



# Credit Suisse Healthcare Conference

November 10, 2021

**BAUSCH** Health

# Forward-Looking Statements



This presentation contains forward-looking information and statements, within the meaning of applicable securities laws (collectively, "forward-looking statements"), including, but not limited to, the Company's plan to spin off or separate its eye health business from the remainder of Bausch Health, including the timing of the initial public offering and spinoff (including the Company's expectation that an IPO for Bausch + Lomb will launch approximately 30 days after the Solta Medical IPO, subject to market conditions and regulatory, stock exchange and other necessary approvals, and that the Bausch + Lomb spinoff will occur following the expiry of customary lock-ups and the achievement of our target net leverage ratios, subject to receipt of shareholder and necessary approvals), the expected tax rates of the Bausch + Lomb and Bausch Pharma entities following the spinoff, the exchanges on which the Bausch + Lomb entity is intended to be listed and the targeted net leverage of the Bausch + Lomb and Bausch Pharma entities; the Company's plan to pursue an initial public offering (IPO) of its Solta Medical business, including the timing of the completion of such IPO (including the Company's expectation that the Solta Medical IPO will launch in Dec. 2021/Jan. 2022 timeframe, subject to market conditions and regulatory, stock exchange and other necessary approvals), the expected tax rate of the Solta Medical entity, the exchange on which the Solta Medical entity is intended to be listed and the announcement of the identity of the Chief Financial Officer of Solta; the anticipated steps in the path to deleveraging; the anticipated submission dates for certain of our pipeline products and R&D programs (including NOV03); the anticipated launch dates for certain of our approved products (including XIPIRE™); and our expectations regarding the defense and outcome of the IRS assessment of our 2017 internal restructuring in the form of a Granite Trust transaction and our anticipated success in sustaining our deduction of the 2017 capital loss.

Forward-looking statements may generally be identified by the use of the words "anticipates," "expects," "predicts," "goals," "intends," "plans," "should," "could," "would," "may," "will," "believes," "estimates," "potential," "target," "commit," "forecast," "tracking," or "continue" and variations or similar expressions, and phrases or statements that certain actions, events or results may, could, should or will be achieved, received or taken or will occur or result, and similar such expressions also identify forward-looking information. These forward-looking statements are based upon the current expectations and beliefs of management and are provided for the purpose of providing additional information about such expectations and beliefs and readers are cautioned that these statements may not be appropriate for other purposes. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results and events to differ materially from those described in these forward-looking statements. These risks and uncertainties include, but are not limited to, the risks and uncertainties discussed in the Company's most recent annual and quarterly reports and detailed from time to time in the Company's other filings with the Securities and Exchange Commission and the Canadian Securities Administrators, which risks and uncertainties are incorporated herein by reference. They also include, but are not limited to, risks and uncertainties caused by or relating to the evolving COVID-19 pandemic, the fear of that pandemic, the availability and effectiveness of vaccines for COVID-19 (including with respect to current or future variants), COVID-19 vaccine immunization rates, new lockdowns in certain countries, the emergence of variant strains of COVID-19 and the potential effects of that pandemic, the severity, duration and future impact of which are highly uncertain and cannot be predicted, and which may have a material adverse impact on the Company, including but not limited to its supply chain, third-party suppliers, project development timelines, employee base, liquidity, stock price, financial condition and costs (which may increase) and revenue and margins (both of which may decrease). They also include, but are not limited to, risks and uncertainties relating to the Company's proposed plan to spin off or otherwise separate its eye health business from the remainder of Bausch Health, including the expected benefits and costs of such transaction, the expected timing of completion of such transaction and its terms, the Company's ability to complete such transaction considering the various conditions to the completion of such transaction (some of which are outside the Company's control, including conditions related to regulatory matters and a possible shareholder vote, if applicable), that market or other conditions are no longer favorable to completing the transaction, that any shareholder, stock exchange, regulatory or other approval (if required) is not obtained on the terms or timelines anticipated or at all, business disruption during the pendency of or following such transaction, diversion of management time on transaction-related issues, retention of existing management team members, the reaction of customers and other parties to such transaction, the qualification of such transaction as a tax-free transaction for Canadian and/or U.S. federal income tax purposes (including whether or not an advance ruling from either or both of the Canada Revenue Agency and the Internal Revenue Service will be sought or obtained), potential dissynergy costs between the spun off or separated entity and the remainder of Bausch Health, the impact of such transaction on relationships with customers, suppliers, employees and other business counterparties, general economic conditions, conditions in the markets Bausch Health is engaged in, behavior of customers, suppliers and competitors, technological developments and legal and regulatory rules affecting Bausch Health's business. In particular, the Company can offer no assurance that any spinoff or other separation transaction will occur at all, or that any such transaction will occur on the terms and timelines anticipated by the Company. They also include, but are not limited to, risks and uncertainties relating to the Company's proposed plan to pursue an IPO of its Solta Medical business, including the expected timing of completion of such transaction and the Company's ability to complete such transaction, that market or other conditions are no longer favorable to completing the transaction on a timely basis or at all, the receipt of (or failure to receive) any shareholder, stock exchange, regulatory and other approvals required in connection with the transaction and the timing of receipt of such approvals, business disruption during the pendency of or following such transaction, diversion of management time on transaction-related issues, retention of Solta Medical management team members, the reaction of customers and other parties to such transaction, the impact of such transaction on relationships with customers, suppliers, employees and other business counterparties and other events that could adversely impact the completion of such transaction, including industry or economic conditions outside of Bausch Health's control. In particular, the Company can offer no assurance that any IPO will occur at all, or that any such transaction will occur on the timelines anticipated by the Company. In addition, certain material factors and assumptions have been applied in making these forward-looking statements, including assumptions that the risks and uncertainties outlined above will not cause actual results or events to differ materially from those described in these forward-looking statements. Additional information regarding certain of these material factors and assumptions may also be found in the Company's filings described above. If any of these assumptions are incorrect, the Company's actual results could differ materially from those described in these forward-looking statements. The Company believes that the material factors and assumptions reflected in these forward-looking statements are reasonable in the circumstances, but readers are cautioned not to place undue reliance on any of these forward-looking statements. These forward-looking statements speak only as of the date hereof. The Company undertakes no obligation to update any of these forward-looking statements to reflect events or circumstances after the date of this presentation or to reflect actual outcomes, unless required by law.

# Non-GAAP Information



To supplement the financial measures prepared in accordance with U.S. generally accepted accounting principles (GAAP), the Company uses certain non-GAAP financial measures including (i) Adjusted EBITDA, (ii) Organic Revenue and Organic Change, (iii) Constant Currency, (iv) Adjusted Cash Flows from Operations and (v) Bausch Pharma Revenues. Management uses some of these non-GAAP measures as key metrics in the evaluation of Company performance and the consolidated financial results and, in part, in the determination of cash bonuses for its executive officers. The Company believes these non-GAAP measures are useful to investors in their assessment of our operating performance and the valuation of the Company. In addition, these non-GAAP measures address questions the Company routinely receives from analysts and investors and, in order to assure that all investors have access to similar data, the Company has determined that it is appropriate to make this data available to all investors.

