



ΔVΔNOS

Transformation Update

January 8, 2024

Opening Remarks

Joe Woody

Chief Executive Officer

ΔVΔNOS



FORWARD-LOOKING INFORMATION

Certain matters in this presentation, including expectations and planning assumptions, any comments about our expected performance, and any estimates, projections, or statements relating to our business plans, objectives, acquisitions and transformation initiatives, constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and are based upon current plans and management's expectations and beliefs concerning future events impacting the Company.

These statements are subject to risks and uncertainties that could cause our actual results to differ materially from those expressed or implied in such statements, including risks related to competition, market demand, cost savings and reductions, raw material, energy, and other input costs, supply chain disruptions (including availability of drugs used in our Acute Pain products), inflation, the regional conflicts between Russia and Ukraine and in the Middle East, our ability to successfully execute on or achieve the expected benefits of our transformation initiative, the effects of the recent financial conditions affecting the banking system and the potential threats to the solvency of commercial banks, economic conditions, currency exchange risks, human capital risks, cyber risks, intellectual property risks, and legislative and regulatory actions. There can be no assurance that these future events will occur as anticipated or that the Company's results will be as estimated. Forward-looking statements speak only as of the date they were made, and we undertake no obligation to publicly update them. For a more complete listing and description of these and other factors that could cause the Company's future results to differ materially from those expressed in any forward-looking statements, see the Company's most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q.

NON-GAAP FINANCIAL MEASURES

This presentation includes financial measures that have not been calculated in accordance with accounting principles generally accepted in the U.S., or GAAP. The Company provides these non-GAAP financial measures as supplemental information to its GAAP financial measures. Management believes that such non-GAAP financial measures enhance investors' understanding and analysis of the Company's performance. As such, results and outlook have been adjusted to exclude certain items for relevant time periods as indicated in the non-GAAP reconciliations to the comparable GAAP financial measures included in this presentation and posted on our website (www.avanos.com/investors). These non-GAAP financial measures should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP.

DISCLAIMERS

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Avanos Investment Thesis

ΔVΔNOS



Where We Were

Chronic Care and Pain Management



Where We Are

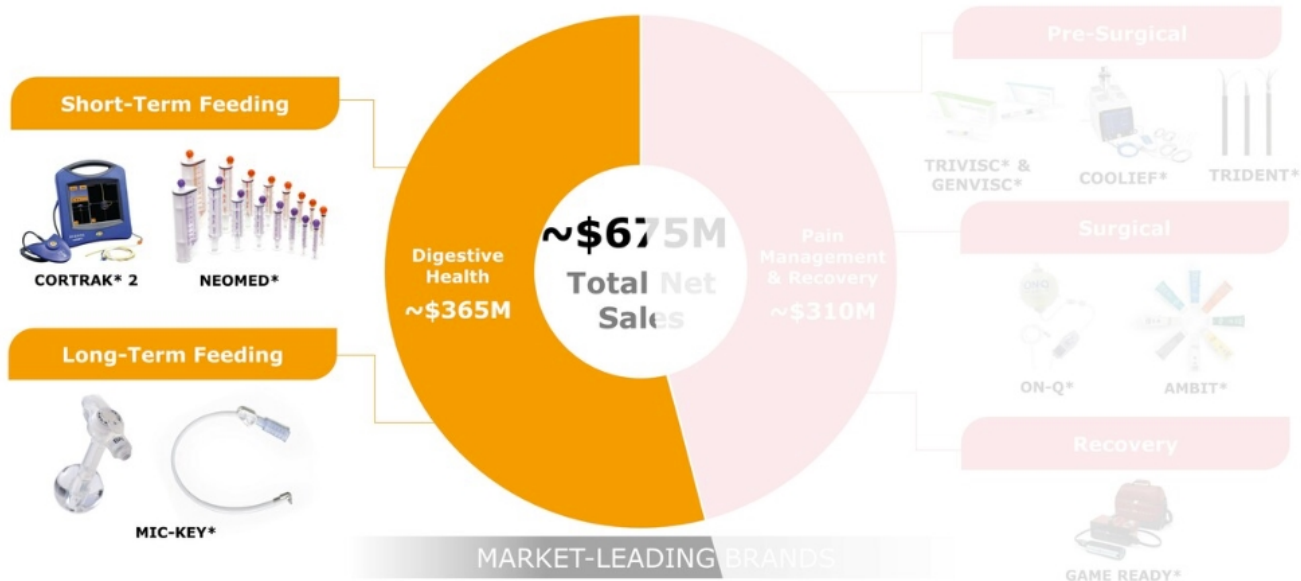
Digestive Health and Pain Management & Recovery



