

A conceptual image showing a globe of the Earth being held by several hands of different skin tones. The background is a soft-focus bokeh of green and yellow light, suggesting an outdoor setting with sunlight filtering through leaves. The image has a blue gradient overlay on the left side.

BAUSCH Health

Second Quarter 2022 Earnings Call

August 9th, 2022

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, statements regarding future prospects and performance of Bausch Health Companies Inc. ("Bausch Health", the "Company", "we", "us", "BHC"), including: the Company's revised 2022 full-year guidance; expectations for adjusted cash flows from operations and the anticipated uses of same; expectations regarding adjusted gross margin; the timing of the Bausch + Lomb spinoff/distribution, the anticipated dis-synergies resulting from such transaction (including the allocation thereof between the separated entity and the remainder of Bausch Health), the Company's intentions regarding driving growth through operational excellence, intensifying focus on R&D and business development and cultivating a high performance, results-oriented culture, the expected immediate growth drivers for our businesses and segments, including expected geographic expansion for certain of our products and franchises, and our intentions to execute same, expected launches of certain products and the timing of same, the expected submissions and approvals for certain of our products and the timing of same, expected demand for certain of our products, and the anticipated progress in and results of our research & development ("R&D") programs and the timing of same; the Company's intentions regarding the defense of its intellectual property in the XIFAXAN® patent litigation, [the anticipated timing of the loss of exclusivity of certain of our products and the expected impact of such loss of exclusivity on our financial condition]; and the Company's plans and strategic focus for 2022 and beyond, management's commitments and expected targets and our ability to achieve the action plan and expected targets in the periods anticipated. 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 positive and negative 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, including the Company's 2022 full-year guidance, 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. Although we believe that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. Actual results may differ materially from those expressed or implied in such statements. Certain material factors or assumptions are applied in making such forward-looking statements, including but 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 U.S. 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 and subvariants), COVID-19 vaccine immunization rates, new lockdowns in certain countries, the emergence of variant and subvariant strains of COVID-19, the evolving reaction of governments, private sector participants and the public to that pandemic, and the potential effects and economic impact of the pandemic and the reaction to it, 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, risk and uncertainties caused by shareholder activism by our existing or future investors, including the distraction of our management and employees caused by such shareholder activism, the time, resources and costs expended in connection with such shareholder activism and the impact of such shareholder activism on our business plans and strategies and our ability to effectively implement such plans and strategies. 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 the spinoff transaction, the Company's ability to complete the spinoff transaction considering the various conditions to the completion of the spinoff transaction (some of which are outside the Company's and Bausch + Lomb's control), including conditions related to receipt of applicable regulatory, stock exchange and shareholder approvals), achievement of target net leverage ratios, that market or other conditions are no longer favorable to completing the transaction, that the previously announced planned IPO of the Company's aesthetics medical device business, Global Solta has been suspended, 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 the spinoff transaction, diversion of management time on spinoff transaction-related issues, retention of existing management team members, the reaction of customers and other parties to the spinoff transaction, the qualification of the spinoff transaction as a tax-free transaction for Canadian and/or U.S. federal income tax purposes (including

whether or not an advance ruling from the Canada Revenue Agency and/or the U.S. Internal Revenue Service will be sought or obtained), the ability of the Company and the separated entity to satisfy the conditions required to maintain the tax-free status of the spinoff transaction (some of which are beyond its control), other potential tax or other liabilities that may arise as a result of the spinoff transaction, the potential dis-synergy costs resulting from the spinoff transaction, the impact of the spinoff 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 spinoff transaction will occur at all, or that any spinoff or other separation transaction will occur on the terms and timelines anticipated by the Company. They also include risks and uncertainties related to our ability to enforce and defend against challenges to our intellectual property in connection with the filing by Norwich Pharmaceuticals Inc. ("Norwich") of its Abbreviated New Drug Application for Xifaxan® (rifaximin) 550 mg tablets and the Company's related lawsuit filed against Norwich in connection therewith and the impact of such matter on, among other things, whether any proposed separation or spinoff transaction will occur at all, or that any such transaction will occur on the timelines anticipated by the Company. They also include the spinoff or other challenges the Company faces as a result of the closing of the Bausch + Lomb IPO, including the transitional services being provided by and to the Bausch + Lomb entity, any potential actual or perceived conflict of interest of some of our directors and officers because of their equity ownership in Bausch + Lomb and/or because they also serve as directors or officers of Bausch + Lomb and our ability to timely consolidate the financial results of the Bausch + Lomb business. In addition, certain material factors and assumptions have been applied in making these forward-looking statements, including, without limitation, assumptions regarding our 2022 full-year guidance with respect to expectations regarding base performance and management's belief regarding the impact of the COVID-19 pandemic and associated responses on such base performance and the operations and financial results of the Company generally, expected currency impact, the expected timing and impact of loss of exclusivity for certain of our products, expectations regarding the impact of the recall of certain of the Company's Consumer products, the adjusted SG&A expense (non-GAAP) and the Company's ability to continue to manage such expense in the manner anticipated, the anticipated timing and extent of the Company's R&D expense, and expectations regarding gross margin; and 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. Management has also made certain assumptions in assessing the anticipated impacts of the COVID-19 pandemic on the Company and its results of operations and financial conditions, including: that there will be no material restrictions on access to health care products and services resulting from a possible resurgence of the virus and variant and subvariant strains thereof on a global basis in 2022; there will be increased availability and use of effective vaccines; that strict social restrictions seen in the first half of 2020 will not be materially reenacted in the event of a material resurgence of the virus and variant and subvariant strains thereof; that there will be an ongoing gradual global recovery as the macroeconomic and health care impacts of the COVID-19 pandemic diminish over time; that the largest impact to the Company's businesses were seen in the second quarter of 2020; that, to the extent not already achieved, our revenues will likely return to pre-pandemic levels during 2022, but that rates of recovery will vary by geography and business unit, with some regions and business units expected to lag in recovery possibly beyond 2022 and no major interruptions in the Company's supply chain and distribution channels. If any of these assumptions regarding the impacts of the COVID-19 pandemic are incorrect, our 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. Bausch Health 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.

The guidance in this presentation is only effective as of the date given, August 9, 2022, and will not be updated or affirmed unless and until the Company publicly announces updated or affirmed guidance. Distribution or reference of this deck following August 9, 2022 does not constitute the Company re-affirming guidance.

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 and ratios including (i) Adjusted EBITDA, (ii) Adjusted EBITA, (iii) Adjusted EBITA Margin, (iv) Adjusted Gross Profit, (v) Adjusted Segment Gross Profit, (vi) Adjusted Gross Margin, (vii) Adjusted Segment Gross Margin, (viii) Adjusted G&A, (ix) Adjusted SG&A Expense, (x) Total Adjusted Operating Expense, (xi) Adjusted Net Income and Adjusted Net Income Attributable to Bausch Health Companies Inc. ("Bausch Health"), (xii) Adjusted Tax Rate, (xiii) Organic Revenue, (xiv) Organic Change/Organic Growth, (xv) Constant Currency, (xvi) Adjusted Cash Flows from Operations, (xvii) Bausch Pharma Revenue, (xviii) Adjusted EBITDA Margin, (xix) Adjusted EBITDA Attributable to Bausch Health, and (xx) Adjusted EBITDA Attributable to noncontrolling interest and adjusted net income attributable to noncontrolling interest. Management uses some of these non-GAAP measures and non-GAAP ratios 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 and non-GAAP ratios are useful to investors in their assessment of our operating performance and the valuation of the Company. In addition, these non-GAAP measures and non-GAAP ratios 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 and ratios 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 and ratios that are calculated differently from the way we calculate such measures and ratios. Accordingly, our non-GAAP financial measures and ratios may not be comparable to such similarly titled non-GAAP measures and ratios. We caution investors not to place undue reliance on such non-GAAP measures and non-GAAP ratios, but instead to consider them with the most directly comparable GAAP measures. Non-GAAP financial measures and non-GAAP ratios 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. However, for guidance purposes, the Company does not provide reconciliations of projected Adjusted EBITDA (non-GAAP) to projected GAAP net income (loss), projected Adjusted Cash Flows from Operations (non-GAAP) to projected GAAP Cash Generated from Operations, projected Adjusted Gross Margin (non-GAAP) to projected GAAP Gross Margin, projected Adjusted SG&A Expense to projected GAAP SG&A Expense, projected Adjusted Tax Rate to projected GAAP tax rate and projected organic growth (non-GAAP) to projected reported revenue growth, in each case due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliations. Many of the adjustments and exclusions used to calculate the projected non-GAAP measures may vary significantly based on actual events, so the Company is not able to forecast on a GAAP basis with reasonable certainty all adjustments needed in order to provide a GAAP calculation of these projected amounts. The amounts of these adjustments may be material and, therefore, could result in the GAAP amount being materially different from (including materially less than) the projected non-GAAP measures.

For further information on non-GAAP financial measures and ratios, please see the Non-GAAP Appendix.



1

**Key
developments**



2

**2Q financial
results**

Agenda

3

**FY 2022
guidance**



4

**Actions taken
and path
forward**



An abstract graphic featuring three blue cubes and a large orange sphere on a blue background. The cubes are arranged in a line, and the sphere is positioned at the end of the line, casting a long shadow. The background is a gradient of blue.