However, these measures are not prepared in accordance with GAAP nor do they have any standardized meaning under GAAP. In addition, other companies may use similarly titled non-GAAP financial measures that are calculated differently from the way we calculate such measures. Accordingly, our non-GAAP financial measures may not be comparable to such similarly titled non-GAAP measures. We caution investors not to place undue reliance on such non-GAAP measures, but instead to consider them with the most directly comparable GAAP measures. Non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation. They should be considered as a supplement to, not a substitute for, or superior to, the corresponding measures calculated in accordance with GAAP.

The reconciliations of these historic non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP are shown in the appendix hereto.

# Strategic Alternatives Update

# Accelerating Strategic Alternatives to Drive Shareholder Value<sup>1</sup>



We expect to launch the **Solta Medical IPO in Dec. 2021/Jan. 2022 timeframe**, subject to market conditions and regulatory, stock exchange and other approvals



We expect to launch the **Bausch + Lomb IPO ~30 days after the Solta Medical IPO**, subject to market conditions and regulatory, stock exchange and other approvals

Spinoff to occur following the expiry of customary lock-ups and achievement of our target net leverage ratios<sup>4</sup>

## Significant De-Leveraging Progress Made

**\$1.1B**

of debt repaid in 3Q21;  
\$500M using cash on hand and cash  
generated from operations and \$600M in  
connection with the Amoun divestiture

**\$1.6B**

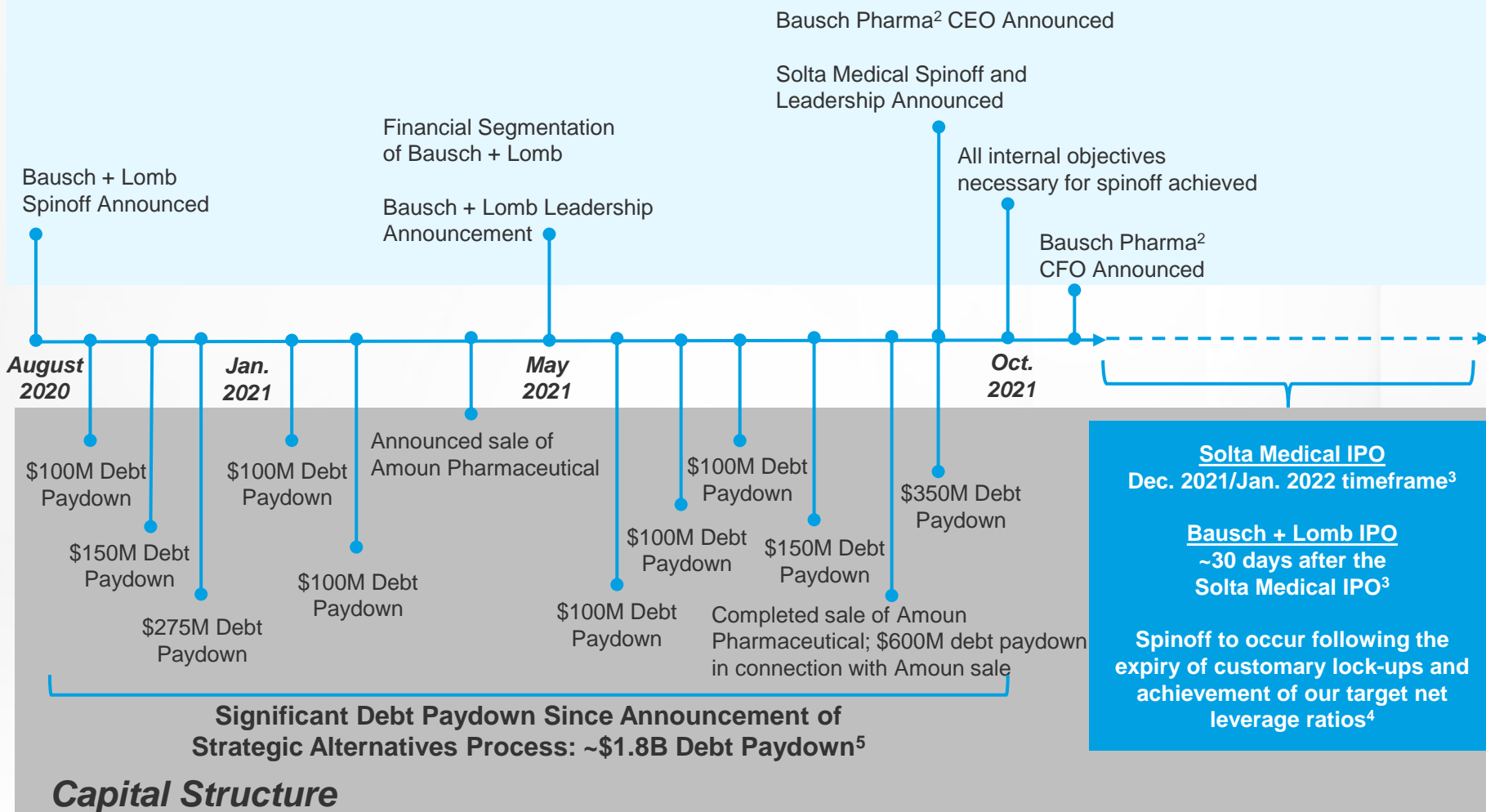
YTD debt repayment as of 9/30/21<sup>2</sup>

**6.4x**

total company net leverage,  
as of 9/30/21  
(pro forma for Amoun divestiture)<sup>3</sup>

# Strategic Alternatives Timeline<sup>1</sup>

## Internal Organizational Design / Structure



*This presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities.*

1. See Slide 1 for further information on forward-looking statements.

2. The remainder of Bausch Health is referred to as "Bausch Pharma" and will assume a new name upon the separation of the Company's eye health business, Bausch + Lomb.

3. Subject to market conditions and regulatory, stock exchange and other approvals.

4. Subject to receipt of applicable shareholder and other necessary approvals and the achievement of our target net leverage ratios (Bausch + Lomb <2.5x and Bausch Pharma ~6.5x-6.7x at the time of the spinoff).

