

Ortho Clinical Diagnostics

Because Every Test Is A Life™

Earnings Results 1Q 2021

May 5, 2021

INVESTOR PRESENTATION

(Nasdaq: OCDX)

Forward-Looking Statements

This presentation and the oral remarks may contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements reflect, among other things, our current expectations and anticipated results of operations, all of which are subject to known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements, market trends, or industry results to differ materially from those expressed or implied by such forward-looking statements. Therefore, any statements contained herein that are not statements of historical fact may be forward-looking statements and should be evaluated as such. Without limiting the foregoing, the words as "anticipate," "expect," "suggest," "plan," "believe," "intend," "project," "forecast," "estimates," "targets," "projections," "should," "could," "would," "may," "might," "will," and the negative thereof and similar words and expressions are intended to identify forward-looking statements. Factors that might materially affect such forward looking statements include: the ongoing global coronavirus (COVID-19) pandemic; increased competition; manufacturing problems or delays or failure to develop and market new or enhanced products or services; adverse developments in global market, economic and political conditions; our ability to obtain additional capital on commercially reasonable terms may be limited or non-existent; our inability to implement our strategies for improving growth or to realize the anticipated benefits of any acquisitions and divestitures, including as a result of difficulties integrating acquired businesses with, or disposing of divested businesses from, our current operations; a need to recognize impairment charges related to goodwill, identified intangible assets and fixed assets; our ability to operate according to our business strategy should our collaboration partners fail to fulfill their obligations; risk that the insurance we will maintain may not fully cover all potential exposures; product recalls or negative publicity may harm our reputation or market acceptance of our products; decreases in the number of surgical procedures performed, and the resulting decrease in blood demand; fluctuations in our cash flows as a result of our reagent rental model; terrorist acts, conflicts, wars and natural disasters that may materially adversely affect our business, financial condition and results of operations; the outcome of legal proceedings instituted against us and/or others; risks associated with our non-U.S. operations, including currency translation risks, the impact of possible new tariffs and compliance with applicable trade embargoes; the effect of the United Kingdom's withdrawal from the European Union; our inability to deliver products and services that meet customers' needs and expectations; failure to maintain a high level of confidence in our products; significant changes in the healthcare industry and related industries that we serve, in an effort to reduce costs; reductions in government funding and reimbursement to our customers; price increases or interruptions in the supply of raw materials, components for our products, and products and services provided to us by certain key suppliers and manufacturers; our ability to recruit and retain the experienced and skilled personnel we need to compete; work stoppages, union negotiations, labor disputes and other matters associated with our labor force; consolidation of our customer base and the formation of group purchasing organizations; unexpected payments to any pension plans applicable to our employees; our inability to obtain required clearances or approvals for our products; failure to comply with applicable regulations, which may result in significant costs or the suspension or withdrawal of previously obtained clearances or approvals; the inability of government agencies to hire, retain or deploy personnel or otherwise prevent new or modified products from being developed, cleared or approved or commercialized in a timely manner; disruptions resulting from former President Trump's invocation of the Defense Production Act; our inability to maintain our data management and information technology systems; data corruption, cyber-based attacks, security breaches and privacy violations; our inability to protect and enforce our intellectual property rights or defend against intellectual property infringement suits against us by third parties; risks related to changes in income tax laws and regulations; risks related to our substantial indebtedness; our ability to generate cash flow to service our substantial debt obligations; and risks related to the ownership of our ordinary shares, including the fact that we are a "controlled company" within the meaning of the corporate governance standards of Nasdaq. Unless legally required, we assume no obligation to update any such forward-looking information to reflect actual results or changes in the factors affecting such forward-looking information.

Information contained in this presentation concerning our industry and the markets in which we operate, including our general expectations and market position, market opportunity and market size, is based on information from various sources, on assumptions that we have made that are based on such information and other similar sources and on our knowledge of, and expectations about, the markets for our service offerings. This information involves a number of assumptions and limitations and you are cautioned not to give undue weight to such estimates.

