



# Investor Presentation (NYSE: IVC)

Oppenheimer  
Healthcare Conference

March 15, 2022

# Forward Looking Statements

This presentation contains forward-looking statements within the meaning of the “Safe Harbor” provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are those that describe future outcomes or expectations that are usually identified by words such as “will,” “should,” “could,” “plan,” “intend,” “expect,” “continue,” “forecast,” “believe,” and “anticipate” and include, for example, any statement made regarding the company's future results, financial condition and the impact of COVID-19. Actual results may differ materially as a result of various risks and uncertainties, including those expressed in the cautionary statements and Risk Factors sections in the company's annual reports on Form 10-K, quarterly reports on Form 10-Q and other filings with the Securities and Exchange Commission. The company may not be able to predict and may have little or no control over many factors or events that may influence its future results and, except as required by law, shall have no obligation to update any forward-looking statements.

Financial results presented are as of December 31, 2021, unless otherwise noted. Forward-looking information reported on a specified date is provided herein as of such date and is not updated or reaffirmed as of a later date hereby.

## Non-GAAP Measures

This presentation will reference certain non-GAAP financial information, including, but not limited to, Adjusted EBITDA, constant currency net sales and free cash flow. For a description and reconciliation of non-GAAP measures presented in this document, please see the Appendix attached to this presentation. Any non-GAAP financial information is not a substitute for, and should be read in conjunction with, GAAP financial information.

# Making Life's Experiences Possible

## Who We Are



Headquartered near Cleveland, OH

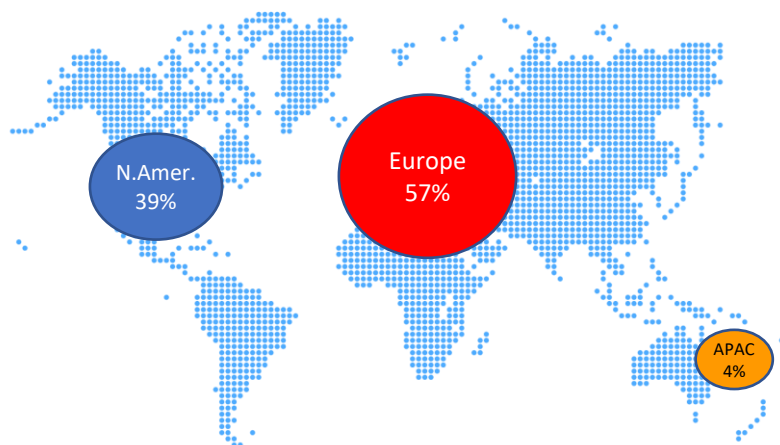


3,000 employees worldwide



2021 full year revenues of \$872M

## Sales by Segment (TTM as of Dec 31, 2021)



## What We Do

Celebrating over 40 years of *Making Life's Experiences Possible*

Design, manufacture and distribute durable medical equipment for congenital, acquired and degenerative physical conditions

Distribute products to private and government medical equipment providers and residential care providers typically used in non-acute care settings

## 24-Hours of Care - Move, Rest, Breathe, Hygiene

### Safe patient handling and hygiene

- Safe transfers for resident and caregiver safety
- Daily hygiene products

### Custom power and manual wheelchairs and custom seating

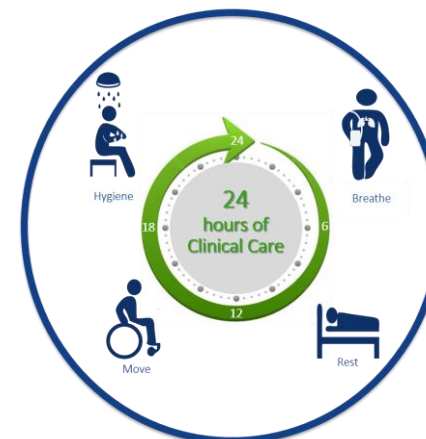
- Alternative drive controls and touch-screen technology
- Informatics
- Elite recreational sports equipment