5. Net of \$365M revolver draw down as of 11/8/2021.

# Accelerating Strategic Alternatives to Unlock Shareholder Value<sup>1</sup>

✓ Complete financial segmentation of Bausch + Lomb

✓ Appoint leadership of Bausch Pharma<sup>2</sup> and Bausch + Lomb

✓ Achieve all internal objectives needed for the spinoff

○ Launch IPO of Solta Medical in Dec. 2021/Jan. 2022 timeframe<sup>3</sup>

○ Launch Bausch + Lomb IPO ~30 days after Solta Medical IPO<sup>3</sup>

○ Bausch + Lomb spinoff following the expiry of customary lock-ups and achievement of our target net leverage ratios<sup>4</sup>

**Actively pursuing all opportunities to expedite leverage improvement and deliver shareholder value**

Bausch + Lomb Net Leverage  
Targeting less than **2.5x**  
at time of spin

Bausch Pharma<sup>2</sup> Net Leverage  
Targeting **~6.5x-6.7x**  
at time of spin

Path to  
Deleveraging

Used Cash Generated from Amount Divestiture

Initial Public Offering (IPO) of Solta Medical

Remaining Value of Solta Medical to Delever

Bausch + Lomb Debt Raise

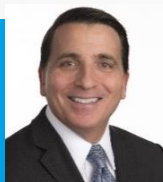
IPO of Bausch + Lomb

Grow EBITDA and Improve Working Capital Efficiency



# Bausch Pharma<sup>1</sup> At-A-Glance

## Key Leadership Appointments



**Tom Appio**  
Chief Executive Officer



**Tom Vadaketh**  
Chief Financial Officer

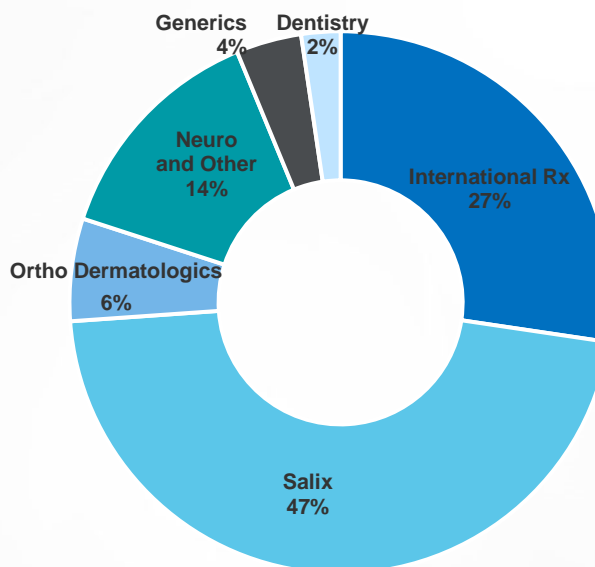


**Seana Carson**  
General Counsel



**Bob Spurr**  
President, U.S. Business

## Bausch Pharma Revenue Portfolio<sup>2,3</sup> (Excluding Global Solta Revenue)



## Post Separation Profile

- Expected Tax Rate: ~10-12%
- Domiciled: Canada; U.S. corporate offices will continue to be in Bridgewater, NJ
- Remain listed on: NYSE and TSX

**Xifaxan<sup>®</sup>**  
rifaximin 550 mg tablets

**Trulance<sup>™</sup>**  
(plecanatide)

**Wellbutrin XL<sup>®</sup>**  
bupropion HCl 150 mg, 300 mg  
EXTENDED-RELEASE TABLETS

**Aplenzin<sup>®</sup>**  
bupropion HCl 150 mg, 300 mg  
extended-release tablets

**RELISTOR<sup>®</sup>**  
methyl/naltrexone bromide

**Bedoyecta<sup>®</sup>**

**JUBLIA<sup>®</sup>**  
(efinaconazole)  
Topical Solution 10%

1. The remainder of Bausch Health is referred to as "Bausch Pharma" and will assume a new name upon separation from the Company's eye health business, Bausch + Lomb.  
2. Bausch Pharma revenues, a non-GAAP metric, are determined by subtracting Bausch + Lomb segment revenues for the applicable period from total Bausch Health revenues for the applicable period. See slide 2 and the Appendix for further non-GAAP information. For the purposes of this slide, Bausch Pharma Revenue has been further adjusted to subtract Global Solta revenue for the applicable period.  
3. YTD Revenue as of 9/30/21.



# Bausch + Lomb At-A-Glance

## Key Leadership Appointments



**Joe Papa**  
Chief Executive Officer



**Sam Eldessouky**  
Chief Financial Officer

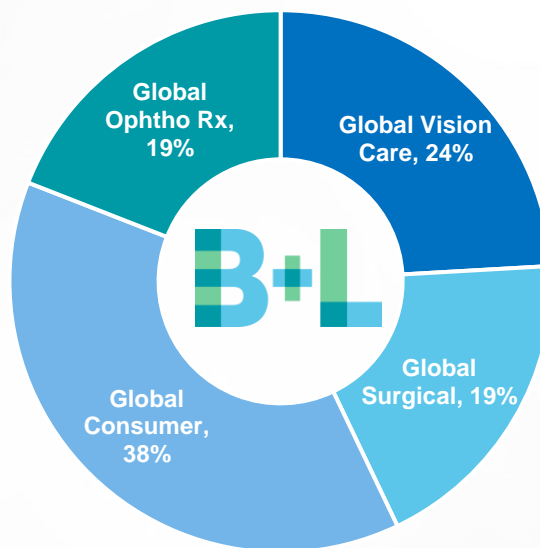


**Christina Ackermann**  
General Counsel & Head  
Ophthalmology Rx U.S.,  
Canada, Latin America  
and Asia Pacific



**Joe Gordon**  
Head, Global Consumer,  
Vision Care, Surgical and  
EMEA Ophthalmology Rx

## Bausch + Lomb Revenue Portfolio<sup>1</sup>



## Post Separation Profile

- **Expected Tax Rate:** A few hundred basis points higher than Bausch Pharma
- **Domiciled:** Canada; U.S. corporate offices will be in Bridgewater, NJ
- **Intend to apply for listing on:** NYSE and TSX



Stellaris



# Solta Medical At-A-Glance

## Key Leadership Appointments



**Paul Herendeen**  
Chairman



**Scott Hirsch**  
Chief Executive Officer



**Tom Hart**  
Chief Operating Officer



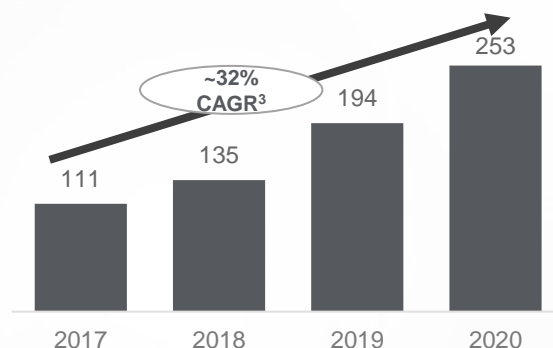
**Judah Bareli**  
General Counsel

**To be Announced** - Chief Financial Officer

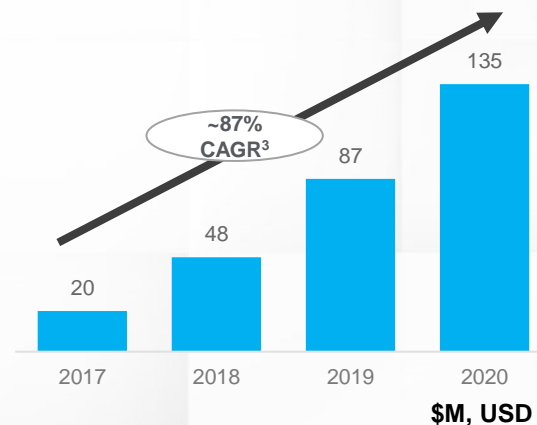
## Post Separation Profile

- Expected Tax Rate: Mid-teens %
- Domiciled: Canada; U.S. corporate offices will be NJ
- Intend to apply for listing on: NASDAQ