Non-GAAP Financial Measures

This presentation contains financial measures, such as constant-currency growth rate, adjusted EBITDA, adjusted net income, adjusted diluted EPS and adjusted free cash flow, which are considered non-GAAP financial measures under applicable U.S. Securities and Exchange Commission rules and regulations. These non-GAAP financial measures should be considered supplemental to, and not a substitute for, financial information prepared in accordance with U.S. generally accepted accounting principles (GAAP). Adjusted EBITDA, adjusted net income, adjusted diluted EPS and adjusted free cash flow eliminate impacts of certain non-cash, unusual or other items that that we do not consider indicative of our ongoing operating performance. The Company's definitions of these non-GAAP measures may differ from similarly titled measures used by others. The Company generally uses these non-GAAP financial measures to facilitate management's financial and operational decision-making, including evaluation of the Company's historical operating results, comparison to competitors' operating results and determination of management incentive compensation. These non-GAAP financial measures reflect an additional way of viewing aspects of the Company's operations that, when viewed with GAAP results and the reconciliations to corresponding GAAP financial measures, may provide a more complete understanding of factors and trends affecting the Company's business. Because non-GAAP financial measures exclude the effect of items that will increase or decrease the Company's reported results of operations, management strongly encourages investors to review the Company's consolidated financial statements and publicly filed reports in their entirety. Reconciliations of the non-GAAP financial measures to the most directly comparable GAAP financial measures are included in the tables in this presentation. For example, such reconciling items include the impact of unrealized foreign currency exchange gains or losses, gains or losses that are unusual or nonrecurring in nature, as well as discrete taxable events. We cannot estimate or project these items and they may have a substantial and unpredictable impact on our results presented in accordance with GAAP. Some columns and rows within tables may not add due to rounding. Percentages have been calculated using actual, non-rounded figures.



OUR MISSION

We improve and save lives.

We enable our customers to optimize the long-term value for patients through our innovative IVD solutions and services.

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1Q 21 In Review: Strong Momentum

- Commercial Excellence programs in the Americas – accelerates growth to 29%
- Continued strong rebound in many emerging markets – 1Q growth of 17%
- Core Revenue growth of 14%, excluding COVID-19

Core Revenue Grew to **$499M**

Core Revenue Increased **21.1%**(a)

Operating Income Increased **382%**

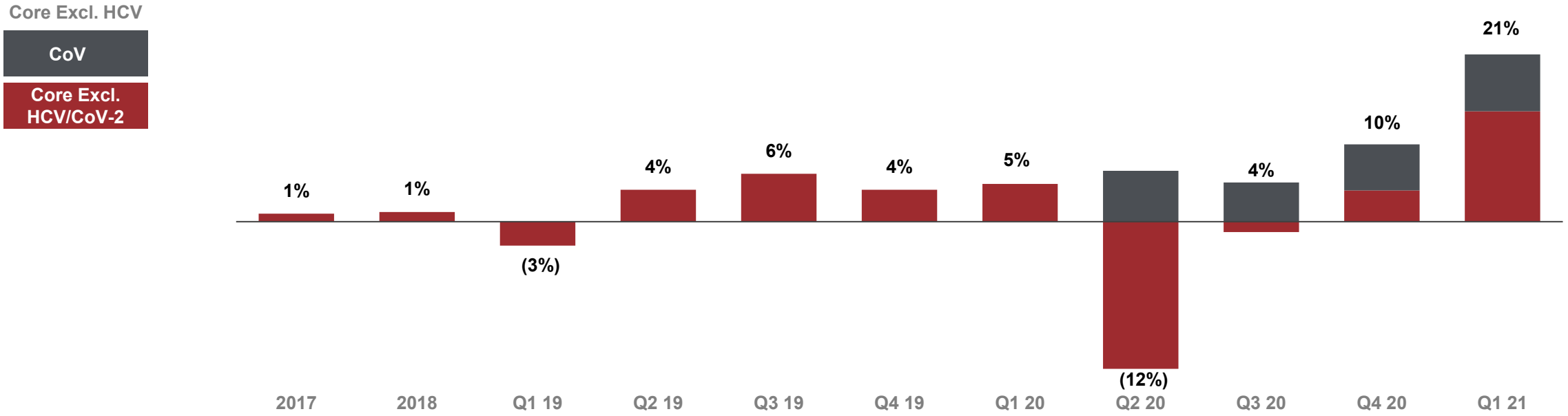
net loss per diluted share was ($0.19), adjusted earnings per share was $0.26

Adjusted EBITDA of $152M Represented an Increase of **49%**

(a) Constant Currency
Reference non-GAAP reconciliation slide for details

Strong Growth in Core Business Continues Into FY 2021

Core Revenue % Growth (Excl. local HCV)



Three Strategic Priorities Driving Profitable Growth

1Q21 Strong momentum in the base business, bolstered by innovative growth opportunities and operational efficiencies

Product Innovation

- Recognized with Edison Award for COVID-19 solutions for mass-scale testing
- Awarded ~$54M BARDA/DoD grant to expand manufacturing
- Received FDA approval for ORTHO Optix™ Card Reader completing semi-automated offering