Large Addressable Markets and Adjacencies with Right to Win

SIMPLIFIED PORTFOLIO TO ACCELERATE GROWTH

Two Scaled Portfolios



Digestive Health Growth Catalysts

Short-Term Feeding



Initial Feeding
Tube Placement



Short-Term Feeding

- US Market Growth

- Continued ENFit & CORTRAK conversions

- International Expansion

- Global MIC-KEY enteral feeding adoption

- Tuck-In and Adjacency M&A

Long-Term Feeding



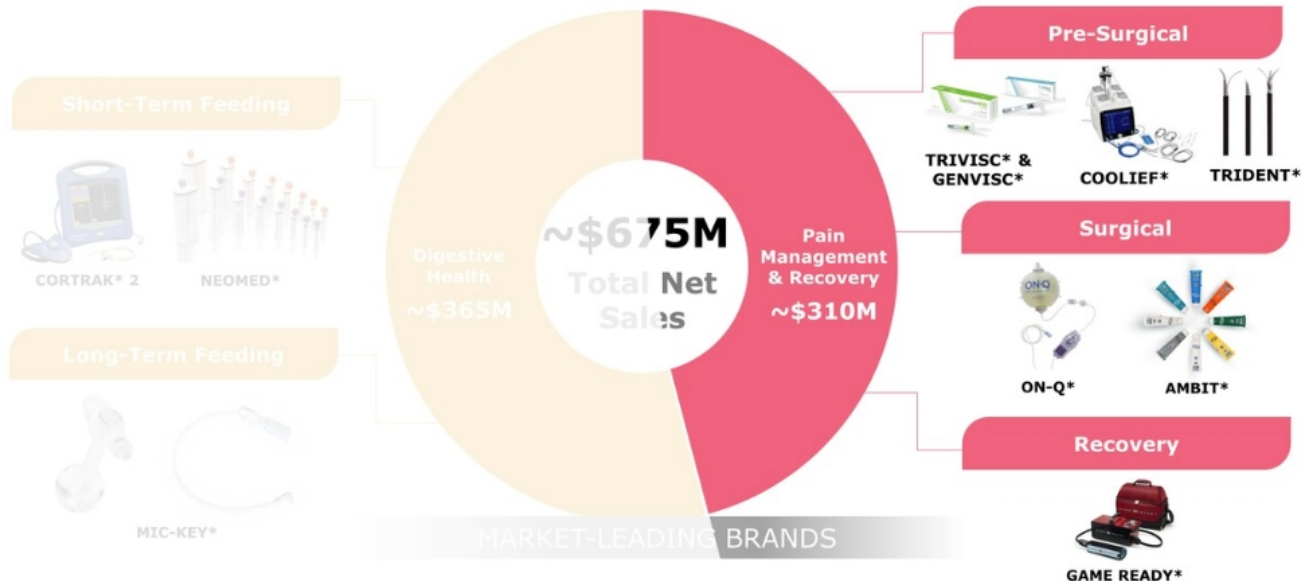
Gastrostomy Tube
Placement & Replacement



Long-Term Feeding

\$6B M&A EXPANSION OPPORTUNITY

Two Scaled Portfolios



Pain Management & Recovery Growth Catalysts

Pre-Surgery



Hyaluronic Acid (HA)

• Commercial Performance

- Surgical Pain & Game Ready back to growth
- HA market stabilization by end of 2024
- Trident & AmbIT growth in ASCs

Post-Surgery



Surgical Pain Relief



Radiofrequency Ablation (RFA)

• Operational Execution

- Product supply headwinds addressed
- Reacquisition of lost customers



Cold & Compression

COMMERCIAL RESET COMPLETED Q4 2023

Avanos Transformation Priorities: 2023–2025

1

Strategic &
Commercial
Optimization

2

Transform the
Product Portfolio

3

Additional Cost
Management
Initiatives to
Enhance Operating
Profitability

4

Continued Efficient
Capital Allocation
Strategies to
Expand Return on
Invested Capital

DELIVERING VALUE TO ALL STAKEHOLDERS

Transformation Year 1 – Accomplishments

1	Strategic & Commercial Optimization	<ul style="list-style-type: none">✓ • Digestive Health execution (MIC-KEY*, CORTAK* and NEOMED*)✗ • Pain Management & Recovery turnaround (GAME READY*, COOLIEF*, AMBIT*, ORTHOGENRX* and Diros)
2	Transform the Product Portfolio	<ul style="list-style-type: none">✓ • Exited low-margin and low-growth product categories (~\$15M, excl. RH divestiture), advanced SKU rationalization✓ • Divested Respiratory Health, acquired Diros Technology
3	Additional Cost Management Initiatives to Enhance Operating Profitability	<ul style="list-style-type: none">✓ • Simplified supply chain through product focus and improved plant execution✓ • Executed approximately \$20M in cost savings
4	Continued Efficient Capital Allocation Strategies to Expand Return on Invested Capital	<ul style="list-style-type: none">✓ • M&A with RH divestiture and Diros acquisition✓ • Executed \$40M in share repurchases