### 2017-2020 Revenue



### 2017-2020 Adj. EBITDA (non-GAAP)<sup>1,2</sup>



YTD 2021 Organic Revenue<sup>1,4</sup>: **+27%**



**thermage<sup>®</sup>**  
**FLX**  
RF system



**clear+brilliant<sup>®</sup>**  
**touch** laser



**fraxel<sup>®</sup>**  
laser



**VASER<sup>®</sup>**  
ultrasonic system

1. See Slide 2 and Appendix for further non-GAAP information.

2. Excludes BHC corporate allocations and any potential standalone costs

3. Compound Annual Growth Rate.

4. Organic growth/change, a non-GAAP metric, is defined as a change on a period-over-period basis in revenues on a constant currency basis (if applicable) excluding the impact of acquisitions, divestitures and discontinuations.

# 3Q21 Highlights

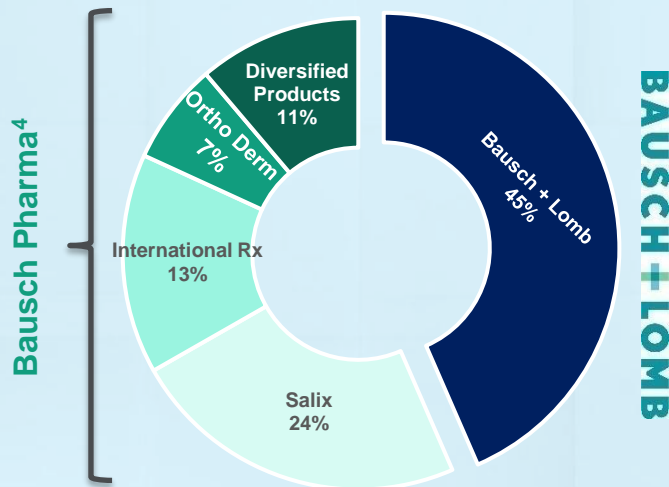
# Bausch Health 3Q21 Update

## BAUSCH+Health

3Q21 Reported Revenue: (1%)

3Q21 Organic Revenue<sup>1,2</sup>: 0%

### Bausch Health Revenue Breakdown



## Executing Our Business Recovery from COVID-19

- Total company organic revenue<sup>1,2</sup> was flat vs. 3Q20
  - 3Q21 Headwinds: Strong year-over-year comparator due to COVID-19 rebound across some international businesses in 3Q20
- Strong cash flow:** \$564M of cash generated from operations (GAAP) during 3Q21; \$382M<sup>3</sup> adjusted cash flows from operations (non-GAAP)<sup>1</sup> during 3Q21

## Unleashing Growth Drivers

### Strong performance and recovery from leading brands:

- XIFAXAN® reported revenue growth of 12% vs. 3Q20
- TRULANCE® reported revenue growth of 14% vs. 3Q20
- Ocuvite® + PreserVision® reported revenue growth of 4% vs. 3Q20
- LUMIFY® reported \$28M in revenue in 3Q21 or reported revenue growth of 40% vs. 3Q20

### Delivering on near-term R&D catalysts:

- Statistically significant topline results from second Phase 3 trial of NOV03<sup>6</sup> in dry eye disease associated with Meibomian gland dysfunction; expected NDA filing to FDA in 1H22
- Received FDA approval for XIPERE™<sup>5</sup>; expected to launch 1Q22

1. See Slide 2 and Appendix for further non-GAAP information.

2. Organic growth/change, a non-GAAP metric, is defined as a change on a period-over-period basis in revenues on a constant currency basis (if applicable) excluding the impact of acquisitions, divestitures and discontinuations.

3. Excludes legacy legal settlements (net of insurance recoveries), separation payments, separation-related payments, IPO payments and IPO-related payments and net cash provided by Amoun operating activities. In 3Q21, the adjustment resulted in a decrease to Adjusted Cash from Operations in 3Q21, due to these insurance recoveries.

4. The remainder of Bausch Health is referred to as "Bausch Pharma" and will assume a new name upon separation from the Company's eye health business, Bausch + Lomb. Bausch Pharma revenues, a non-GAAP metric, are determined by subtracting Bausch + Lomb segment revenues for the applicable period from total Bausch Health revenues for the applicable period. See slide 2 and the Appendix for further non-GAAP information.

5. In 2019, the Company acquired an exclusive license from Clearside Biomedical, Inc. for the commercialization and development of XIPERE™ in the United States and Canada.

6. In 2019, the Company acquired an exclusive license from Novaliq GmbH for the commercialization and development of NOV03 in the United States and Canada.

# 3Q21 Revenue Results

		Three Months Ended		Favorable (Unfavorable)		Nine Months Ended		Favorable (Unfavorable)	
		9.30.21	9.30.20	Reported	Organic Change <sup>1,2</sup>	9.30.21	9.30.20	Reported	Organic Change <sup>1,2</sup>
BAUSCH + LOMB	Bausch + Lomb <sup>3</sup> Segment	\$949M	\$916M	4%	3%	\$2,764M	\$2,468M	12%	10%
	Global Vision Care	\$226M	\$214M	6%	6%	\$666M	\$542M	23%	21%
	Global Surgical	\$173M	\$151M	15%	13%	\$520M	\$394M	32%	28%
	Global Consumer <sup>3</sup>	\$379M	\$351M	8%	7%	\$1,051M	\$986M	7%	5%
	Global Ophtho Rx <sup>3</sup>	\$171M	\$200M	(15%)	(15%)	\$527M	\$546M	(3%)	(6%)
	Bausch + Lomb Company	\$949M	\$916M	4%	3%	\$2,764M	\$2,468M	12%	10%
Bausch Pharma <sup>4</sup>	Salix Segment	\$527M	\$496M	6%	6%	\$1,515M	\$1,377M	10%	10%
	International Rx <sup>3</sup> Segment	\$271M	\$308M	(12%)	(1%)	\$890M	\$848M	5%	6%
	Ortho Dermatologics <sup>3</sup> Segment	\$140M	\$143M	(2%)	(3%)	\$418M	\$391M	7%	5%
	Ortho Dermatologics <sup>3</sup>	\$66M	\$70M	(6%)	(6%)	\$199M	\$225M	(12%)	(12%)
	Global Solta	\$74M	\$73M	1%	(1%)	\$219M	\$166M	32%	27%
	Diversified Products <sup>3</sup> Segment	\$224M	\$275M	(19%)	(19%)	\$651M	\$730M	(11%)	(10%)
	Neuro & Other <sup>3</sup>	\$151M	\$200M	(25%)	(25%)	\$448M	\$506M	(11%)	(10%)
	Generics <sup>3</sup>	\$48M	\$56M	(14%)	(14%)	\$127M	\$176M	(28%)	(27%)
	Dentistry	\$25M	\$19M	32%	32%	\$76M	\$48M	58%	58%
	Bausch Pharma <sup>4</sup> Company <sup>1,5</sup>	\$1,162M	\$1,222M	(5%)	(2%)	\$3,474M	\$3,346M	4%	4%
	Total Bausch Health Revenues	\$2,111M	\$2,138M	(1%)	0%	\$6,238M	\$5,814M	7%	6%

