructuring 	22.8	22.3	10.0	18.3
M&A	<ul style="list-style-type: none"> Hospital care exit Fair value movement of contingent consideration Acquired inventory fair value Deal-related fees 	30.8	6.4	13.6	4.2
Amortisation of acquired intangibles	<ul style="list-style-type: none"> \$95m from spin-out from BMS in 2008. Fully amortised by Dec 2026, at which point no longer an adjusting item Other intangible assets acquired e.g. Triad Life Sciences, Starlight (nitric oxide platform) 	136.2	136.3	-	-
Total		189.8	165.0	23.6	22.5

InnovaMatrix® – outlook

LCD

13 April

- Current implementation date would remove coverage for DFU/VLU

**InnovaMatrix®
revenue in 2024**

\$99m

- 34% sales growth YoY
- Increased Group organic growth by c.0.9% points

**Proportion of sales
outside the LCDs**

c.25%

- Proportion has increased from 20% in FY23
- 70% FY24 growth in indications outside the LCDs, which represent c.55% of the market

**Possible impact
on Group**

c.\$50m

- Headwind to FY25 Group organic growth of c.2%

Update on US catheter code changes

- Attractive opportunity

Market leader

Vertically-integrated leader in the US: **#1 in service, #2 in manufacturing**

Hydrophilic growing

Hydrophilic catheters **>60%** of Convatec US sales; market penetration c.40%
Expect increasing hydrophilic penetration in market and Convatec to continue

Margin benefit from switch

Convatec purchases of 3rd party non-hydrophilic catheters - **only c.15%** of sales
Convatec sells 2x non-hydrophilic catheters to other distributors
Margin mix of any shift to hydrophilic would be neutral to positive

Choice for customers

Expanding and strengthening hydrophilic catheter product portfolio
Leveraging differentiated **FeelClean Technology™, with superior comfort and less stickiness**

Higher sales & margin

Sales of Convatec manufactured product increasing (>50% of sales)
Positive for sales and margin