DELIVERING VALUE TO ALL STAKEHOLDERS

Pain Management & Recovery: Key to Avanos Organic Growth

COMMERCIAL RESET | REFINED BRAND STRATEGIES | INVESTMENT

Delayed Turnaround

- Supply chain shortages
- Longer customer reacquisition cycle
- Persistent HA market challenges

Reasons to Believe

- Sustainable supply improvements: backorders reduced from \$13M to \$1.5M
- Surgical Pain stabilized and set for growth
- Game Ready on track for MSD in 2024
- IVP stable w/favorable Int'l COOLIEF reimbursement
- HA not expected to stabilize until end of 2024
- Diros/Trident launched in US markets

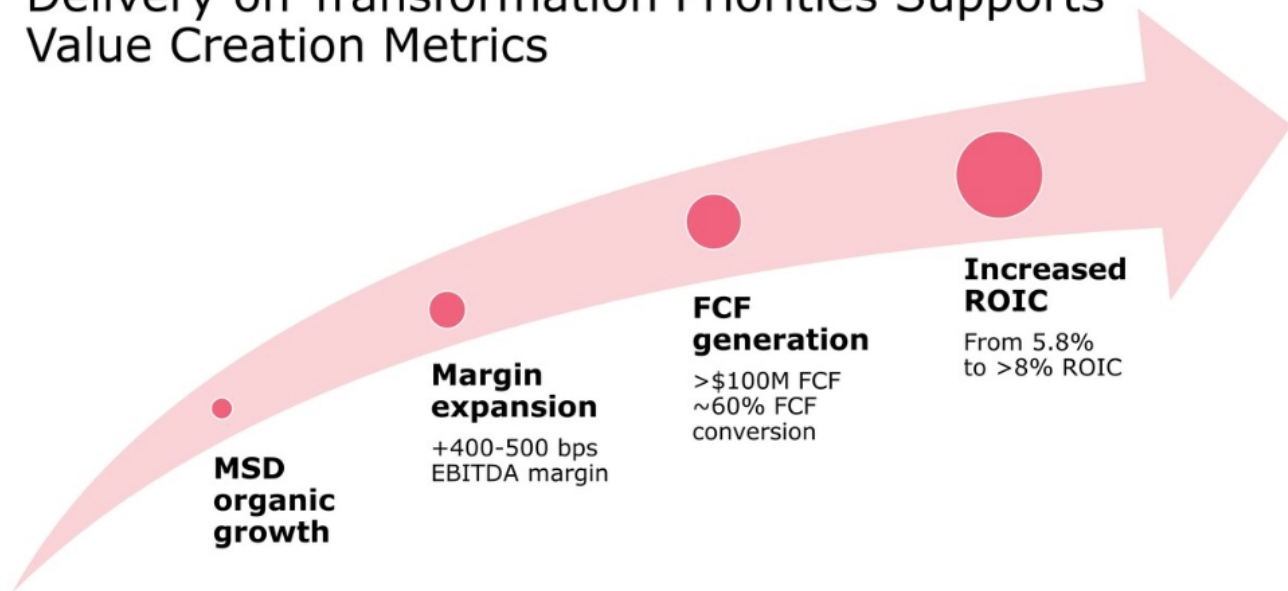
EXPECT ~6% YOY PAIN GROWTH, EXCLUDING HA & FX

Transformation Year 2 – What to Expect

1	Strategic & Commercial Optimization	<ul style="list-style-type: none">• Continue to invest behind and grow Digestive Health above market globally• Realize MSD growth and profitability in Pain Management & Recovery
2	Transform the Product Portfolio	<ul style="list-style-type: none">• Additional strategic and adjacent M&A targets• Execute next-gen launches in key categories
3	Additional Cost Management Initiatives to Enhance Operating Profitability	<ul style="list-style-type: none">• Execute on outsourcing and business process efficiencies• Leverage reduction of indirect spend and labor efficiency
4	Continued Efficient Capital Allocation Strategies to Expand Return on Invested Capital	<ul style="list-style-type: none">• Continue opportunistic share repurchases with excess capital• Pay down debt if no M&A opportunities arise

DELIVERING VALUE TO ALL STAKEHOLDERS

Delivery on Transformation Priorities Supports Value Creation Metrics



THANK YOU