1. See Slide 2 and Appendix for further non-GAAP information.

2. Organic growth/change, a non-GAAP metric, is defined as a change on a period-over-period basis in revenues on a constant currency basis (if applicable) excluding the impact of acquisitions, divestitures and discontinuations.

3. In connection with the planned separation of the Company's eye health business into an independently traded entity from the remainder of Bausch Health Companies Inc, the Company has realigned and has begun operating in a manner consistent with the organizational structure of the two separate entities as proposed by the separation. Commencing in Q1 2021, the Company realigned its segment reporting structure and now operates in five reportable segments. Further in Q2 2021, the Company moved certain products previously reported in the International Rx Business Unit to the Global Consumer or Global Ophtho Rx business units. For more information about the current segment reporting structure, please see "New Segment Structure" and "New Segment Realignment" appendix slides in this Earnings presentation.

4. The remainder of Bausch Health is referred to as "Bausch Pharma" and will assume a new name upon the separation of the Company's eye health business, Bausch + Lomb.

5. Bausch Pharma revenues, a non-GAAP metric, are determined by subtracting Bausch + Lomb segment revenues for the applicable period from total Bausch Health revenues for the applicable period.

# IRS Disclosure

# Granite Trust Transaction

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**We strongly believe that the Company's Granite Trust transaction is squarely within the Internal Revenue Code and well-established precedents**

- The Company did a taxable liquidation of a subsidiary owned 69% by one of its subsidiaries and 31% by another
- For more than 70 years, the law has been settled, and accepted by IRS, that taxpayers can elect taxable liquidation treatment of a subsidiary by effecting a bona fide transfer of more than 20% of its shares before liquidation.
  - *Granite Trust Co. v. United States*, 238 F.2d 670 (1st Cir. 1956); *Commissioner v. Day & Zimmermann, Inc.*, 151 F.2d 517 (3d Cir. 1945)
  - IRS, LBI Directive No. ISI/9422.10\_01 at 9 (Aug. 29, 2014) (citing *Granite Trust*, and stating that “taxpayers may generally elect out of [nontaxable treatment] by disposing of more than 20% of [US subsidiary] shares before liquidation”)
  - IRS (Priv. Ltr. Rul. 201014002 (Apr. 9, 2010) (ruling that sale of more than 20% of U.S. subsidiary stock to foreign affiliate before liquidation qualified under *Granite Trust* and *Zimmerman*); IRS Priv. Ltr. Rul. 201330004 (Jul. 26, 2013) (same); *cf.* IRS Tech. Adv. Mem. 9206005 (Oct. 24, 1991) (respecting transfer of 25% of stock to foreign affiliate under *Granite Trust*)
  - B. Bittker & J. Eustice, Federal Income Taxation of Corporations and Shareholders. ¶ 10.11[2][a] (7<sup>th</sup> Ed. 2020) (observing that *Zimmerman* “now seems sanctified by the passage of time and reinforced by other decisions,” including *Granite Trust*)



# Granite Trust Transaction Continued

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**IRS is now taking the novel position that a pro rata distribution of 69% of liquidating corporation's assets constitutes "substantially all" of liquidating subsidiary's assets such that the transaction is tax-free "reorganization" in which no loss is recognized**

- The IRS's new position is flatly contradicted by long-standing case law
  - See *Nat'l Bk of Comm. of Norfolk v. United States*, 158 F. Supp. 887 (E.D.Va. 1958) (transfer of 81% of target's assets to acquiror did not constitute "substantially all" of target's assets); *Arctic Ice Machine Co. v. Comm'r*, 23 B.T.A. 1223 (1931) (transfer of all of target's operating assets, constituting 68% of total assets, did not constitute "substantially all" of target's assets)
- Moreover, IRS position is contradicted by the IRS's own policy of refusing to give taxpayers rulings that a transaction satisfies "substantially all" test unless target transfers at least 90% of its net assets and 70% of its gross assets to an acquiring corporation. See Rev. Proc. 77-37, 1977-2 C.B. 568.
  - See also IRS Priv. Ltr. Rul. 201014002, above, (ruling that *Granite Trust* transaction did not qualify as reorganization)

**Further evidencing that the IRS's new position would result in a change in law, the House Ways and Means Committee recently proposed amendments to the Internal Revenue Code that would significantly curtail the scope of Granite Trust**

The background of the slide is a grayscale image of a medical ventilator's control panel. It features various digital displays, including a large screen showing waveforms and a smaller screen with numerical values. Text on the panel includes "Scale changed", "Pressure Control: Ventilator On", "Pinsp cmH2O", "RR /min", "IE 1:2", "PEEP cmH2O", "Off", "Total Flow l/min", "1.40", "0.70", "0.5", "0.70", "5.1", "522", "53", "0.8", "1.1".

# Appendix

# Reconciliation of Solta Medical Net Income to EBITDA (non-GAAP)<sup>1</sup> and Adjusted EBITDA (non-GAAP)<sup>1</sup> (\$M)<sup>2</sup>

	Twelve Months Ended December 31, 2020	Twelve Months Ended December 31, 2019	Twelve Months Ended December 31, 2018	Twelve Months Ended December 31, 2017
Net income attributable to Solta Medical	93	52	22	1
Provision for Income Taxes <sup>3</sup>	20	9	4	-
Depreciation and amortization	21	21	22	19
<b>EBITDA</b>	<b>134</b>	<b>82</b>	<b>48</b>	<b>20</b>
Adjustments:				
Asset impairments, including loss on assets held for sale	-	4	-	-
Acquisition-related costs and adjustments (excluding amortization of intangible assets)	-	-	(1)	(1)
Share-based compensation	1	1	1	1
<b>Adjusted EBITDA (non-GAAP)<sup>1</sup></b>	<b>\$ 135</b>	<b>\$ 87</b>	<b>\$ 48</b>	<b>\$ 20</b>

# Reconciliation of Reported Revenue to Organic Revenue<sup>1,2</sup> and Organic Revenue Growth<sup>1,2</sup> (\$M) (Quarter-to-Date)<sup>4</sup>