1 Key developments

Key developments¹



Vigorously defend XIFAXAN[®] intellectual property



Committed to creating value, improving our balance sheet and advancing our strategic alternatives as we work through patent litigation



New leadership team focused on driving performance and has taken action to improve results

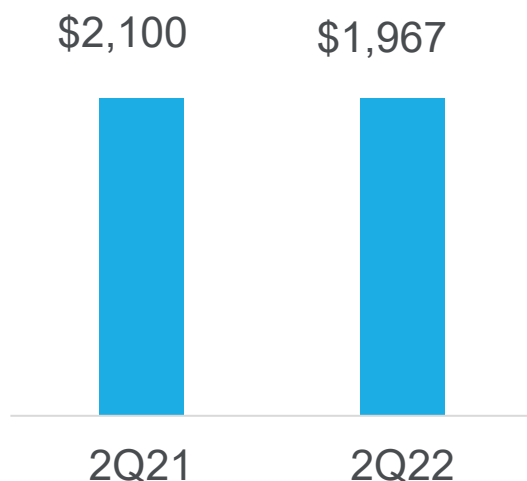
1. See Slide 2 for further information on forward looking statements.

2 Second quarter financial results

Consolidated 2Q22 Revenue

Revenue change vs 2Q21, in millions USD

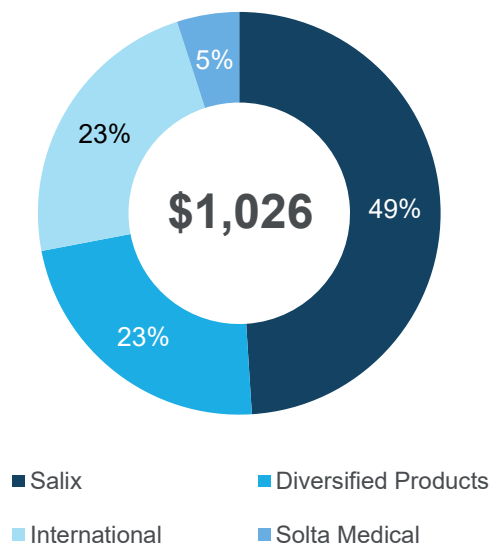
Bausch Health



Reported **(6%)**

Organic¹ **0%**

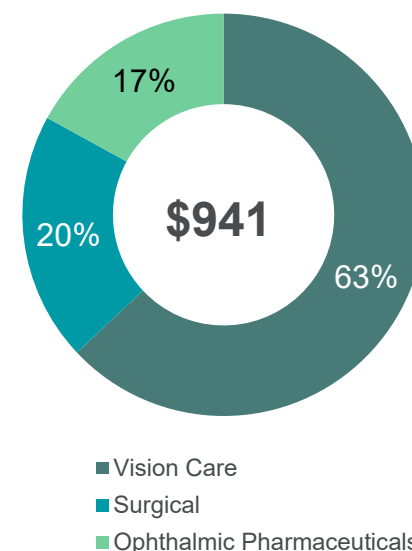
Bausch Pharma + Solta²



Reported **(12%)**

Organic¹ **(5%)**

Bausch + Lomb



Reported **1%**

Organic¹ **6%**

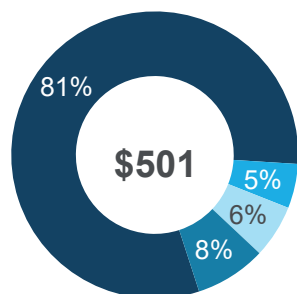
1. This is a non-GAAP measure or non-GAAP ratio. See Slide 3 and Non-GAAP Appendix for further information on non-GAAP measures and ratios.
2. Bausch Pharma revenues, also referred to as Bausch Pharma + Solta revenues, is a non-GAAP measure, calculated by subtracting Bausch + Lomb segment revenues for the applicable period from total Bausch Health revenues for the applicable period.

Unconsolidated

2Q22 Bausch Pharma + Solta revenue

Revenue change vs 2Q21, in millions USD

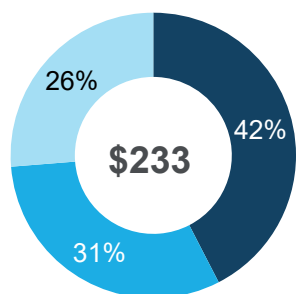
Salix



■ Xifaxan®
■ Trulance®
■ Relistor®
■ Other

Reported **(3%)**
Organic¹ **(3%)**

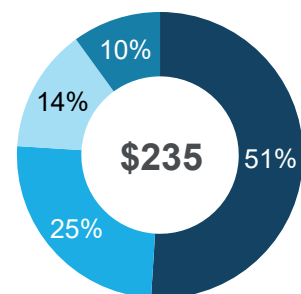
International



■ EMEA ■ Latam ■ Canada

(26%)
2%

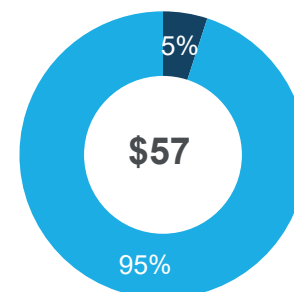
Diversified Products



■ Neuro ■ Ortho Derm
■ Generics ■ Dentistry

(11%)
(11%)

Solta Medical



■ Console ■ Consumable

(22%)
(22%)

Key drivers

Reported revenue change

- Xifaxan® **1%**
- Trulance® **(18%)**
- Relistor® **0%**
- LOE impact

- Bedoyecta® **42%**
- Amoun divestiture in 3Q 2021
- Excluding product return provision, organic +7%^{1,2}

- Wellbutrin® **(13%)**
- Jublia® **13%**
- Aplenizin® **8%**
- LOE impact


- Thermage® **(32%)**
- COVID impact in China

1. This is a non-GAAP measure or non-GAAP ratio. See Slide 3 and Non-GAAP Appendix for further information on non-GAAP measures and ratios.
2. See Slide 10.

Bausch Pharma + Solta highlights by segment


Revenue change vs 2Q21:

Salix

 2Q 2022 Revenue: **\$501M**
Reported: **(3%)**, Organic²: **(3%)**


- Flat TRx¹ growth in Xifaxan®, NRx¹ share up ~100 bps to 88%
- \$21M inventory drawdown impacting Xifaxan® and Trulance®
- 9% TRx¹ growth in Relistor®
- 6% TRX¹ growth in Trulance®

International

 2Q 2022 Revenue: **\$233M**
Reported: **(26%)**, Organic²: **2%**


- Growth driven by Canada and Mexico
- Provision for expected future product returns of \$11 million in the Middle East. Excluding the provision, organic growth² of 7%
- Impact from divestitures and discontinuations (primarily Amoun) \$71M

Diversified Products

 2Q 2022 Revenue: **\$235M**
Reported: **(11%)**, Organic²: **(11%)**

- Lower demand for Wellbutrin® and certain products with higher COVID-related demand last year
- Jublia® TRx¹ growth of 25% due to increased DTC investment
- Legacy products and LOEs drove decline in dermatology

Solta Medical

 2Q 2022 Revenue: **\$57M**
Reported: **(22%)**, Organic²: **(22%)**

- Impact of continued COVID lockdowns in China
- Asia excluding China double digit revenue growth
- U.S. demand stable

1. TRx = total prescriptions, NRx = new prescriptions. Source: IQVIA

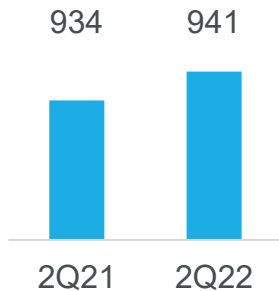
2. This is a non-GAAP measure or non-GAAP ratio. See Slide 3 and Non-GAAP Appendix for further information on non-GAAP measures and ratios.

Unconsolidated

2Q22 Bausch + Lomb revenue

Revenue change vs 2Q21, in millions USD

Revenue

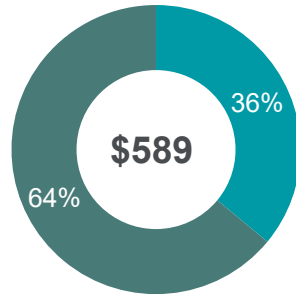


Change 2Q22 vs 2Q21:

Reported **1%**

Organic¹ **6%**

Vision Care

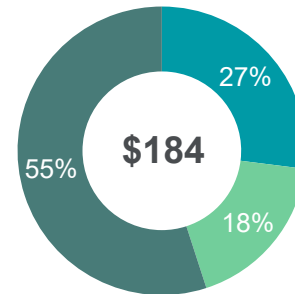


■ Contact Lens ■ Consumer

6%

11%

Surgical

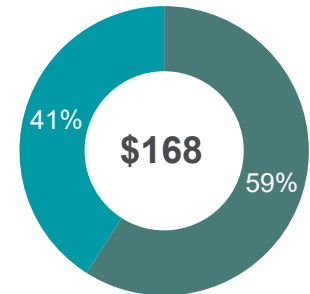


■ Implantables ■ Equipment
■ Consumables/Other

(1%)

7%

Ophthalmic Pharmaceuticals



■ U.S. ■ International

(13%)

(10%)

Drivers

Reported revenue growth

- | | | | |
|---|---|--|---|
| <ul style="list-style-type: none">Strong demand across key franchises | <ul style="list-style-type: none">Lumify® 21%BioTrue® 39%Ocuvite® + PreserVision® 7% | <ul style="list-style-type: none">Growth in enVista® IOLInternational launch LuxSmart | <ul style="list-style-type: none">Vyzulta® TRx growthLOE impact in U.S., generic performance and competition |
|---|---|--|---|

1. This is a non-GAAP measure or non-GAAP ratio. See Slide 3 and Non-GAAP Appendix for further information on non-GAAP measures and ratios.