Global Commercial Excellence

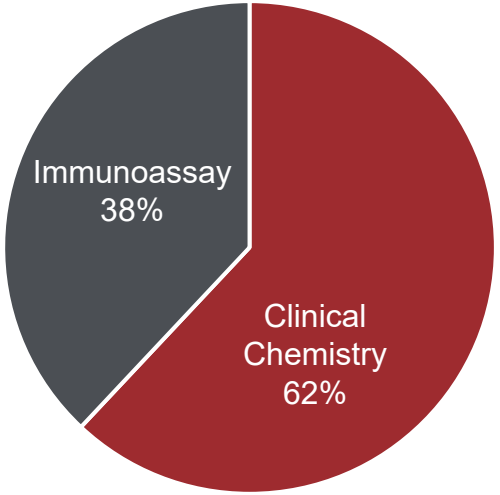
- Competitive customer wins pacing ahead of prior year
- EMEA commercial excellence is yielding growth in Western Europe
- Recognized with Stevie Award for Exceptional Customer Service *5 Years in a Row*
- Initiated business with CTS

Operational Efficiency

- Net Leverage of 4.4x, ahead of forecast
- Improved DSO by 10 days to 59 (vs. 1Q 2020)
- 1Q Value Capture on track to achieve full year target
- Began Phase 2 Shared Service Centers program

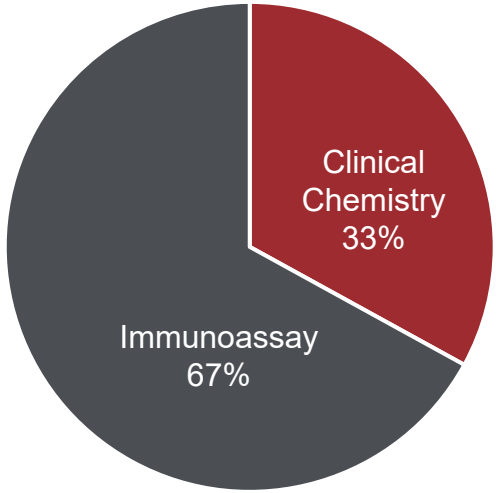
Clinical Labs Opportunities for Immunoassay Growth Through Integrated System Upgrades and Placements

2020 Ortho CL Revenue[1]



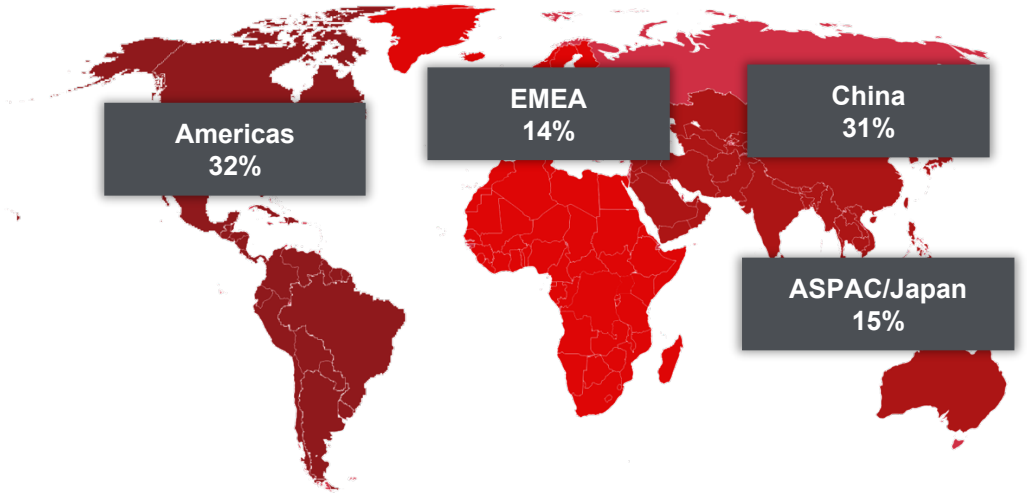
Strength in **Clinical Chemistry** underpinned by benefits in dry technology

2019 Market Data[2]

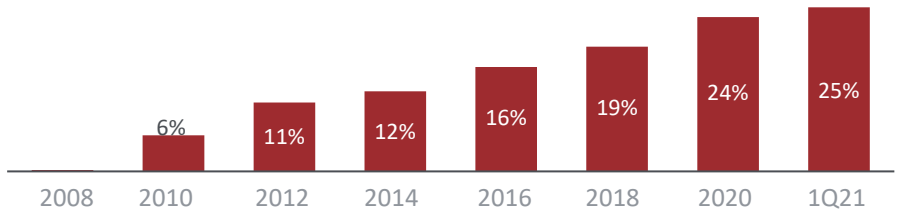


Opportunity in larger, faster growing **Immunoassay** market with growth in integrated installed base