	Calculation of Organic Revenue for the Three Months Ended						Change in Organic Revenue	
	September 30, 2021			September 30, 2020			Amount	Pct.
	Revenue as Reported	Changes in Exchange Rates <sup>3</sup>	Organic Revenue (Non-GAAP) <sup>1,2</sup>	Revenue as Reported	Divestitures and Discontinuations	Organic Revenue (Non-GAAP) <sup>1,2</sup>		
<b>Bauch +Lomb<sup>4</sup></b>								
Global Vision Care	226	(1)	225	214	(1)	213	12	6%
Global Surgical	173	(4)	169	151	(1)	150	19	13%
Global Consumer <sup>4</sup>	379	(3)	376	351	(1)	350	26	7%
Global Ophtho Rx <sup>4</sup>	171	(2)	169	200	(1)	199	(30)	-15%
Total Bausch + Lomb	949	(10)	939	916	(4)	912	27	3%
<b>Bausch Pharma<sup>5</sup></b>								
<b>Salix</b>								
Salix	527	-	527	496	-	496	31	6%
<b>International Rx<sup>4</sup></b>								
International Rx <sup>4</sup>	271	(7)	264	308	(42)	266	(2)	-1%
<b>Ortho Dermatologics<sup>4</sup></b>								
Ortho Dermatologics <sup>4</sup>	66	-	66	70	-	70	(4)	-6%
Global Solta	74	(2)	72	73	-	73	(1)	-1%
Total Ortho Dermatologics	140	(2)	138	143	-	143	(5)	-3%
<b>Diversified Products<sup>4</sup></b>								
Neurology & Other <sup>4</sup>	151	-	151	200	-	200	(49)	-25%
Generics <sup>4</sup>	48	-	48	56	-	56	(8)	-14%
Dentistry	25	-	25	19	-	19	6	32%
Total Diversified Products	224	-	224	275	-	275	(51)	-19%
Total Bausch Pharma revenues <sup>5</sup>	1,162	(9)	1,153	1,222	(42)	1,180	(27)	-2%
<b>Total Bausch Health revenues</b>	<b>\$ 2,111</b>	<b>\$ (19)</b>	<b>\$ 2,092</b>	<b>\$ 2,138</b>	<b>\$ (46)</b>	<b>\$ 2,092</b>	<b>\$ -</b>	<b>0%</b>

1. See Slide 2 and this Appendix for further non-GAAP information

2. Organic growth/change, a non-GAAP metric, is defined as a change on a period-over-period basis in revenues on a constant currency basis (if applicable) excluding the impact of acquisitions, divestitures and discontinuations.

3. The impact for changes in foreign currency exchange rates is determined as the difference in the current period reported revenues at their current period currency exchange rates and the current period reported revenues revalued using the monthly average currency exchange rates during the comparable prior period.

4. See footnote 3 at slide 6 for further details regarding the realigned segment reporting structure and the conformed prior period presentation.

5. Bausch Pharma revenues, a non-GAAP metric, are determined by subtracting Bausch + Lomb segment revenues for the applicable period from total Bausch Health revenues for the applicable period.

# Reconciliation of Reported Revenue to Organic Revenue<sup>1,2</sup> and Organic Revenue Growth<sup>1,2</sup> (\$M) (Year-to-Date)<sup>4</sup>

	Calculation of Organic Revenue for the Nine Months Ended						Change in Organic Revenue	
	September 30, 2021			September 30, 2020			Amount	Pct.
	Revenue as Reported	Changes in Exchange Rates <sup>3</sup>	Organic Revenue (Non-GAAP) <sup>1,2</sup>	Revenue as Reported	Divestitures and Discontinuities	Organic Revenue (Non-GAAP) <sup>1,2</sup>		
<b>Bauch + Lomb<sup>4</sup></b>								
Global Vision Care	666	(14)	652	542	(2)	540	112	21%
Global Surgical	520	(22)	498	394	(4)	390	108	28%
Global Consumer <sup>4</sup>	1,051	(21)	1,030	986	(1)	985	45	5%
Global Ophtho Rx <sup>4</sup>	527	(12)	515	546	(1)	545	(30)	-6%
Total Bausch + Lomb	2,764	(69)	2,695	2,468	(8)	2,460	235	10%
<b>Bausch Pharma<sup>5</sup></b>								
<b>Salix</b>								
Salix	1,515	-	1,515	1,377	-	1,377	138	10%
<b>International Rx<sup>4</sup></b>								
International Rx <sup>4</sup>	890	(34)	856	848	(44)	804	52	6%
<b>Ortho Dermatologics<sup>4</sup></b>								
Ortho Dermatologics <sup>4</sup>	199	-	199	225	-	225	(26)	-12%
Global Solta	219	(9)	210	166	-	166	44	27%
Total Ortho Dermatologics	418	(9)	409	391	-	391	18	5%
<b>Diversified Products<sup>4</sup></b>								
Neurology & Other <sup>4</sup>	448	-	448	506	(7)	499	(51)	-10%
Generics <sup>4</sup>	127	-	127	176	(1)	175	(48)	-27%
Dentistry	76	-	76	48	-	48	28	58%
Total Diversified Products	651	-	651	730	(8)	722	(71)	-10%
Total Bausch Pharma revenues <sup>5</sup>	3,474	(43)	3,431	3,346	(52)	3,294	137	4%
<b>Total Bausch Health revenues</b>	<b>\$ 6,238</b>	<b>\$ (112)</b>	<b>\$ 6,126</b>	<b>\$ 5,814</b>	<b>\$ (60)</b>	<b>\$ 5,754</b>	<b>\$ 372</b>	<b>6%</b>

1. See Slide 2 and this Appendix for further non-GAAP information.

2. Organic growth/change, a non-GAAP metric, is defined as a change on a period-over-period basis in revenues on a constant currency basis (if applicable) excluding the impact of acquisitions, divestitures and discontinuations.

3. The impact for changes in foreign currency exchange rates is determined as the difference in the current period reported revenues at their current period currency exchange rates and the current period reported revenues revalued using the monthly average currency exchange rates during the comparable prior period.

4. See footnote 3 at slide 6 for further details regarding the realigned segment reporting structure and the conformed prior period presentation.

5. Bausch Pharma revenues, a non-GAAP metric, are determined by subtracting Bausch + Lomb segment revenues for the applicable period from total Bausch Health revenues for the applicable period.