Consolidated 2Q22/YTD Revenue performance

	2Q22	2Q21	Reported	Organic ¹		YTD22	YTD21	Reported	Organic ¹
Salix	\$501M	\$516M	(3%)	(3%)		\$965M	\$988M	(2%)	(2%)
International ²	\$233M	\$313M	(26%)	2%		\$477M	\$619M	(23%)	5%
Diversified Products ²	\$235M	\$264M	(11%)	(11%)		\$484M	\$560M	(14%)	(14%)
Neurology & Other	\$121M	\$143M	(15%)	(15%)		\$249M	\$297M	(16%)	(16%)
Generics ²	\$32M	\$32M	0%	0%		\$70M	\$82M	(15%)	(15%)
Ortho Dermatologics ²	\$58M	\$63M	(8%)	(8%)		\$117M	\$131M	(11%)	(11%)
Dentistry ²	\$24M	\$26M	(8%)	(8%)		\$48M	\$50M	(4%)	(4%)
Solta Medical ²	\$57M	\$73M	(22%)	(22%)		\$129M	\$145M	(11%)	(11%)
Total Bausch Pharma + Solta^{1,3}	\$1,026M	\$1,166M	(12%)	(5%)		\$2,055M	\$2,312M	(11%)	(4%)
Vision Care	\$589M	\$557M	6%	11%		\$1,149M	\$1,112M	3%	8%
Surgical	\$184M	\$185M	(1%)	7%		\$358M	\$347M	3%	10%
Ophtho Pharmaceuticals	\$168M	\$192M	(13%)	(9%)		\$323M	\$356M	(9%)	(6%)
Bausch+Lomb²	\$941M	\$934M	1%	6%		\$1,830M	\$1,815M	1%	5%
Total Bausch Health	\$1,967M	\$2,100M	(6%)	0%		\$3,885M	\$4,127M	(6%)	0%

1. This is a non-GAAP measure or non-GAAP ratio. See Slide 3 and Non-GAAP Appendix for further information on non-GAAP measures and ratios.

2. Commencing in the first quarter of 2022, the Company operates in the following reportable segments: (i) Salix, (ii) International, (iii) Diversified Products, (iv) Solta Medical and (v) Bausch + Lomb. Also commencing in the first quarter of 2022, the Company moved certain products previously reported in the Dentistry business unit to the Ortho Dermatologics business unit and certain products previously reported in the Ortho Dermatologics business unit to the Generics business unit.

3. Bausch Pharma revenues, also referred to as Bausch Pharma + Solta revenues, is a non-GAAP measure, calculated by subtracting Bausch + Lomb segment revenues for the applicable period from total Bausch Health revenues for the applicable period.

Consolidated

2Q22 GAAP financial results

	Three Months Ended		Favorable (Unfavorable)
	6.30.22	6.30.21	Reported
Revenues	\$1,967M	\$2,100M	(6%)
GAAP Gross Profit	\$1,082M	\$1,081M	0%
GAAP Gross Margin	55.0%	51.5%	350 bps
Selling, A&P	\$473M	\$470M	(1%)
GAAP G&A	\$203M	\$215M	6%
R&D	\$127M	\$115M	(10%)
GAAP Total Operating Expense	\$803M	\$800M	0%
GAAP Operating Income (Loss)	\$161M	(\$270M)	160%
GAAP Net Loss Attributable to Bausch Health Companies Inc.	(\$145M)	(\$595M)	76%
GAAP EPS Attributable to Bausch Health Companies Inc.	(\$0.40)	(\$1.66)	
GAAP Cash Flow from Operations	\$123M	\$395M	(69%)

Consolidated

2Q22 Non-GAAP financial results

	Three Months Ended		Favorable (Unfavorable)	
	6.30.22	6.30.21	Change	Constant Currency ¹
Revenues	\$1,967M	\$2,100M	(6%)	(3%)
Adj. Gross Profit ¹	\$1,390M	\$1,488M	(7%)	(4%)
Adj. Gross Margin ¹	70.7%	70.9%	(20 bps)	
Selling, A&P (same as reported)	\$473M	\$470M	(1%)	(4%)
Adj. G&A ¹	\$152M	\$157M	3%	3%
R&D (same as reported)	\$127M	\$115M	(10%)	(13%)
Total Adj. Operating Expense ¹	\$752M	\$742M	(1%)	(4%)
Adj. EBITA ¹	\$638M	\$746M	(14%)	(13%)
Adj. EBITDA Attributable to Bausch Health Companies Inc. ¹	\$701M	\$826M	(15%)	(14%)
Adj. Net Income Attributable to Bausch Health Companies Inc. ¹	\$201M	\$352M	(43%)	
<i>Diluted Shares Outstanding²</i>	<i>363.4M</i>	<i>363.6M</i>		
Adj. Cash Flows from Operations ^{1,3}	\$179M	\$425M	(58%)	

1. This is a non-GAAP measure or non-GAAP ratio. See Slide 3 and Non-GAAP Appendix for further information on non-GAAP measures and ratios.

2. This figure includes the dilutive impact of options and restricted stock units of approximately 1,184,000 and 4,558,000 common shares for the three months ended June 30, 2022 and 2021, respectively, which are excluded when calculating GAAP diluted loss per share because the effect of including the impact in this calculation would have been anti-dilutive.

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.

Consolidated

Quarterly balance sheet summary

	6.30.22	6.30.21	12.31.21
Cash, cash equivalents¹	\$1,879M ¹	\$1,856M ^{1,5}	\$2,119M ¹
Revolving Credit Drawn	\$425M	\$0M	\$285M
Senior Secured Debt²	\$10,275M	\$8,273M	\$7,958M
Senior Unsecured Debt²	\$11,781M	\$15,412M	\$14,912M
Total Consolidated Debt²	\$22,056M	\$23,685M	\$22,870M
Net Consolidated Debt³	\$21,397M ³	\$23,043M ³	\$22,288M ³
TTM Adj. EBITDA attributable to Bausch Health Companies Inc. (non-GAAP)⁴	\$3,227M	\$3,537M	\$3,472M
TTM GAAP Net Income/Loss	\$58M	(\$1,282M)	(\$937M)

1. Cash, cash equivalents, restricted cash and other settlement deposits for all periods presented includes \$1,210 million of payments into escrow funds under the terms of settlement agreements regarding the U.S. securities litigation (subject to an objector's appeal of the final court approval) and will remain in escrow until final approval of the settlements. This \$1,210 million does not reduce net debt for any of the periods presented. Cash, cash equivalents, restricted cash and other settlement deposits as of 12/31/21 includes \$300 million of payments into escrow funds under the terms of settlement agreements regarding the Glumetza Antitrust Litigation which were released from escrow in 2022. This \$300M does not reduce net debt as of 12/31/21.

2. Debt balances shown at principal value. Senior secured debt figure is inclusive of revolving credit drawn (if any).

3. Net debt is net of unrestricted cash and cash equivalents.

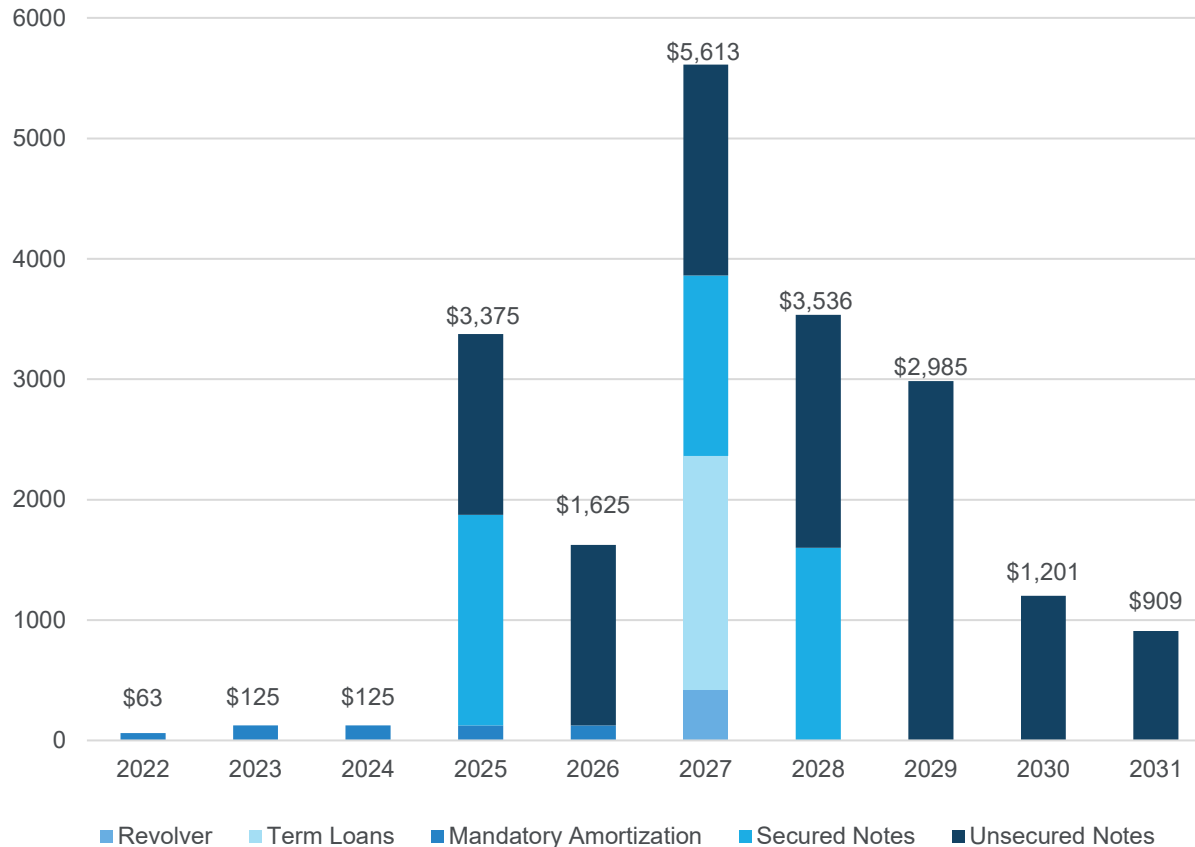
4. This is a non-GAAP measure or non-GAAP ratio. See Slide 3 and Non-GAAP Appendix for further information on non-GAAP measures and ratios.