Global Installed Base



Integrated Penetration

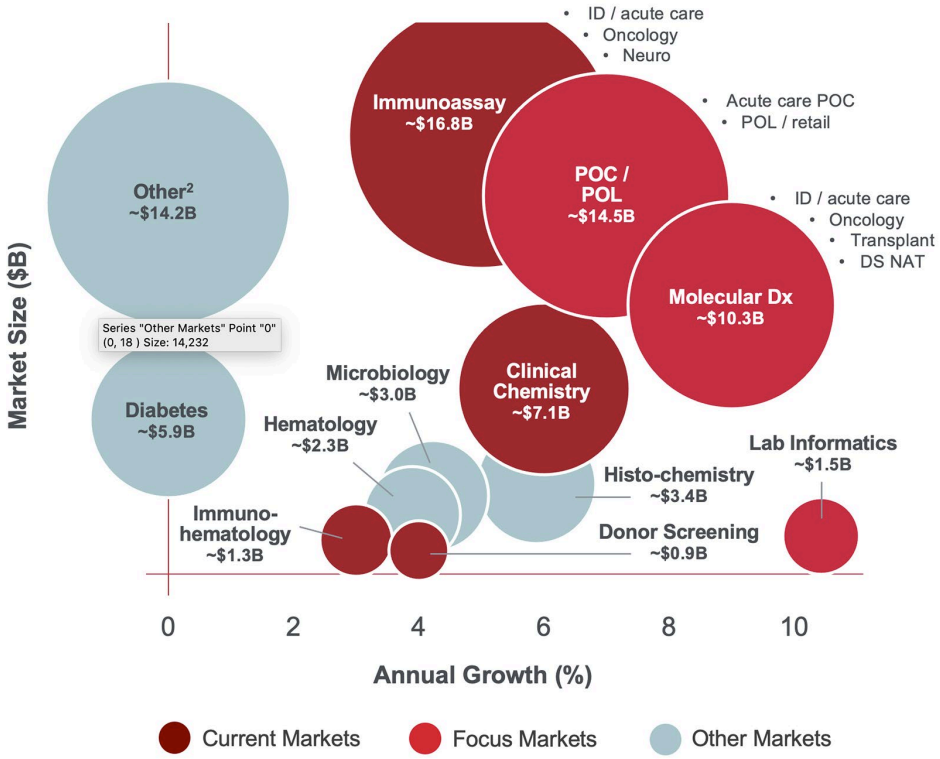


1. 2020 Ortho revenue excluding COVID-19 assays
2. Sourced from 2019 IQVIA Market Book to exclude impact of COVID-19

M&A Targets Across High-Growth, High-Fit Adjacencies

MDx, POC/POL & Immunoassay Expansion Top Priorities

Opportunity Map: Centralized Lab & POC[1]



M&A/Partnership Opportunities to Strengthen TM Leadership



	Transplant HLA Typing	IH Genotyping	Vein-to-Vein Informatics	Ultra-High Throughput IH	Donor Screening Nucleic Acid Testing (NAT)
Est. Market Size:	$400M	$20M	~$1.5B Lab Informatics	$60M	$900M
Market Growth:	15%	8-14%	10%	2-4%	2-4%

SMG, IQVIA & Allied Market Research

Ortho Platform Provides Strong Foundation for M&A

- Targeting products that can be leveraged across global commercial call points
- Seeking additional exposure/entry to high-growth markets
- Accelerate Clinical Laboratories growth and strengthen Transfusion Medicine leadership through MDx opportunities

1. Market sizes represent 2020 estimates per management-provided figures and industry research reports from IQVIA and Allied Market Research
2. Includes coagulation, urinalysis, mass spectrometry, flow cytometry, NGS and cytology, among other products



Financial Results

1Q21 Revenue Mix

Clinical Labs outperformance drives strong double-digit growth to start FY21

Clinical Labs

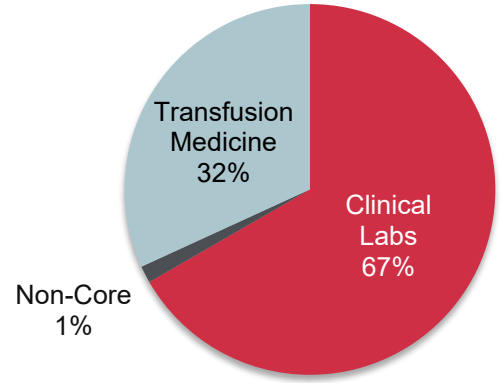
- Strong growth across all geographies, led by the Americas and China
- Continued business recovery supplemented by COVID-19 testing sales