### Respiratory therapy products

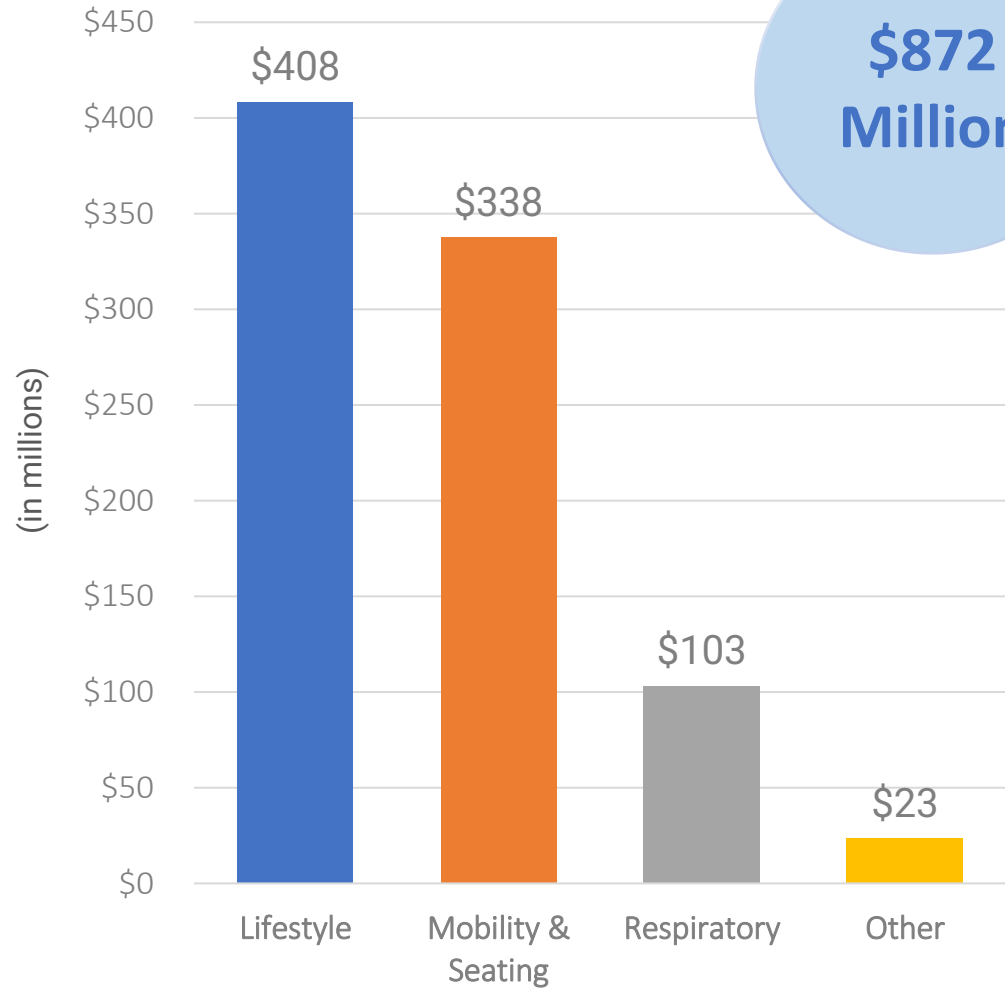
- Stationary and portable oxygen concentrators
- HomeFill® oxygen refilling systems

### Long-term care beds and therapeutic support surfaces

- Pressure relief for wound healing and prevention
- Continued pressure monitoring



2021 Reported Net Sales



# Broad Product Line with High Clinical Value

## Lifestyle

Globally focused on home healthcare and post-acute care, including aids for daily living, walking aids, lifts, wheelchairs, beds and surfaces

## Mobility & Seating

Custom power and custom manual wheelchairs, seating and positioning, and power add-ons

## Respiratory

Stationary concentrators and ambulatory oxygen such as portable concentrators and refilling devices for portable tanks