5. Excludes \$62 million as of 2Q21 of cash and cash equivalents classified assets held for sale associated with the sale of the Company's equity interests in Amoun Pharmaceutical Company S.A. E. on July 26, 2021.

Unconsolidated

Bausch Pharma + Solta debt maturity profile^{1,2}

As of June 30, 2022, in millions



**TOTAL BAUSCH
PHARMA + SOLTA
DEBT**

\$19.6B²

Total debt down ~\$3.8 billion in 2Q22 vs 1Q22 and ~\$5.8B decrease in mandatory payments through 2025²

Executed open market repurchase program in 2Q22 of \$481M unsecured bonds for \$300M cash consideration

1. Debt values are shown at principal value.

2. Does not include: (i) \$2.5B of Bausch + Lomb term loan entered into by Bausch + Lomb in connection with the closing of the Bausch + Lomb IPO or (ii) \$125 million drawn by Bausch Health on its revolving credit facility for working capital purposes in July 2022.

3 FY 2022 guidance

Updated 2022 guidance^{1,2}

All ranges are approximate and in USD

	May Guidance	Bausch Pharma + Solta FX Impact	Bausch Pharma + Solta Base performance	Updated Guidance
Revenue²	\$8.25B - \$8.40B	+\$5M	(\$190M)	\$8.05B - \$8.22B
	Bausch Pharma + Solta \$4.50B - \$4.60B			Bausch Pharma + Solta \$4.30B - \$4.42B
	Bausch + Lomb \$3.75B - \$3.80B			Bausch + Lomb \$3.75B - \$3.80B
Adj. EBITDA (non-GAAP)^{1,2}	\$3.225B - \$3.375B	+\$15M	(\$225M)	\$3.02B - \$3.12B
	Bausch Pharma + Solta \$2.48B - \$2.60B			Bausch Pharma + Solta \$2.28B - \$2.34B
	Bausch + Lomb \$740M - \$780M			Bausch + Lomb \$740M - \$780M

2022 Bausch Pharma + Solta organic revenue ^{1,2} range of -3% to flat
2022 Consolidated organic revenue growth^{1,2} flat to +2%
2022 Bausch Pharma + Solta adj. cash flows from operations^{1,2,3} ~\$600 million

1. This is a non-GAAP measure or non-GAAP ratio. See Slide 3 and Non-GAAP Appendix for further information on non-GAAP measures and ratios.

2. See Slide 2 for further information on forward-looking statements.

3. Excludes legacy legal settlements (net of insurance recoveries), separation payments, separation-related payments, and IPO payments and IPO-related payments.

Unconsolidated

Bausch Pharma + Solta full-year outlook^{3,5}

All assumptions are approximate and in USD

	Prior Guidance ⁴	Current Guidance
Total Revenues	\$4.50B - \$4.60B	\$4.30B - \$4.42B
Adjusted EBITDA (non-GAAP) ¹	\$2.48B - \$2.60B	\$2.28B - \$2.34B

Key Assumptions	May 2022 ⁴	Current Guidance
Adjusted Gross Margin ¹	~81%	~80%
R&D Expense	~\$225M	~\$225M
Interest Expense ²	~\$1.4B	~\$1.4B
Adj. Tax Rate (non-GAAP) ¹	~14%	~15%
Depreciation and Stock Based Comp	~\$125M	~\$110M
Capital Expenditures ⁶	~\$50M	~\$50M

1. This is a non-GAAP measure or non-GAAP ratio. See Slide 3 and Non-GAAP Appendix for further information on non-GAAP measures and ratios.

2. Interest expense current guidance includes amortization and write-down of deferred financing costs of ~\$50M.

3. See Slide 2 for further information on forward-looking statements.

4. The prior guidance for Bausch Pharma + Solta is determined by subtracting the Bausch + Lomb segment portion of the May 10, 2022 consolidated guidance from the total May 10, 2022 consolidated guidance.

5. The prior full year outlook as of May 10, 2022 was on a consolidated basis. The full year outlook here pertains only to Bausch Pharma + Solta, and is not directly comparable.

6. Does not include impact of Bausch + Lomb IPO and proposed spin-off.

A scenic landscape featuring a dirt path that leads towards a sunset over mountains and a lake. The sky is filled with vibrant orange and yellow clouds, while the mountains in the background are silhouetted against the bright light. A wooden fence runs along the path in the foreground.

4 Actions taken and path forward

2022 Bausch Pharma + Solta priorities¹

1 Drive growth through operational excellence across the enterprise

- Accelerate growth engines of Salix and International
- Stabilize key cash-generating businesses of Dermatology, Neurology and Generics
- Recovery of procedures in Asia Pacific, availability of inventory, and expansion will support Solta growth

2 Intensify focus and operating rigor behind R&D and business development

- Achieve timelines and budgets for key R&D projects
- Increase size, breadth, and depth of product pipeline through R&D and strategic BD investment

3 Cultivate a high-performance, results-oriented culture

- Establish a high performance, energized culture with a sense of urgency, ownership, and accountability
- Build flattened and focused organization with new thinking and new capabilities with cost discipline focus

4 Progress strategic alternatives

- Utilize cash generated from operations to improve leverage
- Committed to evaluating the distribution of Bausch + Lomb as BHC works through patent litigation
- Flexibility to monetize an additional ~8.5% stake of Bausch + Lomb stake
- Drive towards target net leverage ratio ~6.5x-6.7x

1. See Slide 2 for further information on forward-looking statements.

Key actions underway¹

Salix

- ▶ • Activate the patient and caregiver through targeted omnichannel DTC campaigns
- Establish XIFAXAN® as the treatment of choice with tailored HCP campaigns
- Increase patient access and adherence with specific interventions along the GI patient journey

International

- ▶ • Expand branded generic product line
- Increase geographic footprint in key markets (Poland, Mexico, Canada)
- Engagement strategy to win customer and market share
- Expand portfolio in targeted therapeutic areas (targeting 66 product launches in 16 countries in the next 3 years)

Diversified Products

- ▶ • Launch branded DTC campaign for Jublia®
- Accelerate Arestin® growth through additional investment and strong commercial execution

Solta Medical

- ▶ • Drive organic growth across established markets in US/APAC through increased focus and targeted incremental investments
- Accelerate geographic expansion

1. See Slide 2 for further information on forward-looking statements.

Key takeaways



➤ Vigorously defend our intellectual property and address patient needs with XIFAXAN®

➤ Focus on creating value through driving growth, profitability and improving our balance sheet

➤ Resilient, motivated and working with great sense of urgency and ownership, taking a series of actions to improve our performance

BAUSCH  **Health**



BAUSCH Health

Appendix

Inventory in select U.S. businesses (QTD)¹

Months on Hand						
Business Units	As of Mar 31, 2021	As of Jun 31, 2021	Change 2Q21	As of Mar 31, 2022	As of Jun 30, 2022	Change 2Q22
Ortho Dermatologics	0.87	0.98	0.12	1.12	1.19	0.07
Neurology	0.82	0.99	0.17	1.10	1.08	(0.02)
Salix	0.82	0.81	(0.01)	0.98	0.94	(0.04)

1. U.S. wholesale inventory

Inventory in select U.S. Businesses (YTD)¹

Months on Hand						
Business Units	As of Dec 31, 2020	As of Jun 31, 2021	Change 2Q21	As of Dec 31, 2021	As of Jun 30, 2022	Change 2Q22
Ortho Dermatologics	0.72	0.98	0.26	1.03	1.19	0.16
Neurology	0.56	0.99	0.43	1.17	1.08	(0.09)
Salix	0.74	0.81	0.07	0.99	0.94	(0.05)

1. U.S. wholesale inventory

Consolidated

YTD GAAP financial results

	Six Months Ended		Favorable (Unfavorable)
	6.30.22	6.30.21	Reported
Revenues	\$3,885M	\$4,127M	(6%)
GAAP Gross Profit	\$2,131M	\$2,029M	5%
GAAP Gross Margin	54.9%	49.2%	570 bps
Selling, A&P	\$908M	\$888M	(2%)
GAAP G&A	\$390M	\$403M	3%
R&D	\$254M	\$227M	(12%)
GAAP Total Operating Expense	\$1,552M	\$1,518M	(2%)
GAAP Operating Income (Loss)	\$446M	(\$491M)	191%
GAAP Net Loss Attributable to Bausch Health Companies Inc.	(\$214M)	(\$1,205M)	82%
GAAP EPS Attributable to Bausch Health Companies Inc.	(\$0.59)	(\$3.37)	
GAAP Cash Flow from Operations	\$60M	\$838M	(93%)

Consolidated

YTD Non-GAAP financial results

	Six Months Ended		Favorable (Unfavorable)	
	6.30.22	6.30.21	Reported	Constant Currency ¹
Revenues	\$3,885M	\$4,127M	(6%)	(3%)
Adj. Gross Profit ^{1,2}	\$2,757M	\$2,941M	(6%)	(4%)
Adj. Gross Margin ¹	71.0%	71.3%	(30 bps)	
Selling, A&P (same as reported)	\$908M	\$888M	(2%)	(4%)
Adj. G&A ¹	\$295M	\$303M	3%	1%
R&D (same as reported)	\$254M	\$227M	(12%)	(14%)
Adj. Operating Expense ¹	\$1,457M	\$1,418M	(3%)	(5%)
Adj. EBITA ¹	\$1,300M	\$1,523M	(15%)	(13%)
Adj. EBITDA attributable to Bausch Health Companies Inc ¹	\$1,433M	\$1,678M	(15%)	(13%)
Adj. Net Income attributable to Bausch Health Companies Inc ¹	\$464M	\$722M	(34%)	
<i>Diluted Shares Outstanding³</i>	<i>363.9M</i>	<i>363.6M</i>		
Adj. Cash Flow from Operations ^{1,4}	\$504M	\$996M	(49%)	

1. This is a non-GAAP measure or non-GAAP ratio. See Slide 3 and Non-GAAP Appendix for further information on non-GAAP measures and ratios.