# Reconciliation of Reported Net Cash Provided by Operating Activities to Adj. Cash Flows from Operations (non-GAAP)<sup>1</sup> (\$M)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Cash provided by operating activities	\$ 564	\$ 256	\$ 1,402	\$ 717
Payments of legacy legal settlements, net of insurance proceeds	(201)	48	(71)	43
Payments of separation costs, separation-related costs, IPO costs, and IPO-related costs	28	-	81	-
Cash provided by Amoun operating activities	(9)	-	(34)	-
Adjusted Cash provided by operating activities (non-GAAP) <sup>1</sup>	<u>\$ 382</u>	<u>\$ 304</u>	<u>\$ 1,378</u>	<u>\$ 760</u>

# TTM<sup>1</sup> Adjusted EBITDA<sup>2</sup> (\$M)

	Sep-21	Jun-21	Mar-21	Dec-20	Sep-20
<b>Net loss attributable to Bausch Health Companies Inc.</b>	<b>\$ (1,170)</b>	<b>\$ (1,287)</b>	<b>\$ (1,018)</b>	<b>\$ (560)</b>	<b>\$ (1,923)</b>
Interest expense, net	1,454	1,477	1,498	1,521	1,532
Benefit from income taxes	(278)	(298)	(333)	(375)	(86)
Depreciation and amortization	1,617	1,671	1,747	1,825	1,889
<b>EBITDA</b>	<b>1,623</b>	<b>1,563</b>	<b>1,894</b>	<b>2,411</b>	<b>1,412</b>
Adjustments:					
Asset impairments, including loss on assets held for sale	310	294	248	114	43
Goodwill impairments	469	469	469	-	-
Restructuring and integration costs	8	6	10	11	15
Acquisition-related costs and adjustments (excluding amortization of intangible assets)	30	24	26	48	36
Loss on extinguishment of debt	70	58	40	59	53
Share-based compensation	119	113	109	105	106
Separation costs, separation-related costs, IPO costs and IPO-related costs	138	102	61	32	5
Other adjustments:					
Litigation and other matters	615	831	399	422	1,516
IT infrastructure investment	22	21	19	21	25
Legal and other professional fees	56	51	47	39	41
Net gain on sale of assets	(2)	(23)	(23)	(1)	(22)
Acquired in-process research and development costs	15	27	33	32	52
Other	1	1	1	1	(1)
<b>Adjusted EBITDA (non-GAAP) <sup>2</sup></b>	<b>\$ 3,474</b>	<b>\$ 3,537</b>	<b>\$ 3,333</b>	<b>\$ 3,294</b>	<b>\$ 3,281</b>



# Non-GAAP Appendix

## Description of Non-GAAP Financial Measures

To supplement the financial measures prepared in accordance with U.S. generally accepted accounting principles (GAAP), the Company uses certain non-GAAP financial measures. These measures do not have any standardized meaning under GAAP and other companies may use similarly titled non-GAAP financial measures that are calculated differently from the way we calculate such measures. Accordingly, our non-GAAP financial measures may not be comparable to similar non-GAAP measures. We caution investors not to place undue reliance on such non-GAAP measures, but instead to consider them with the most directly comparable GAAP measures. Non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation. They should be considered as a supplement to, not a substitute for, or superior to, the corresponding measures calculated in accordance with GAAP.

## Adjusted EBITDA (non-GAAP)

Adjusted EBITDA (non-GAAP) is GAAP net income (loss) attributable to Bausch Health Companies Inc. (its most directly comparable GAAP financial measure) adjusted for interest expense, net, (benefit from) provision for income taxes, depreciation and amortization and certain other items, as further described below. Management believes that Adjusted EBITDA (non-GAAP), along with the GAAP measures used by management, most appropriately reflect how the Company measures the business internally and sets operational goals and incentives. In particular, the Company believes that Adjusted EBITDA (non-GAAP) focuses management on the Company's underlying operational results and business performance. As a result, the Company uses Adjusted EBITDA (non-GAAP) both to assess the actual financial performance of the Company and to forecast future results as part of its guidance. Management believes Adjusted EBITDA (non-GAAP) is a useful measure to evaluate current performance. Adjusted EBITDA (non-GAAP) is intended to show our unleveraged, pre-tax operating results and therefore reflects our financial performance based on operational factors. In addition, cash bonuses for the Company's executive officers and other key employees are based, in part, on the achievement of certain Adjusted EBITDA (non-GAAP) targets.

**Adjusted EBITDA (non-GAAP) is net income (loss) attributable to the Company (its most directly comparable GAAP financial measure) adjusted for interest expense, net, (benefit from) provision for income taxes, depreciation and amortization and the following items:**

**Restructuring and integration costs:** The Company has incurred restructuring costs as it implemented certain strategies, which involved, among other things, improvements to its infrastructure and operations, internal reorganizations and impacts from the divestiture of assets and businesses. With regard to infrastructure and operational improvements which the Company has taken to improve efficiencies in the businesses and facilities, these tend to be costs intended to right size the business or organization that fluctuate significantly between periods in amount, size and timing, depending on the improvement project, reorganization or transaction. The Company believes that the adjustments of these items provide supplemental information with regard to the sustainability of the Company's operating performance, allow for a comparison of the financial results to historical operations and forward-looking guidance and, as a result, provide useful supplemental information to investors.

**Asset Impairments, including loss on assets held for sale:** The Company has excluded the impact of impairments of finite-lived and indefinite-lived intangible assets, as well as impairments of assets held for sale, as such amounts are inconsistent in amount and frequency and are significantly impacted by the timing and/or size of acquisitions and divestitures. The Company believes that the adjustments of these items correlate with the sustainability of the Company's operating performance. Although the Company excludes impairments of intangible assets and assets held for sale from measuring the performance of the Company and the business, the Company believes that it is important for investors to understand that intangible assets contribute to revenue generation.

**Goodwill Impairments:** The Company excludes the impact of goodwill impairments. When the Company has made acquisitions where the consideration paid was in excess of the fair value of the net assets acquired, the remaining purchase price is recorded as goodwill. For assets that we developed ourselves, no goodwill is recorded. Goodwill is not amortized but is tested for impairment. The amount of goodwill impairment is measured as the excess of a reporting unit's carrying value over its fair value. Management excludes these charges in measuring the performance of the Company and the business.

# Non-GAAP Appendix

**Share-based Compensation:** The Company has excluded costs relating to share-based compensation. The Company believes that the exclusion of share-based compensation expense assists investors in the comparisons of operating results to peer companies. Share-based compensation expense can vary significantly based on the timing, size and nature of awards granted.

**Acquisition-related costs and adjustments excluding amortization of intangible assets:**

The Company has excluded the impact of acquisition-related contingent consideration non-cash adjustments due to the inherent uncertainty and volatility associated with such amounts based on changes in assumptions with respect to fair value estimates, and the amount and frequency of such adjustments is not consistent and is significantly impacted by the timing and size of the Company's acquisitions, as well as the nature of the agreed-upon consideration. In addition, the Company excludes the impact of acquisition-related costs and fair value inventory step-up resulting from acquisitions as the amounts and frequency of such costs and adjustments are not consistent and are impacted by the timing and size of its acquisitions. There were no acquisition-related costs or fair value inventory step-up for the periods presented.

**Loss on extinguishment of debt:** The Company has excluded loss on extinguishment of debt as this represents a cost of refinancing our existing debt and is not a reflection of our operations for the period. Further, the amount and frequency of such charges are not consistent and are significantly impacted by the timing and size of debt financing transactions and other factors in the debt market out of management's control.