## Other

Services and rentals

# Transformation Accomplishments Since 2017

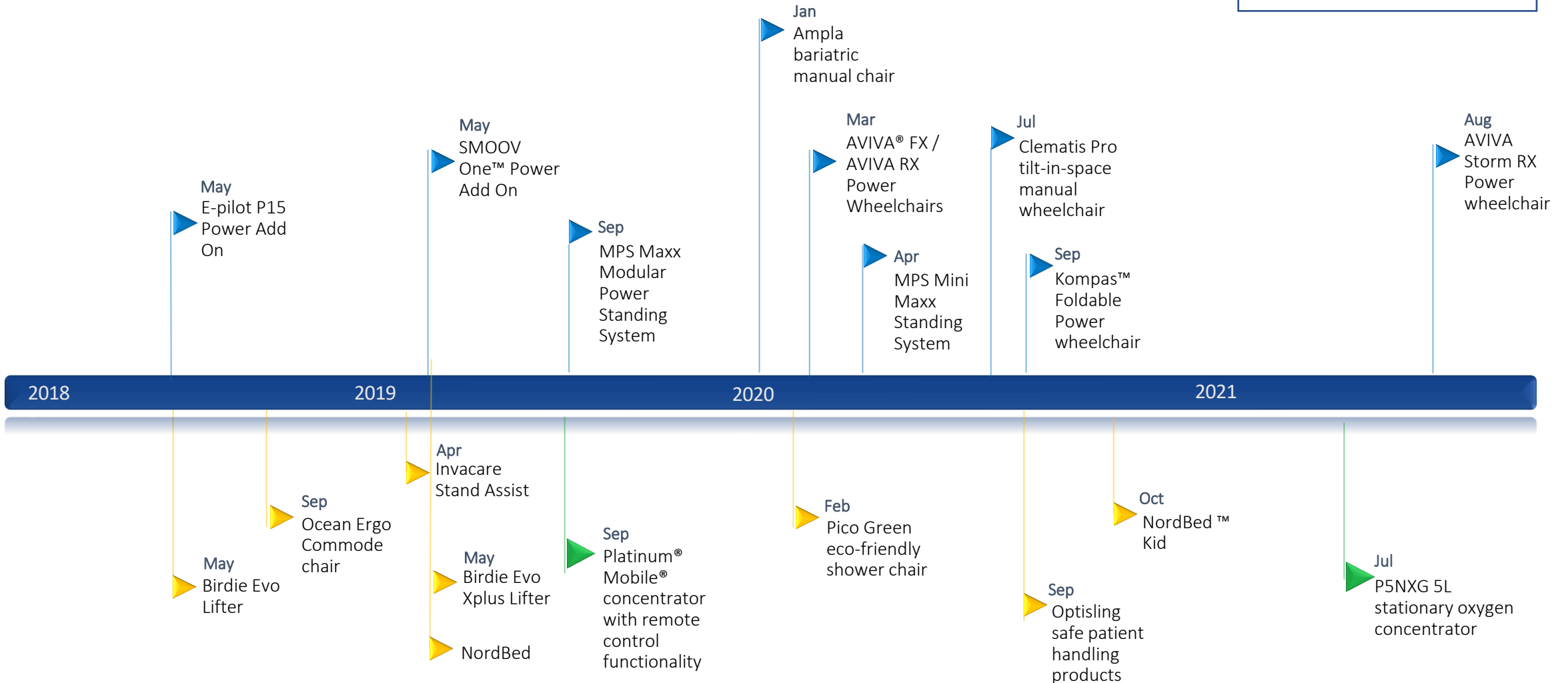
Area	Accomplishment
Management	<ul style="list-style-type: none"><li>Diversified and refreshed Board of Directors with 38% less than 5-year tenure</li><li>Hired CIO to drive modernization of IT systems and implementation of global ERP system</li><li>Enhanced North American leadership team in marketing, sales, general management</li><li>Added Chief Human Resources Officer to lead human capital development and DEI initiatives</li><li>Strategically combined Europe and APAC under single leadership team to drive scale-based cost savings and synergies</li></ul>
Cost Optimization	<ul style="list-style-type: none"><li>Executed footprint rationalization and restructuring activities for cost savings of approximately \$44 million from 2017 to year-end 2021</li><li>Executed supply chain actions to mitigate substantial portion of U.S. tariffs</li></ul>
Product Portfolio	<ul style="list-style-type: none"><li>Introduced innovative new products which offer compelling clinical value</li><li>Strategically exited low-margin products to right-size revenues to significantly reduced operating loss</li><li>Divested non-core business units and redeployed proceeds into growing the business</li></ul>
Financial Performance	<ul style="list-style-type: none"><li>Adjusted EBITDA and Free Cash Flow significantly improved</li></ul>