2. See Appendix for details on amortization and impairments of intangible assets.

3. This figure includes the dilutive impact of options and restricted stock units of approximately 2,392,000 and 5,608,000 common shares for the six months ended June 30, 2022 and 2021, respectively, which are excluded when calculating GAAP diluted loss per share because the effect of including the impact in this calculation would have been anti-dilutive.

4. 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.

Segment profit¹

In millions USD

2Q 2022	Salix	International	Diversified	Solta	Total
Segment Revenue	\$501M	\$233M	\$235M	\$57M	\$1,026M
Segment Profit¹	\$354M	\$66M	\$141M	\$20M	\$581M

2Q 2021	Salix	International	Diversified	Solta	Total
Segment Revenue	\$516M	\$313M	\$264M	\$73M	\$1,166M
Segment Profit¹	\$370M	\$103M	\$162M	\$39M	\$674M

1. Segment profit is based on operating income after the elimination of intercompany transactions, including between Bausch + Lomb and other segments. Certain costs, such as Amortization of intangible assets, Asset impairments, Goodwill impairments, Restructuring, integration, separation and IPO costs and Other (income) expense, net, are not included in the measure of segment profit, as management excludes these items in assessing segment financial performance.

Unconsolidated

Long term debt maturity profile

Bausch Pharma + Solta

In millions USD

As of March 31, 2022¹

\$M	Total	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Revolver	\$0	-	-	-	-	-	-	-	-	-	-
Term Loan	\$3,623	-	-	-	\$3,623	-	-	-	-	-	-
Secured Notes	\$4,850	-	-	-	\$1,750	-	\$1,500	\$1,600	-	-	-
Unsecured Notes	\$14,912	-	-	-	\$4,150	\$1,500	\$1,750	\$2,012	\$3,250	\$1,250	\$1,000
Mandatory Amortization	\$0	-	-	-	-	-	-	-	-	-	-
Total	\$23,385	-	-	-	\$9,523	\$1,500	\$3,250	\$3,612	\$3,250	\$1,250	\$1000

As of June 30, 2022^{1,2}

\$M	Total	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Revolver	\$425	-	-	-	-	-	\$425	-	-	-	-
Term Loan	\$1,938	-	-	-	-	-	\$1,938	-	-	-	-
Secured Notes	\$4,850	-	-	-	\$1,750	-	\$1,500	\$1,600	-	-	-
Unsecured Notes	\$11,781	-	-	-	\$1,500	\$1,500	\$1,750	\$1,936	\$2,985	\$1,201	\$909
Mandatory Amortization	\$563	\$63	\$125	\$125	\$125	\$125	-	-	-	-	-
Total	\$19,556	\$63	\$125	\$125	\$3,375	\$1,625	\$5,613	\$3,536	\$2,985	\$1,201	\$909

No debt maturities until 2025, ~\$5.8B decrease in mandatory payments through 2025

1. Debt values are shown at principal value.

2. Does not include (i) Bausch + Lomb's \$2.5 billion term loan in connection with the closing of its IPO or (ii) \$125 million drawn by Bausch Health on its revolving credit facility for working capital purposes in July 2022.

Unconsolidated

Long term debt maturity profile

Bausch + Lomb

In millions USD

As of June 30, 2022¹

\$M	Total	2022	2023	2024	2025	2026	2027
Revolver	-	-	-	-	-	-	-
Term Loan	\$2,381	-	-	-	-	-	\$2,381
Mandatory Amortization	\$119	\$13	\$25	\$25	\$25	\$25	\$6
Total	\$2,500	\$13	\$25	\$25	\$25	\$25	\$2,387

1. Debt values are shown at principal value.

2Q22 Other financial information

In millions USD unless otherwise indicated

	Three Months Ended		Favorable (Unfavorable)	
	June 30, 2022	June 30, 2021	Reported	Constant Currency ^{1,2}
Cash Interest Expense	\$396M	\$352M	(13%)	(13%)
Net Interest Expense	\$407M	\$362M	(12%)	(12%)
Non-cash adjustments				
Depreciation	\$45M	\$44M	(2%)	(7%)
Non-cash share-based Comp	\$26M	\$31M	16%	16%
Additional cash items				
Contingent Consideration	\$6M	\$43M		
Milestones/License Agreements and Other Intangibles	\$5M	\$3M		
Restructuring and Other	\$17M	\$11M		
Capital Expenditures	\$52M	\$62M		
Adj. Tax Rate ¹	11.5%	9.5%		
GAAP Tax Rate	8.3%	11.5%		

1. This is a non-GAAP measure or non-GAAP ratio. See Slide 3 and Non-GAAP Appendix for further information on non-GAAP measures and ratios.

2. See the Non-GAAP Appendix for further information on the use and calculation of constant currency.

YTD Other financial information

In millions USD unless otherwise indicated

	Six Months Ended		Favorable (Unfavorable)	
	June 30, 2022	June 30, 2021	Reported	Constant Currency ^{1,2}
Cash Interest Expense	\$744M	\$707M	(5%)	(5%)
Net Interest Expense	\$767M	\$728M	(5%)	(5%)
Non-cash adjustments				
Depreciation	\$87M	\$90M	3%	0%
Non-cash share-based Comp	\$58M	\$62M	6%	6%
Additional cash items				
Contingent Consideration	\$14M	\$49M		
Milestones/License Agreements and Other Intangibles	\$19M	\$6M		
Restructuring and Other	\$48M	\$25M		
Capital Expenditures	\$98M	\$128M		
Adj. Tax Rate ¹	11.5%	9.5%		
GAAP Tax Rate	2.2%	4.8%		

1. This is a non-GAAP measure or non-GAAP ratio. See Slide 3 and Non-GAAP Appendix for further information on non-GAAP measures and ratios.

2. See the Non-GAAP Appendix for further information on the use and calculation of constant currency.

2Q22 Non-GAAP adjustments EPS impact²

In millions USD unless otherwise indicated

	Three Months Ended June 30,			
	2022		2021	
	Income (Expense)	Earnings per Share Impact	Income (Expense)	Earnings per share Impact
Net loss	\$ (139)	\$ (0.38)	\$ (593)	\$ (1.65)
Non-GAAP adjustments:¹				
Amortization of intangible assets	302	0.83	360	0.99
Goodwill impairments	83	0.23	-	-
Asset impairments, including loss on assets held for sale	6	0.02	47	0.13
Restructuring and integration costs	22	0.06	3	0.01
Acquired in-process research and development costs	-	-	-	-
Acquisition-related costs and adjustments (excluding amortization of intangible assets)	(5)	(0.01)	9	0.02
(Gain)/loss on extinguishment of debt	(113)	(0.31)	45	0.12
IT infrastructure investment	3	0.01	6	0.02
Separation costs, separation-related costs, IPO costs and IPO-related costs	53	0.15	41	0.11
Legal and other professional fees	8	0.02	17	0.05
Net gain on sale of assets	(3)	(0.01)	-	-
Litigation and other matters	8	0.02	532	1.46
Other	2	0.01	-	-
Tax effect of non-GAAP adjustments	(16)	(0.04)	(114)	(0.31)
EPS difference between basic and diluted shares		(0.01)		0.02
Adjusted net income (non-GAAP)¹	211	0.58	354	0.97
Adjusted net income attributable to noncontrolling interests (non-GAAP) ¹	(10)	(0.03)	(2)	(0.01)
Adjusted net income attributable to Bausch Health Companies Inc. (non-GAAP)¹	\$201		\$352	

1. This is a non-GAAP measure or non-GAAP ratio. See Slide 3 and Non-GAAP Appendix for further information on non-GAAP measures and ratios, including reconciliations of historic non-GAAP measures to their most directly comparable GAAP measure.

2. Except per share amounts.

YTD Non-GAAP adjustments EPS impact²

In millions USD unless otherwise indicated

	Six Months Ended June 30,			
	2022		2021	
	Income (Expense)	Earnings per Share Impact	Income (Expense)	Earnings per share Impact
Net loss	\$ (205)	\$ (0.57)	\$ (1,200)	\$ (3.35)
Non-GAAP adjustments:¹				
Amortization of intangible assets	612	1.68	717	1.97
Goodwill impairments	83	0.23	469	1.29
Asset impairments, including loss on assets held for sale	14	0.04	195	0.54
Restructuring and integration costs	25	0.07	6	0.02
Acquired in-process research and development costs	-	-	3	0.01
Acquisition-related costs and adjustments (excluding amortization of intangible assets)	(2)	(0.01)	-	-
(Gain)/loss on extinguishment of debt	(113)	(0.31)	50	0.14
IT infrastructure investment	8	0.02	11	0.03
Separation costs, separation-related costs, IPO costs and IPO-related costs	87	0.24	70	0.19
Legal and other professional fees	23	0.06	34	0.09
Net gain on sale of assets	(3)	(0.01)	(23)	(0.06)
Litigation and other matters	7	0.02	532	1.46
Other	8	0.02	-	-
Tax effect of non-GAAP adjustments	(67)	(0.18)	(137)	(0.38)
EPS difference between basic and diluted shares		0.01		0.05
Adjusted net income (non-GAAP)¹	477	1.31	727	2.00
Adjusted net income attributable to noncontrolling interests (non-GAAP) ¹	(13)	(0.04)	(5)	(0.01)
Adjusted net income attributable to Bausch Health Companies Inc. (non-GAAP)¹	\$464		\$722	

1. This is a non-GAAP measure or non-GAAP ratio. See Slide 3 and Non-GAAP Appendix for further information on non-GAAP measures and ratios, including reconciliations of historic non-GAAP measures to their most directly comparable GAAP measure.