Transfusion Medicine

- Solid growth in the Americas, Japan and ASPAC
- CTS business went live, contributing to revenue in Americas

Non-Core

- Contract manufacturing business and contractual collaboration revenue

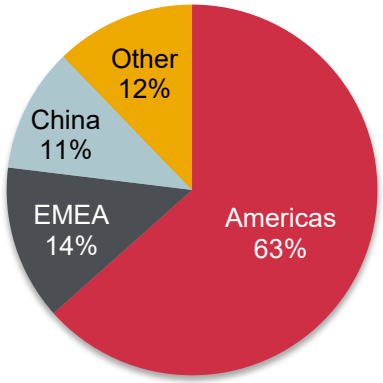


$ millions	Apr 4, 2021	Mar 29, 2020	Δ as reported	Δ in constant currency (a)
Clinical Labs	$338.0	$256.4	31.8%	29.9%
Transfusion Medicine	$161.4	$147.9	9.1%	6.0%
Core Revenue	**$499.3**	**$404.3**	**23.5%**	**21.1%**
Other Product	$4.3	$0.0	n.m.	n.m.
Collaboration and Other	$3.2	$3.6	(15.6%)	(15.6%)
Non-Core Revenue	**$7.5**	**$3.6**	**106.4%**	**106.4%**
Net Revenue	**$506.8**	**$407.9**	**24.2%**	**21.8%**

Unless otherwise noted, dollars and growth rates are at actual foreign exchange rates

(a) The term "constant currency" means we have translated local currency revenues for all reporting periods into U.S. dollars using the same comparable foreign currency exchange rates. This additional non-GAAP financial information is not meant to be considered in isolation from or as substitute for financial information prepared in accordance with GAAP. See reconciliation of non-GAAP measures included in Appendix.

1Q21 Segment Results



Commercial Excellence programs continue to show strong returns

- America's performance driven by pronounced growth in CL and TM as well as COVID-19 revenues
- EMEA growth, including Western Europe, driven by resumption of routine activities and COVID-19 revenues
- China growth underpinned by integrated instrument installations and menu expansion
- Other segment revenue driven by recovery in Japan and Asia Pacific
- Strong rebound in many emerging markets including Brazil and India

$ millions	Apr 4, 2021	Mar 29, 2020	Δ as reported	Δ in constant currency (a)
Americas	**$321.4**	$250.5	28.3%	28.8%
EMEA	**$68.5**	$58.7	16.8%	8.2%
Greater China	**$55.0**	$46.3	18.7%	10.6%
Other	**$61.9**	$52.4	18.2%	15.1%
Total Revenue	**$506.8**	**$407.9**	**24.2%**	**21.8%**

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Operating Results Summary

Focused on operational excellence and revenue growth driving margin expansion

$ millions	Three Months Ended	
	Apr 4, 2021	Mar 29, 2020
Revenue	**$506.8**	$407.9
Core Revenue Growth in Constant Currency[(a)]	**21.1%**	0.7%
Gross Margin	**51.0%**	47.7%
Income from Operations	**$57.4**	$11.9
EPS (GAAP)	**($0.19)**	($0.69)
Adjusted EPS[(b)]	**$0.26**	($0.01)
Adjusted Free Cash Flow[(b)]	**($13.1)**	($28.4)
Adjusted EBITDA[(b)]	**$152.4**	$102.0

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(b) See reconciliation of non-GAAP measures included in Appendix.

Balance Sheet, Cash Flow & Liquidity

Net IPO proceeds and improved annual Free Cash Flow have positioned balance sheet to support growth