**Successfully executed multiple transformative actions to reshape the business with more to come**

# Innovation Pipeline

Supporting sales growth with frequent introduction of clinically innovative solutions

- ▶ Rehab (Mobility and Seating)
- ▶ Post Acute Care (Lifestyle)
- ▶ Respiratory



# Initiatives Accelerating Our Strategy to Return to Profitability



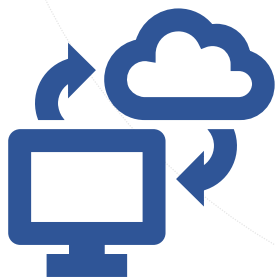
## Award winning clinical solutions and full product pipeline:

- ✓ Launched standing positioning system with clinical and social benefits of vertical positioning to augment full system of center-wheel, front-wheel and rear-wheel drive portfolio
- ✓ First wirelessly remote-controlled portable oxygen concentrator
- ✓ First with hydroforming technology to produce manual wheelchairs with significantly higher performance without increased weight
- ✓ Ampla Action bariatric wheelchair – winner of the Red Dot Award: Product Design 2019, Platinum A'Design Award, and German Design Award 2020



## Operational improvements to expand margins and accelerate profitability:

- ✓ Benefit of expanded standard gross margin from plant consolidations in Europe and favorable product mix
- ✓ Implemented actions to mitigate near-term margins negatively impacted by supply chain challenges and higher material, labor and freight costs



## Modernize business with flexible IT systems to:

- ✓ Drive operational efficiencies
- ✓ Improve our customers' experience
- ✓ Generate substantial cost savings over time

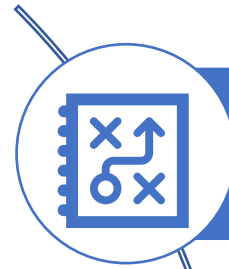
# Actions to Drive Sustainable Profitability

	2019	2020	2021	2022
<b>Restructuring</b>	<p><u>U.S. Tariffs</u></p> <ul style="list-style-type: none"> <li>Tariffs on goods from China ranging from 0% to 25%</li> <li>Unmitigated exposure was \$7 million</li> </ul>			<p><u>Supply Chain</u></p> <ul style="list-style-type: none"> <li>Continued supply chain disruptions causing significantly higher material and freight costs, and longer supply lead times</li> </ul>
<b>Pandemic</b>		<ul style="list-style-type: none"> <li>Global shutdown with public health restrictions which limited access to healthcare for our customers and end-users, impacting revenues</li> <li>Pandemic-driven global supply chain disruptions led to significantly higher material, freight and labor costs</li> </ul>		
<b>Actions</b>	<ul style="list-style-type: none"> <li>Restructuring actions expanded gross profit margins by 70 basis points, mitigating all but \$1 million of tariff exposure</li> <li>Reduced constant currency SG&amp;A by nearly \$15 million</li> </ul>	<ul style="list-style-type: none"> <li>Took tactical actions to deal with day-to-day supply chain challenges</li> <li>Increased inventory levels to help mitigate supply chain disruptions and parts shortages</li> <li>Reduced spending to match lower revenues</li> <li>Streamlined European footprint by combining manufacturing facilities in Germany</li> </ul>		<ul style="list-style-type: none"> <li>Execute permanent actions to address current market environment</li> <li>Pricing initiatives to mitigate higher input costs</li> <li>Optimize legacy product portfolio</li> <li>Align supply chain</li> <li>Streamline organization</li> <li>Improve working capital</li> </ul>



# Business Improvement Highlights

## Key Takeaways



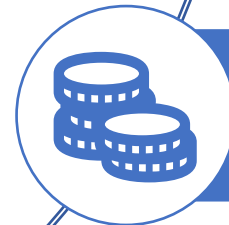
We are striving to regain market leadership



We have a clear roadmap to further enhance and simplify our operations



We have a strong pipeline of innovative products coming to market



Our financial performance is improving as a result of these initiatives

Thank You