2. Except per share amounts.

2Q22 Reconciliation of reported operating income to adjusted EBITA (non-GAAP)¹

In millions USD

	Q2 2022						
	Gross Profit ²	Gross Margin ²	Selling & Advertising	G&A and Other	R&D Expense	Operating Expense	Operating Income
2Q22 GAAP operating income	\$ 1,082	55.0%	\$473	\$203	\$127	\$803	\$161
Amortization of intangible assets	302	15.4%				-	302
Goodwill impairments						-	83
Asset impairments, including loss on assets held for sale	6	0.3%				-	6
Restructuring and integration costs						-	22
Acquired in-process research and development costs						-	0
Acquisition-related costs and adjustments (excluding amortization of intangible assets)						-	(5)
IT infrastructure investment				(3)		(3)	3
Separation costs, separation-related costs, IPO costs and IPO-related costs				(40)		(40)	53
Legal and other professional fees				(8)		(8)	8
Net gain on sale of assets						-	(3)
Litigation and other matters						-	8
Other						-	0
Tax effect of non-GAAP adjustments						-	
2Q22 Adj EBITA (Non-GAAP)¹	\$ 1,390	70.7%	\$473	\$152	\$127	\$752	\$638

	Q2 2021						
	Gross Profit ²	Gross Margin ²	Selling and Advertising	G&A and Other	R&D Expense	Operating Expense	Operating Loss
2Q21 GAAP operating income	\$ 1,081	51.5%	\$470	\$215	\$115	\$800	\$(270)
Amortization of intangible assets	360	17.1%				-	360
Goodwill impairments						-	
Asset impairments, including loss on assets held for sale	47	2.2%				-	47
Restructuring and integration costs						-	3
Acquired in-process research and development costs						-	1
Acquisition-related costs and adjustments (excluding amortization of intangible assets)						-	9
IT infrastructure investment				(6)		(6)	6
Separation costs, separation-related costs, IPO costs and IPO-related costs				(35)		(35)	41
Legal and other professional fees				(17)		(17)	17
Net gain on sale of assets						-	-
Litigation and other matters						-	532
Other						-	-
Tax effect of non-GAAP adjustments						-	
2Q21 Adj EBITA (Non-GAAP)¹	\$ 1,488	70.9%	\$470	\$157	\$115	\$742	\$746

1. This is a non-GAAP measure or non-GAAP ratio. See Slide 3 and Non-GAAP Appendix for further information on non-GAAP measures and ratios, including reconciliations of historic non-GAAP measures to their most directly comparable GAAP measure.

YTD Reconciliation of reported operating income to adjusted EBITA (non-GAAP)¹

In millions USD

	YTD 2022						
	Gross Profit ²	Gross Margin ²	Selling and Advertising	G&A and Other	R&D Expense	Operating Expense	Operating Income
2022 GAAP operating income	\$ 2,131	54.9%	\$908	\$390	\$254	\$1,522	\$446
Amortization of intangible assets	612	15.8%				-	612
Goodwill impairments						-	83
Asset impairments, including loss on assets held for sale	14	0.4%				-	14
Restructuring and integration costs						-	25
Acquired in-process research and development costs						-	-
Acquisition-related costs and adjustments (excluding amortization of intangible assets)						-	(2)
IT infrastructure investment				(8)		(8)	8
Separation costs, separation-related costs, IPO costs and IPO-related costs				(64)		(64)	87
Legal and other professional fees				(23)		(23)	23
Net gain on sale of assets						-	(3)
Litigation and other matters						-	7
Other						-	-
Tax effect of non-GAAP adjustments						-	
2022 Adj EBITA (Non-GAAP)¹	\$ 2,757	71.0%	\$908	\$295	\$254	\$1,457	\$1,300

	YTD 2021						
	Gross Profit ²	Gross Margin ²	Selling and Advertising	G&A and Other	R&D Expense	Operating Expense	Operating Loss
2021 GAAP operating income	\$ 2,029	49.2%	\$888	\$403	\$227	\$1,518	\$(491)
Amortization of intangible assets	717	17.4%				-	717
Goodwill impairments						-	469
Asset impairments, including loss on assets held for sale	195	4.7%				-	195
Restructuring and integration costs						-	6
Acquired in-process research and development costs						-	3
Acquisition-related costs and adjustments (excluding amortization of intangible assets)						-	
IT infrastructure investment				(11)		(11)	11
Separation costs, separation-related costs, IPO costs and IPO-related costs				(55)		(55)	70
Legal and other professional fees				(34)		(34)	34
Net gain on sale of assets						-	(23)
Litigation and other matters						-	532
Other						-	
Tax effect of non-GAAP adjustments						-	
2021 Adj. EBITA (Non-GAAP)¹	\$ 2,941	71.3%	\$888	\$303	\$227	1,418	\$1,523

1. This is a non-GAAP measure or non-GAAP ratio. See Slide 3 and Non-GAAP Appendix for further information on non-GAAP measures and ratios, including reconciliations of historic non-GAAP measures to their most directly comparable GAAP measure.

2Q22 Reconciliation of reported net income (loss) to EBITDA¹ and adjusted EBITDA¹

In millions USD

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Net loss	\$ (139)	\$ (593)	\$ (205)	\$ (1,200)
Interest expense, net	407	362	767	728
(Benefit from) provision for income taxes	10	(77)	(6)	(61)
Depreciation and amortization	347	404	699	807
EBITDA (Non-GAAP)¹	625	96	1,255	274
Adjustments:				
Asset impairments, including loss on assets held for sale	6	47	14	195
Goodwill impairments	83	-	83	469
Restructuring and integration cost	22	3	25	6
Acquisition related cost and adjustments (excluding amortization of intangible assets)	(5)	9	(2)	-
(Gain)/loss on extinguishment of debt	(113)	45	(113)	50
Share-based compensation	26	31	58	62
Separation cost, separation-related costs, IPO costs and IPO-related costs	53	41	87	70
Other adjustments:				
Litigation and other matters	8	532	7	532
IT infrastructure investment	3	6	8	11
Legal and other professional fees	8	17	23	34
Net gain on sale of assets	(3)	-	(3)	(23)
Acquired in-process research and development costs	-	1	-	3
Other	2	-	8	-
Adjusted EBITDA (non-GAAP)¹	715	828	1,450	1,683
Adjusted EBITDA attributable to noncontrolling interest (non-GAAP) ¹	(14)	(2)	(17)	(5)
Adjusted EBITDA attributable to Bausch Health Companies Inc. (non-GAAP)¹	\$ 701	\$ 826	\$ 1,433	\$ 1,678

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
GAAP Net income attributable to noncontrolling interest	\$ (6)	\$ (2)	\$ (9)	\$ (5)
Noncontrolling interest portion of adjustments for				
Interest expense, net	(2)	-	(2)	-
(Benefit from) provision for income taxes	-	-	-	-
Depreciation and amortization	(6)	-	(6)	-
Share-based compensation	-	-	-	-
Other	-	-	-	-
Adjusted EBITDA attributable to noncontrolling interest (non-GAAP)	\$ (14)	\$ (2)	\$ (17)	\$ (5)

1. This is a non-GAAP measure or non-GAAP ratio. See Slide 3 and Non-GAAP Appendix for further information on non-GAAP measures and ratios, including reconciliations of historic non-GAAP measures to their most directly comparable GAAP measure.

2Q22 Reconciliation of reported revenue to organic revenue^{1,2} and organic revenue growth^{1,3}

	For Three Months Ended						Change in Reported Revenue		Change in Organic Revenue ¹	
	June 30, 2022			June 30, 2021						
	Revenue as reported	Changes in Exchange Rates ²	Organic Revenue (Non-GAAP) ¹	Revenue as Reported	Divestitures and Discontinuations	Organic Revenue (Non-GAAP) ¹	Reported change	Reported % change	Amount	Pct.
Bausch Pharma										
Salix	\$501		\$501	\$516		\$516	\$(15)	-3%	(15)	-3%
International ³	233	15	248	313	(71)	242	(80)	-26%	6	2%
Diversified Products ³										
Neurology & Other ³	121		121	143		143	(22)	-15%	(22)	-15%
Generics ³	32		32	32		32		0%		0%
Ortho Dermatologics ³	58		58	63		63	(5)	-8%	(5)	-8%
Dentistry	24		24	26		26	(2)	-8%	(2)	-8%
Total Diversified Products	235		235	264		264	(29)	-11%	(29)	-11%
Solta Medical ³	57		57	73		73	(16)	-22%	(16)	-22%
Total Bausch Pharma+Solta revenues ⁴	\$1,026	\$15	\$1,041	\$1,166	\$(71)	\$1,095	(140)	-12%	\$(54)	-5%
Bausch + Lomb ³										
Vision Care	589	29	618	557		557	32	6%	61	11%
Surgical	184	11	195	185	(3)	182	(1)	-1%	13	7%
Ophthalmic Pharmaceuticals	168	6	174	192		192	(24)	-13%	(18)	-10%
Total Bausch + Lomb revenues	\$941	\$46	\$987	\$934	\$(3)	\$931	7	1%	56	6%
Total Bausch Health revenues	\$1,967	\$61	\$2,028	\$2,100	(74)	\$2,026	(133)	-6%	\$2	0%

1. This is a non-GAAP measure or non-GAAP ratio. See Slide 3 and Non-GAAP Appendix for further information on non-GAAP measures and ratios, including reconciliations of historic non-GAAP measures to their most directly comparable GAAP measure.
2. 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.
3. See footnote 2 on slide 12 for further details regarding the realigned segment reporting structure and the conformed prior period presentation.
4. Bausch Pharma revenues, also referred to as Bausch Pharma + Solta revenues, is a non-GAAP measure, calculated by subtracting Bausch + Lomb segment revenues for the applicable period from total Bausch Health revenues for the applicable period.