$1.4 Billion
Debt Paydown with Net IPO Proceeds

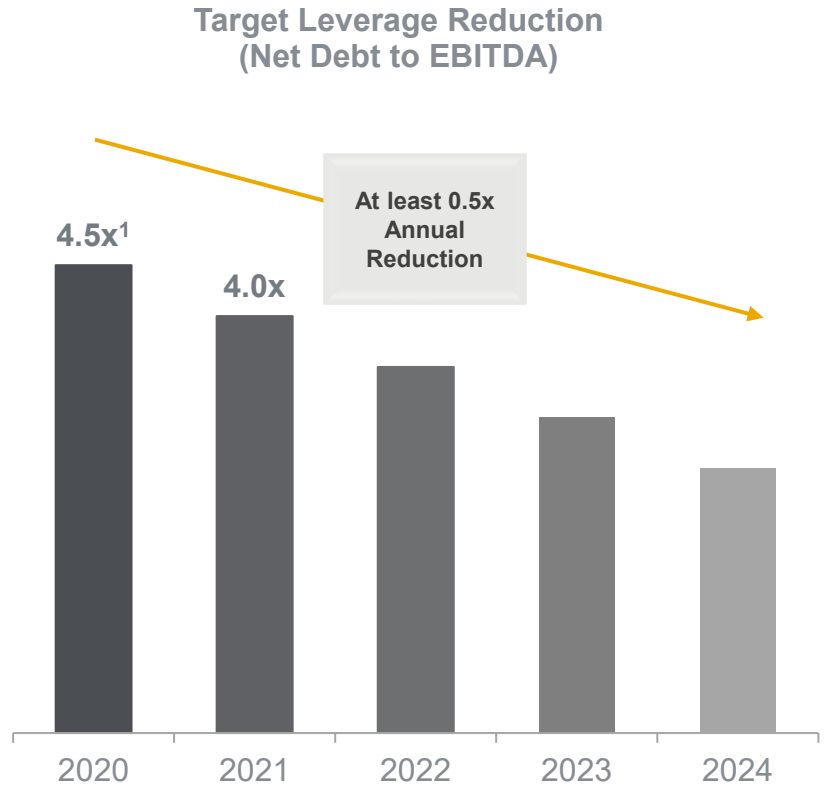
235 Million
Common Shares Outstanding

4.4x
Net Debt to LTM EBITDA Ratio

$153.8 Million
Cash at 4/4/21

$(13.1) Million
1Q 21 Adjusted Free Cash Flow (a)

$463.0 Million
Borrowing Capacity Post Revolver Expansion on 2/4/21



(a) Q2 expect to generate in excess of $100 million of Adjusted Free Cash Flow

FY21 Setting Expectations

Strategic plan and focus for continued top-line growth and operating leverage

- Raising all key performance indicators for fiscal 2021
- Focusing on increasing lifetime customer value
- Supporting 1.2 - 2x operating leverage expansion for Adjusted EBITDA growth in excess of total revenue expansion
- Continuing to fund innovation and R&D efforts to expand future growth opportunities

$1.93 – $1.96 Billion
Core Revenue

9% – 11%
Constant Currency Core Revenue Growth

$520 – $532 Million
Adjusted EBITDA

14.0% – 16.5%
Adjusted EBITDA Growth (Reported)

$0.64 – $0.69
Adjusted Diluted Earnings Per Share



Investment Thesis

1. Pure-play IVD company in highly attractive, growing market
2. Clear differentiation that creates lifetime customer value and recurring revenue base
3. Strong momentum with renewed focus on profitable growth

Appendix

Adjusted EBITDA Reconciliation

	Fiscal First Quarter Ended	
	April 4, 2021	March 29, 2020
Net revenue	$ 506.8	$ 407.9
Cost of revenue, excluding amortization of intangible assets	248.2	213.2
Gross profit	258.6	194.7
Selling, marketing and administrative expenses	131.5	117.4
Research and development expense	28.9	23.6
Amortization of intangible assets	33.4	33.0
Other operating expense, net	7.4	8.8
Income from operations	57.4	11.9
Interest expense, net	43.4	52.2
Tax indemnification income, net	(0.2)	(2.5)
Other expense, net	50.0	59.3
Loss before provision for income taxes	(35.8)	(97.1)
Provision for income taxes	3.3	4.1
Net loss	$ (39.1)	$ (101.2)
Basic and diluted net loss per common share	$ (0.19)	$ (0.69)
Basic and diluted weighted-average common shares outstanding	206.2	146.3

Unless otherwise noted, dollars are at actual foreign exchange rates.

Adjusted Net Income and Adjusted Diluted EPS Reconciliation

(Dollars in millions)	Fiscal First Quarter Ended	
	April 4, 2021	March 29, 2020
Net loss	$ (39.1)	$ (101.2)
Intangible amortization	33.4	33.0
Loss on extinguishment of debt	50.5	10.0
Stock-based compensation	3.5	1.6
Restructuring and severance related costs (a)	1.3	2.4
Foreign currency exchange losses (b)	-	49.3
Other adjustments (c)	6.9	6.3
Total adjustments	95.6	102.6
Tax effect of reconciling items (d)	(2.0)	(3.3)
Discrete tax items (e)	0.3	-
Adjusted net income (loss)	$ 54.9	$ (1.9)
Adjusted basic EPS	$ 0.27	$ (0.01)
Adjusted diluted EPS	$ 0.26	$ (0.01)

Unless otherwise noted, dollars are at actual foreign exchange rates.

Notes to Non-GAAP Reconciliations

(a) Represents restructuring and severance costs related to several discrete initiatives intended to strengthen operational performance and to support building our commercial capabilities including a project announced in fiscal year ended January 3, 2016 to outsource equipment manufacturing operations in Rochester, New York and a project announced in fiscal year ended December 30, 2018 to transfer certain production lines among facilities.