**Separation and IPO costs and separation-related and IPO-related costs:** The Company has excluded certain costs incurred in connection with activities taken to: (i) separate the eye-health and the Solta aesthetic medical device businesses from the remainder of the Company and (ii) register the eye-health and the Solta aesthetic medical device businesses as independent publicly traded entities. Separation and IPO costs are incremental costs directly related to effectuating the separation of the eye-health business and the initial public offering ("IPO") of the Solta aesthetic medical device business (the "Solta IPO") and include, but are not limited to, legal, audit and advisory fees, talent acquisition costs and costs associated with establishing a new board of directors and related board committees. Separation-related and IPO-related costs are incremental costs indirectly related to the separation of the eye-health business and the Solta IPO and include, but are not limited to, IT infrastructure and software licensing costs, rebranding costs and costs associated with

facility relocation and/or modification. As these costs arise from events outside of the ordinary course of continuing operations, the Company believes that the adjustments of these items provide supplemental information with regard to the sustainability of the Company's operating performance, allow for a comparison of the financial results to historical operations and forward-looking guidance and, as a result, provide useful supplemental information to investors.

**Other Non-GAAP Charges:** The Company has excluded certain other amounts, including legal and other professional fees incurred in connection with legal and governmental proceedings, investigations and information requests regarding certain of our legacy distribution, marketing, pricing, disclosure and accounting practices, litigation and other matters, and net gain on sales of assets. The Company has also excluded expenses associated with in-process research and development, as these amounts are inconsistent in amount and frequency and are significantly impacted by the timing, size and nature of acquisitions. Furthermore, as these amounts are associated with research and development acquired, the Company does not believe that they are a representation of the Company's research and development efforts during any given period. The Company has also excluded IT infrastructure investment, that are the result of other, non-comparable events to measure operating performance. These events arise outside of the ordinary course of continuing operations. Given the unique nature of the matters relating to these costs, the Company believes these items are not normal operating expenses. For example, legal settlements and judgments vary significantly, in their nature, size and frequency, and, due to this volatility, the Company believes the costs associated with legal settlements and judgments are not normal operating expenses. In addition, as opposed to more ordinary course matters, the Company considers that each of the recent proceedings, investigations and information requests, given their nature and frequency, are outside of the ordinary course and relate to unique circumstances. The Company believes that the exclusion of such out-of-the-ordinary-course amounts provides supplemental information to assist in the comparison of the financial results of the Company from period to period and, therefore, provides useful supplemental information to investors. However, investors should understand that many of these costs could recur and that companies in our industry often face litigation.

Please also see the reconciliation tables in this appendix for further information as to how these non-GAAP measures are calculated for the periods presented.

# Non-GAAP Appendix

## Organic Revenue, Organic Growth, Organic Revenue Decline and Organic Change

Organic growth/change, a non-GAAP metric, is defined as a change on a period-over-period basis in revenues on a constant currency basis (if applicable) excluding the impact of recent acquisitions, divestitures and discontinuations (if applicable). Organic growth/change is change in GAAP Revenue (its most directly comparable GAAP financial measure) adjusted for certain items, as further described below, of businesses that have been owned for one or more years. Organic revenue is impacted by changes in product volumes and price. The price component is made up of two key drivers: (i) changes in product gross selling price and (ii) changes in sales deductions. The Company uses organic revenue and organic growth/change to assess performance of its business units and operating and reportable segments, and the Company in total, without the impact of foreign currency exchange fluctuations and recent acquisitions, divestitures and product discontinuations. The Company believes that such measures are useful to investors as they provide a supplemental period-to-period comparison.

Organic growth/organic change reflects adjustments for: (i) the impact of period-over-period changes in foreign currency exchange rates on revenues and (ii) the revenues associated with acquisitions, divestitures and discontinuations of businesses divested and/ or discontinued. These adjustments are determined as follows:

- *Foreign currency exchange rates:* Although changes in foreign currency exchange rates are part of our business, they are not within management's control. Changes in foreign currency exchange rates, however, can mask positive or negative trends in the business. The impact for changes in foreign currency exchange rates is determined as the difference in the current period reported revenues at their current period currency exchange rates and the current period reported revenues revalued using the monthly average currency exchange rates during the comparable prior period.
- *Acquisitions, divestitures and discontinuations:* In order to present period-over-period organic revenues (non-GAAP) on a comparable basis, revenues associated with acquisitions, divestitures and discontinuations are adjusted to include only revenues from those businesses and assets owned during both periods. Accordingly, organic revenue (non-GAAP) growth/change excludes from the current period, revenues attributable to each acquisition for twelve months subsequent to the day of acquisition, as there are no revenues from those businesses and assets included in the comparable prior period. Organic revenue (non-GAAP) growth/change excludes from the prior period, all revenues attributable to each divestiture and discontinuance during the twelve months prior to the day of divestiture or discontinuance, as there are no revenues from those businesses and assets included in the comparable current period.

Please also see the reconciliation in this Appendix for further information as to how this non-GAAP measure is calculated for the periods presented.

## Constant Currency

Changes in the relative values of non-U.S. currencies to the U.S. dollar may affect the Company's financial results and financial position. To assist investors in evaluating the Company's performance, we have adjusted for foreign currency effects.

Constant currency impact is determined by comparing 2021 reported amounts adjusted to exclude currency impact, calculated using 2020 monthly average exchange rates, to the actual 2020 reported amounts.

## Adjusted Cash Flows from Operations (non-GAAP)

Adjusted cash flows from operations (non-GAAP) is Cash provided by operating activities (its most directly comparable GAAP financial measure) adjusted for: (i) payments of legacy legal settlements, net of insurance proceeds and (ii) payments for separation costs, IPO costs, separation-related costs, and IPO-related costs and (iii) Amount Cash Flow from Operations in accordance to the terms related to the deal. As these payments arise from events outside of the ordinary course of continuing operations as discussed above, the Company believes that the adjustments of these items provide supplemental information with regard to the sustainability of the Company's cash from operations, allow for a comparison of the financial results to historical operations and forward-looking guidance and, as a result, provide useful supplemental information to investors.

Management believes that Adjusted cash flows from operations (non-GAAP), along with the GAAP and non-GAAP measures used by management, most appropriately reflect how the Company measures the business internally. The Company uses Adjusted net cash provided by operating activities (non-GAAP) both to assess the actual financial performance of the Company and to forecast future results as part of its guidance. Management believes Adjusted net cash provided by operating activities (non-GAAP) is a useful measure to evaluate current performance amounts.

Please also see the reconciliation in this Appendix for further information as to how this non-GAAP measure is calculated for the periods presented.

## Bausch Pharma Revenue

Bausch Pharma Revenue, non-GAAP metrics, are determined by subtracting Bausch + Lomb segment revenues for the applicable period from total Bausch Health revenues for the applicable period.