YTD Reconciliation of reported revenue to organic revenue¹ and organic revenue growth^{1,3}

	For Six Months Ended						Change in Reported Revenue		Change in Organic Revenue ¹	
	June 30, 2022			June 30, 2021						
	Revenue as reported	Changes in Exchange Rates ²	Organic Revenue (Non-GAAP) ¹	Revenue as Reported	Divestitures and Discontinuations	Organic Revenue (Non-GAAP) ¹	Amount	Pct.	Amount	Pct.
Bausch Pharma										
Salix	\$965		\$965	\$988		\$988	\$(23)	-2%	(23)	-2%
International ³	477	27	504	619	(140)	479	(142)	-23%	25	5%
Diversified Products ³										
Neurology & Other ³	249		249	297		297	(48)	-16%	(48)	-16%
Generics ³	70		70	82		82	(12)	-15%	(12)	-15%
Ortho Dermatologics ³	117		117	131		131	(14)	-11%	(14)	-11%
Dentistry ³	48		48	50		50	(2)	-4%	(2)	-4%
Total Diversified Products	484		484	560		560	(76)	-14%	(76)	-14%
Solta Medical ³	129		129	145		145	(16)	-11%	(16)	-11%
Total Bausch Pharma+Solta revenues ⁴										
	\$2,055	\$27	\$2,082	\$2,312	\$(140)	\$2,172	(257)	-11%	\$(90)	-4%
Bausch + Lomb ³										
Vision Care	1,149	48	1,197	1,112		1,112	37	3%	85	8%
Surgical	358	17	375	347	(6)	341	11	3%	34	10%
Ophthalmic Pharmaceuticals	323	10	333	356		356	(33)	-9%	(23)	-6%
Total Bausch + Lomb revenues	\$1,830	\$75	\$1,905	\$1,815	\$(6)	\$1,809	15	1%	96	5%
Total Bausch Health revenues	\$3,885	\$102	\$3,987	\$4,127	(146)	\$3,981	\$(242)	-6%	\$6	0%

1. This is a non-GAAP measure or non-GAAP ratio. See Slide 3 and Non-GAAP Appendix for further information on non-GAAP measures and ratios, including reconciliations of historic non-GAAP measures to their most directly comparable GAAP measure.
2. 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.
3. See footnote 2 on slide 12 for further details regarding the realigned segment reporting structure and the conformed prior period presentation.
4. Bausch Pharma revenues, also referred to as Bausch Pharma + Solta revenues, is a non-GAAP measure, calculated by subtracting Bausch + Lomb segment revenues for the applicable period from total Bausch Health revenues for the applicable period.

2Q22 Reconciliation of reported revenue to organic revenue¹ and organic revenue growth¹

	For Three Months Ended							Change in Reported Revenue		Change in Organic Revenue ¹	
	June 30, 2022				June 30, 2021						
	Revenue as Reported	Changes in Exchange Rates ²	Provision for estimated returns	Organic Revenue (Non-GAAP) ¹	Revenue as Reported	Divestitures and Discontinuations	Organic Revenue (Non-GAAP) ¹	Amount	Pct.	Amount	Pct.
International, net of expected future product returns	\$233	\$15	\$11	\$259	\$313	(\$71)	\$242	(\$69)	(22%)	\$17	7%

1. This is a non-GAAP measure or non-GAAP ratio. See Slide 3 and Non-GAAP Appendix for further information on non-GAAP measures and ratios, including reconciliations of historic non-GAAP measures to their most directly comparable GAAP measure.
2. 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.

Reconciliation of reported cash provided by operating activities to adj. cash flows from operations (non-GAAP)¹

In millions USD

	Three Months Ended June 30		Six Months Ended June 30	
	2022	2021	2022	2021
Cash provided by operating activities	\$123	\$ 395	\$ 60	\$ 838
Payments of legacy legal settlements, net of insurance proceeds	-	12	349	130
Payments of separation costs, separation-related costs, IPO costs, and IPO-related costs	56	27	95	53
Cash provided by Amoun operating activities	-	(9)	-	(25)
Adjusted cash flows from operations (non-GAAP) ¹	\$ 179	\$ 425	\$ 504	\$ 996

1. This is a non-GAAP measure or non-GAAP ratio. See Slide 3 and Non-GAAP Appendix for further information on non-GAAP measures and ratios, including reconciliations of historic non-GAAP measures to their most directly comparable GAAP measure.

Trailing twelve months adjusted EBITDA¹

In millions USD

	Trailing Twelve Months Ended				
	Jun-22	Mar-22	Dec-21	Sep-21	Jun-21
Net income (loss)	\$ 58	\$ (396)	\$ (937)	\$ (1,161)	\$ (1,282)
Interest expense, net	1,458	1,413	1,419	1,454	1,477
Benefit from income taxes	(32)	(119)	(87)	(278)	(298)
Depreciation and amortization	1,444	1,501	1,552	1,617	1,671
EBITDA (Non-GAAP)²	2,928	2,399	1,947	1,632	1,568
Adjustments:					
Asset impairments, including loss on assets held for sale	53	94	234	310	294
Goodwill impairments	83	-	469	469	469
Restructuring and integration cost	37	18	18	8	6
Acquisition related cost and adjustments (excluding amortization of intangible assets)	9	23	11	30	24
Gain (loss) on extinguishment of debt	(101)	57	62	70	58
Share-based compensation	124	129	128	119	113
Separation cost, separation-related costs, IPO costs and IPO-related costs	181	169	164	138	102
Other adjustments:					
Litigation and other matters	(169)	355	356	615	831
IT infrastructure investment	24	27	27	22	21
Legal and other professional fees	43	52	54	56	51
Net gain on sale of assets	18	21	(2)	(2)	(23)
Acquired in-process research and development costs	5	6	8	15	27
Other	15	13	7	1	1
Adjusted EBITDA (non-GAAP)¹	\$ 3,250	\$ 3,363	\$ 3,483	\$ 3,483	\$ 3,542
Adjusted net loss (income) attributable to noncontrolling interest (non-GAAP) ¹	(23)	(11)	(11)	(9)	(5)
Adjusted EBITDA attributable to Bausch Health Companies Inc. (non-GAAP)¹	\$ 3,227	\$ 3,352	\$ 3,472	\$ 3,474	\$ 3,537

1. This is a non-GAAP measure or non-GAAP ratio. See Slide 3 and Non-GAAP Appendix for further information on non-GAAP measures and ratios, including reconciliations of historic non-GAAP measures to their most directly comparable GAAP measure.

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 of other issuers. 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 and Adjusted EBITDA attributable to Bausch Health

Adjusted EBITDA (non-GAAP) is Net income (loss) (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 described below. Adjusted EBITDA attributable to Bausch Health Companies Inc. (non-GAAP) is Adjusted EBITDA (non-GAAP) further adjusted to exclude the Adjusted EBITDA attributable to noncontrolling interest (non-GAAP) as defined below.

Management believes that Adjusted EBITDA (non-GAAP) and Adjusted EBITDA attributable to Bausch Health Companies Inc. (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 these metrics focus management on the Company's underlying operational results and business performance. As a result, the Company uses these metrics to assess the actual financial performance of the Company and to forecast future results as part of its guidance. Management believes these metrics are a useful measure to evaluate current performance. These metrics are 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) (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.

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"), which has now been suspended, 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.

The Company has also excluded certain other costs including settlement costs associated with the conversion of a portion of the Company's defined benefit plan in Ireland to a defined contribution plan. The Company excluded these costs as this event is outside of the ordinary course of continuing operations and is infrequent in nature.

Adjusted EBITDA attributable to Bausch Health Companies Inc. (non-GAAP) is Adjusted EBITDA (non-GAAP) further adjusted to exclude the Adjusted EBITDA attributable to noncontrolling interest (non-GAAP). Adjusted EBITDA attributable to noncontrolling interest (non-GAAP) is Net income attributable to noncontrolling interest (its most directly comparable GAAP financial measure) adjusted for the portion of the adjustments described above attributable to noncontrolling interest.



Non-GAAP Appendix

Adjusted Net Income and Adjusted Net Income Attributable to Bausch Health

Adjusted net income (loss) (non-GAAP) (its most directly comparable GAAP financial measure), adjusted for restructuring and integration costs, acquired in-process research and development costs, loss on extinguishment of debt, asset impairments (including loss on assets held for sale), acquisition-related adjustments, excluding amortization, separation and IPO costs and separation-related and IPO-related costs and other non-GAAP charges as these adjustments are described above, and amortization of intangible assets as described below:

Amortization of intangible assets: The Company has excluded the impact of amortization of intangible assets, as such amounts are inconsistent in amount and frequency and are significantly impacted by the timing and/or size of acquisitions. The Company believes that the adjustments of these items correlate with the sustainability of the Company's operating performance. Although the Company excludes the amortization of intangible assets from its non-GAAP expenses, the Company believes that it is important for investors to understand that such intangible assets contribute to revenue generation. Amortization of intangible assets that relate to past acquisitions will recur in future periods until such intangible assets have been fully amortized. Any future acquisitions may result in the amortization of additional intangible assets.

Adjusted net income attributable to Bausch Health Companies Inc. (non-GAAP) is Adjusted net income (non-GAAP) further adjusted to exclude the Adjusted net income attributable to noncontrolling interest (non-GAAP). Adjusted net income attributable to noncontrolling interest (non-GAAP) is Net income attributable to noncontrolling interest (its most directly comparable GAAP financial measure) adjusted for the portion of the adjustments described above attributable to noncontrolling interest.