(b) For fiscal quarter ended March 29, 2020, this represents non-cash unrealized gains and losses resulting from the remeasurement of transactions denominated in foreign currencies primarily related to intercompany loans. In fiscal year 2021, the Company initiated programs to mitigate the impact of foreign currencies related to intercompany loans in our results and, as a result, such non-cash net unrealized losses were approximately $22 million for the fiscal quarter ended April 4, 2021. Given we expect these programs to continue to mitigate the impact in future periods, we will not be adjusting our Adjusted EBITDA and Adjusted Net Income for non-cash unrealized gains and losses resulting from the remeasurement of transactions denominated in foreign currencies starting in the first quarter of fiscal 2021.

(c) Represents miscellaneous other adjustments related to unusual items impacting our results including the elimination of management fees, non-cash derivative mark-to-market (gain) loss and certain asset write-downs. See information below.

	Fiscal First Quarter Ended	
($ in millions)	**April 4, 2021**	**March 29, 2020**
EU medical device regulation transition costs	$ 0.9	$ 1.1
Principal shareholder management fee	0.8	0.8
Derivative mark-to-market loss	0.6	1.0
Other	4.6	3.4
Total other adjustments	$ 6.9	$ 6.3

(d) Non-GAAP adjustments were tax effected based on the nature of the expense and related jurisdiction, many of which are impacted by valuation allowances resulting in little to no tax impact.

(e) We exclude deferred tax resulting from changes in tax law and expiration of statutes, adjustments for uncertain tax positions, and other unusual items not related to current operating results.

Adjusted Free Cash Flow

($ in millions)	Fiscal First Quarter Ended April 4, 2021	Fiscal First Quarter Ended March 29, 2020
Net cash used in operating activities - GAAP	$ (9.9)	$ (17.5)
Adjustments:		
Net cash used in investing activities - GAAP	(10.7)	(18.3)
Unusual or non-recurring payments	7.5	7.4
Adjusted free cash flow (f)	$ (13.1)	$ (28.4)

(f) The Company defines free cash flow as net cash flow from operations accounted for under GAAP less net cash used in investing activities accounted for under GAAP plus or minus any unusual or non-recurring payments.

Unless otherwise noted, dollars are at actual foreign exchange rates.

Reported and Constant Currency Revenue Reconciliation

	Fiscal first quarter ended				
	April 4, 2021	March 29, 2020	Percent Change	Currency Impact	Constant Currency Growth Rate [(a)]
Core Revenue	$ 499.3	$ 404.3	23.5%	$ 9.2	21.1%
Non-Core Revenue	7.5	3.6	106.4%	-	106.4%
Net Revenue	$ 506.8	$ 407.9	24.2%	$ 9.2	21.8%
Segment net revenue					
Americas	$ 321.4	$ 250.5	28.3%	$ (0.7)	28.8%
EMEA	68.5	58.7	16.8%	4.8	8.2%
Greater China	55.0	46.3	18.7%	3.7	10.6%
Other	61.9	52.4	18.2%	1.6	15.1%
Net revenue	$ 506.8	$ 407.9	24.2%	$ 9.2	21.8%

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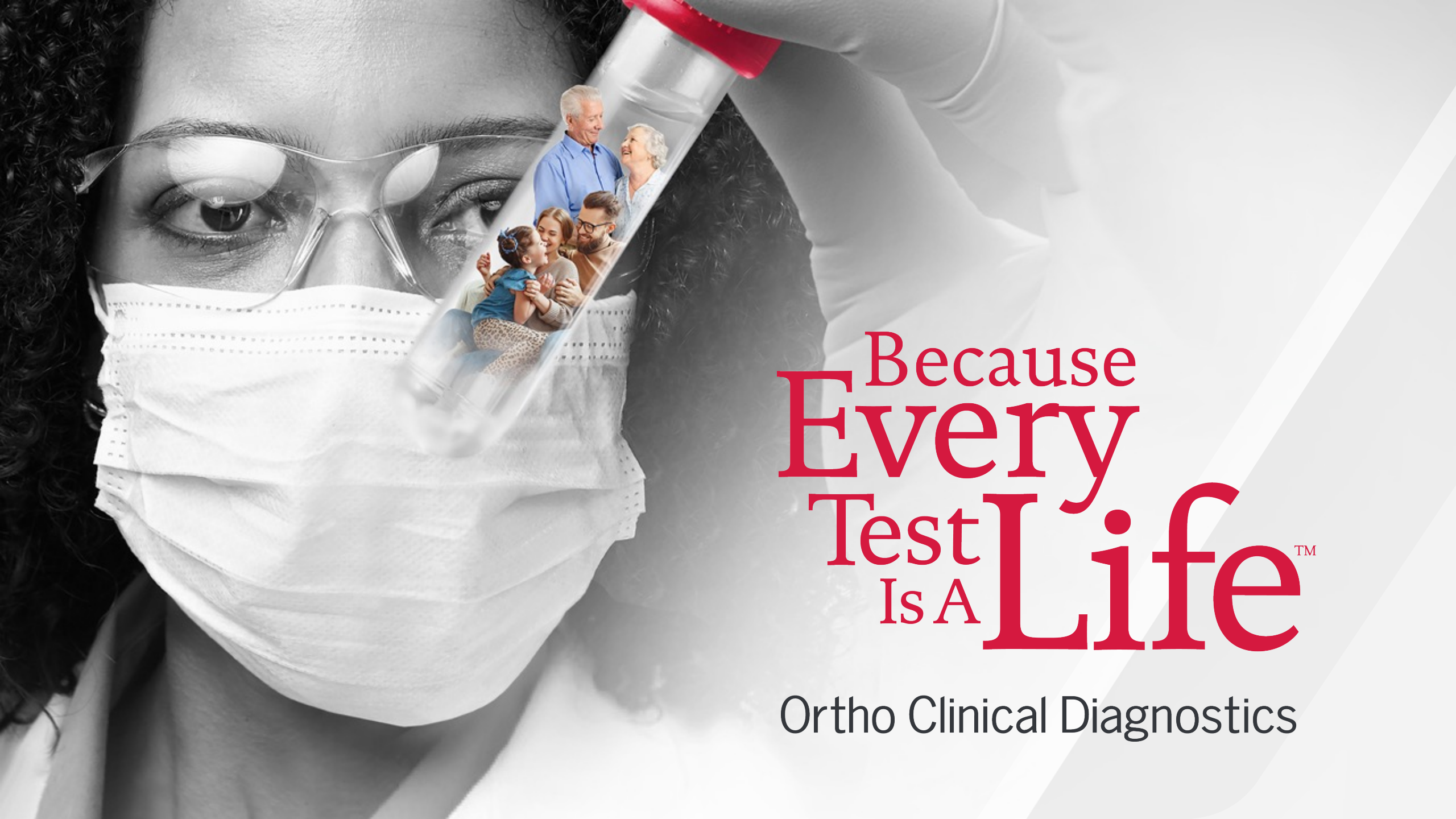
Supplemental Non-GAAP Financial Measures

	Fiscal Year Ended		Fiscal quarter ended								
(% Growth)	**2017**	**2018**	**Q1 19**	**Q2 19**	**Q3 19**	**Q4 19**	**Q1 20**	**Q2 20**	**Q3 20**	**Q4 20**	**Q1 21**
Core Revenue Growth Rate	4.8%	0.3%	(3.4%)	1.3%	4.6%	2.5%	(0.6%)	(12.6%)	1.6%	10.1%	23.5%
Less: Foreign Currency Impact	(0.1%)	0.5%	(2.9%)	(2.3%)	(0.9%)	(0.4%)	(1.3%)	(2.0%)	(0.4%)	1.0%	2.4%
Core Revenue Constant Currency Growth Rate	4.8%	(0.2%)	(0.5%)	3.7%	5.5%	2.9%	0.7%	(10.6%)	2.0%	9.1%	21.1%
Less: Local HCV and Other Adjustments	3.5%	(1.4%)	2.5%	(0.1%)	(0.3%)	(1.5%)	(4.0%)	1.5%	(1.6%)	(0.6%)	0.2%
Core Revenue Constant Currency Growth Rate (excl. local HCV)	1.4%	1.2%	(3.0%)	3.8%	5.8%	4.3%	4.7%	(12.1%)	3.6%	9.7%	20.9%
Less: CoV-2	0%	0%	0%	0%	0%	0%	0%	6.4%	4.9%	5.8%	7.1%
Core Revenue Constant Currency Growth Rate (excl. local HCV and CoV-2)	1.4%	1.2%	(3.0%)	3.8%	5.8%	4.3%	4.7%	(18.4%)	(1.3%)	3.9%	13.8%

In Q1 2019 we signed a new supply agreement in Japan related to our HCV business. As a result of the new supply agreement, we recognized increased revenue in Q1 2019 and Q3 2019. Revenue recognition is based on the timing of periodic shipments which may create unusual YoY variances in certain quarters. Other adjustments include Day 2 countries in 2016 and 2017.



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