Historically, management has used Adjusted net income (loss) (non-GAAP) (the most directly comparable GAAP financial measure for which is GAAP net income (loss)) for strategic decision making, forecasting future results and evaluating current performance. This non-GAAP measure excludes the impact of certain items (as described above) that may obscure trends in the Company's underlying performance. By disclosing this non-GAAP measure, it is management's intention to provide investors with a meaningful, supplemental comparison of the Company's operating results and trends for the periods presented. Management believes that this measure is also useful to investors as such measure allowed investors to evaluate the Company's performance using the same tools that management uses to evaluate past performance and prospects for future performance. Accordingly, the Company believes that Adjusted net income (non-GAAP) is useful to investors in their assessment of the Company's operating performance. It is also noted that, in recent periods, our GAAP net income (loss) was significantly lower than our Adjusted net income (non-GAAP). Commencing in 2017, management of the Company identified and began using certain new primary financial performance measures to assess the Company's financial performance. In addition, a subsequent to the Bausch + Lomb IPO, the Company presenting Adjusted net income (non-GAAP) attributable to Bausch Health Companies Inc. may be useful to investors in their assessment of the Company and its performance.

Organic Growth/Change and Organic Revenue

Organic revenue and organic revenue change are non-GAAP measures. Non-GAAP measures are not standardized measures under the financial reporting framework used to prepare the Company's financial statements and might not be comparable to similar financial measures disclosed by other issuers.

Organic revenue and change in organic revenue (non-GAAP), are defined as GAAP Revenue and changes in GAAP revenue (the most directly comparable GAAP financial measures), adjusted for changes in foreign currency exchange rates (if applicable) and excluding the impact of recent acquisitions, divestitures and discontinuations, as defined further below. Organic revenue (non-GAAP) 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 (non-GAAP) and organic revenue changes (non-GAAP) to assess performance of its reportable segments, and the Company in total, The Company believes that providing these measures is useful to investors as they provide a supplemental period-to-period comparison.

The adjustments to GAAP Revenue and changes in GAAP revenue to determine Organic Revenue (non-GAAP) and changes in Organic Revenue (non-GAAP) are 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 of 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 revenue (non-GAAP) growth/change 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 and organic growth/change exclude 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 and organic growth/change exclude 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.



Non-GAAP Appendix

Adjusted EBITA and Adjusted EBITA Margin

Adjusted EBITA represents Operating income (loss) (its most directly comparable GAAP financial measure) adjusted to exclude amortization, fair value adjustments to inventory in connection with business combinations and integration related inventory charges and technology transfer costs, restructuring and integration costs, asset impairments, goodwill impairments, acquisition related costs, separation costs, IPO costs, separation-related costs, IPO-related costs and certain other non-GAAP charges as discussed under "Other Non-GAAP charges" above. Adjusted EBITA Margin (non-GAAP) is Adjusted EBITA (non-GAAP) divided by Revenues. The most directly comparable GAAP financial measure is operating income margin, which is Operating income (loss) divided by Revenues. On a segment basis, Adjusted EBITA represents Segment profit (its most directly comparable GAAP financial measure) adjusted to exclude the items above, as applicable.

Management believes that Adjusted EBITA (non-GAAP) and Adjusted EBITA Margin (non-GAAP), along with the GAAP measures used by management, appropriately reflect how the Company measures the business internally and sets operational goals for each of its businesses. In particular, the Company believes that Adjusted EBITA (non-GAAP) and Adjusted EBITA Margin (non-GAAP) focuses management on the Company's underlying operational results and segment performance. As a result, the Company uses Adjusted EBITA (non-GAAP) and Adjusted EBITA Margin (non-GAAP) to assess the actual financial performance of each segment and to forecast future results as part of its guidance.

The Company believes that Adjusted EBITA (non-GAAP) and Adjusted EBITA Margin (non-GAAP) are useful to investors as they provide consistency and comparability with our past financial performance and facilitates period-to-period comparisons of the Company's profitability and the profitability of our segments as they eliminate the effects of certain cash and non-cash charges, which given their nature and frequency, are outside the ordinary course and relate to unique circumstances.

Adjusted Gross Profit/Adjusted Segment Gross Profit and Adjusted Gross Margin/Adjusted Segment Gross Margin

Adjusted gross profit (non-GAAP)/Adjusted segment gross profit (non-GAAP) represents gross profit (its most directly comparable GAAP financial measure) adjusted for Other revenues, Cost of other revenues, Amortization of intangible assets and fair value adjustments to inventory in connection with business combinations. In accordance with GAAP, Gross profit represents total Revenues less Costs of goods sold (excluding amortization of intangible assets) less Cost of other revenues less Amortization of intangible assets. Adjusted gross margin (non-GAAP)/Adjusted segment gross margin (non-GAAP) (the most directly comparable GAAP financial measure for which is gross margin) represents Adjusted gross profit (non-GAAP)/Adjusted segment gross profit (non-GAAP) divided by Product revenues.

Adjusted gross profit (non-GAAP)/Adjusted segment gross profit (non-GAAP) and Adjusted gross margin (non-GAAP)/Adjusted segment gross profit margin (non-GAAP) are measures used by management to understand and evaluate each segment's pricing strategy, strength of product portfolio, ability to control product costs and the success of its go-to-market strategies. Adjusted gross profit (non-GAAP)/Adjusted segment gross profit (non-GAAP) and Adjusted gross margin (non-GAAP)/Adjusted segment gross profit margin (non-GAAP) facilitates period-to-period comparisons of each segment's ability to generate cash flows from sales, as these measures eliminate the effects of amortization of intangible assets and fair value adjustments to inventory in connection with business combinations, which are a non-cash charges.

The Company believes that Adjusted gross profit (non-GAAP)/Adjusted segment gross profit (non-GAAP) and Adjusted gross margin (non-GAAP)/Adjusted segment gross profit margin (non-GAAP) are useful to investors as they provide consistency and comparability with our past financial performance and facilitate period-to-period comparisons of each segments' ability to generate incremental cash flows from its revenues as these measures eliminate the effects of amortization of intangible assets and fair value adjustments to inventory in connection with business combinations, which are a non-cash charges that can be impacted by, among other things, the timing and magnitude of acquisitions, which given their nature and frequency, are outside the ordinary course and relate to unique circumstances.



Non-GAAP Appendix

Adjusted SG&A Expenses and Adjusted G&A Expenses

Adjusted SG&A expenses (non-GAAP) represents selling, general and administrative expenses ("SG&A expenses") (its most directly comparable GAAP financial measure) and Adjusted G&A expenses (non-GAAP) represents general and administrative expenses ("G&A expenses") (its most directly comparable GAAP financial measure), each adjusted to exclude separation-related costs, IPO-related costs and certain costs primarily related to legal and other professional fees relating to legal and governmental proceedings, investigations and information requests respecting certain of our distribution, marketing, pricing, disclosure and accounting practices and separation-related and IPO-related costs. See the discussion under "Other Non-GAAP charges" above.

Management uses Adjusted SG&A expenses (non-GAAP) and Adjusted G&A (non-GAAP), along with GAAP measures, as a supplemental measure for period-to-period comparison to understand and evaluate each segment's ability to control costs and direct additional cash investments in each business.

The Company believes that Adjusted SG&A (non-GAAP) and Adjusted G&A (non-GAAP) are useful to investors as they provide consistency and comparability with our past financial performance and facilitates period-to-period comparisons of our SG&A expenses, G&A expenses and operations, as these measures eliminate the effects of separation-related costs, IPO-related costs and legal and other professional fees which given their nature and frequency, are outside the ordinary course and relate to unique circumstances.

Total Adjusted Operating Expenses

Total Adjusted Operating Expenses (non-GAAP) represents operating expenses (its most directly comparable GAAP financial measure) adjusted to exclude restructuring and integration costs, asset impairments, including loss on assets held for sale, goodwill impairments, acquisition related costs and adjustments excluding amortization of intangible assets, separation costs, IPO costs, separation-related costs, IPO-related costs and certain other non-GAAP charges as discussed under "Other Non-GAAP charges" above.

Management believes that Total Adjusted Operating Expenses (non-GAAP), along with the GAAP and non-GAAP measures used by management, provide a supplemental measure for period-to-period comparison to understand and evaluate its ability manage and control its costs, assess the actual financial performance of the Company and to forecast future results as part of its guidance. Management believes that Total Adjusted Operating Expenses (non-GAAP) is a useful measure to evaluate current performance amounts.

The Company believes that Total Adjusted Operating Expenses (non-GAAP) is useful to investors as it provides consistency and comparability with our past financial performance and facilitates period-to-period comparisons of our operating expenses as Total Adjusted Operating Expenses eliminates the effects of certain cash and non-cash charges, which given their nature and frequency, are outside the ordinary course and relate to unique circumstances which are substantially outside of management's control.

Adjusted Cash Flows from Operations

Adjusted cash flows from operations (non-GAAP) is Cash generated from operations (its most directly comparable GAAP financial measure) adjusted for: (i) payments of legacy legal settlements, net of insurance proceeds, (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.

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 cash flows from operations (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 cash flows from operations (non-GAAP) is a useful measure to evaluate current performance amounts.

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.



Non-GAAP Appendix

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 2022 reported amounts adjusted to exclude currency impact, calculated using 2021 monthly average exchange rates, to the actual 2021 reported amounts.

Adjusted Tax Rate

Adjusted Tax Rate (the most directly comparable financial measure for which is our GAAP tax rate) includes the tax impact of the various non-GAAP adjustments used in calculating our non-GAAP measures. However, due to the differences in the tax treatment of items excluded from non-GAAP earnings, our adjusted tax rate will differ from our GAAP tax rate and from our actual tax liabilities.

Bausch Pharma Revenue

Bausch Pharma Revenue, a non-GAAP measure, is determined by subtracting Bausch + Lomb segment revenues for the applicable period from total Bausch Health revenues for the applicable period. Management believes this measure is useful for investors, as it excludes revenues from the Bausch + Lomb segment, which the Company plans to separate from the remainder of the Bausch Health business.