



AVANOS



Q4 & Full Year 2025 Earnings Presentation

February 24, 2026



Getting patients back to what matters.



Dave Pacitti

Chief Executive Officer

**Q4/FY Overview
& Business Update**



Scott Galovan

SVP, Chief Financial Officer

**Q4/FY Results & 2026
Planning Assumptions**

DISCLAIMER REGARDING FORWARD-LOOKING STATEMENTS

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

These statements are subject to various risks and uncertainties that could cause our actual results to differ materially from those expressed or implied in such statements, including risks related to changes in the competitive environment; market demand and pricing pressure; cost containment measures that could adversely affect the price of or demand for our products; raw material, energy, and other input costs; supply chain disruptions (including availability of drugs used in our Surgical Pain and Recovery products); inflation; rising interest rates; the ongoing conflicts between Russia and Ukraine and in the Middle East; our ability to successfully execute on or achieve the expected benefits of our transformation initiative or our divestiture, acquisition or merger transactions; financial conditions affecting the banking system and the potential threats to the solvency of commercial banks; economic conditions; currency exchange risks; human capital risks, cybersecurity risks; intellectual property risks; the impact of tariffs imposed to date and new or increased tariffs; changes in reimbursement levels or coverage from third-party payors; and legislative and regulatory actions. There can be no assurance that these future events will occur as anticipated or that the Company’s results will be as estimated. Forward-looking statements speak only as of the date they were made, and we undertake no obligation to publicly update them. For a more complete listing and description of these and other factors that could cause the Company’s future results to differ materially from those expressed in any forward-looking statements, see the Company’s most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q.

NON-GAAP FINANCIAL MEASURES

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

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FY25 Business Highlights

Financial Performance

- **\$701M** revenue, exceeded revised estimate
- **\$0.94** adjusted EPS, achieved high end of our revised estimate
- **6% organic growth** in strategic segments

Operational & Cost Discipline

- Tariff mitigation actions on track
- Expanded transformation initiatives to deliver **\$15–\$20M incremental annualized savings by end of 2026**

Portfolio Optimization

- Divested Hyaluronic Acid product line
- Transitioned U.S. Game Ready rental business
- Exiting IV therapy business

Strategic Capital Deployment

- Completed synergistic acquisition of Nexus Medical

Solid Progress on Strategic Imperatives

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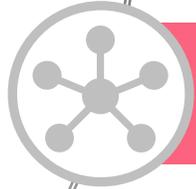
Accelerate growth in our strategic segments



Mitigate the impact of tariffs



Realize more operating efficiencies



Improve or divest underperforming assets

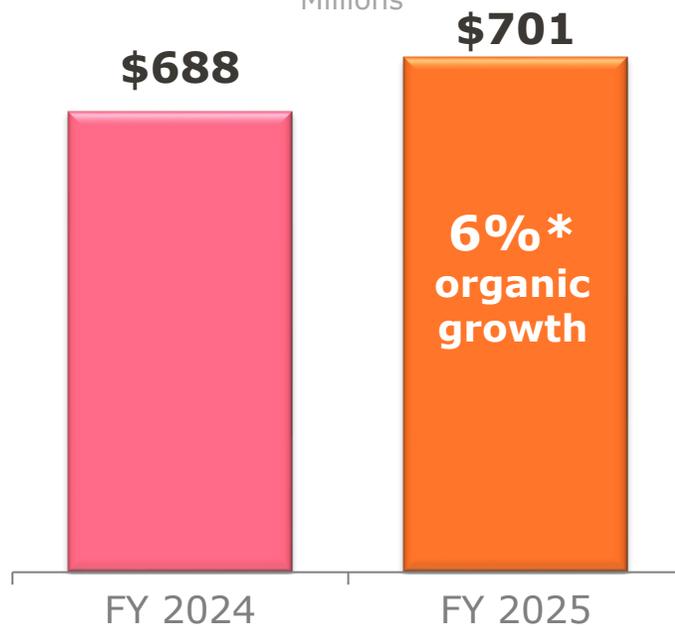


Find synergistic M&A opportunities

FY25 Financial Highlights

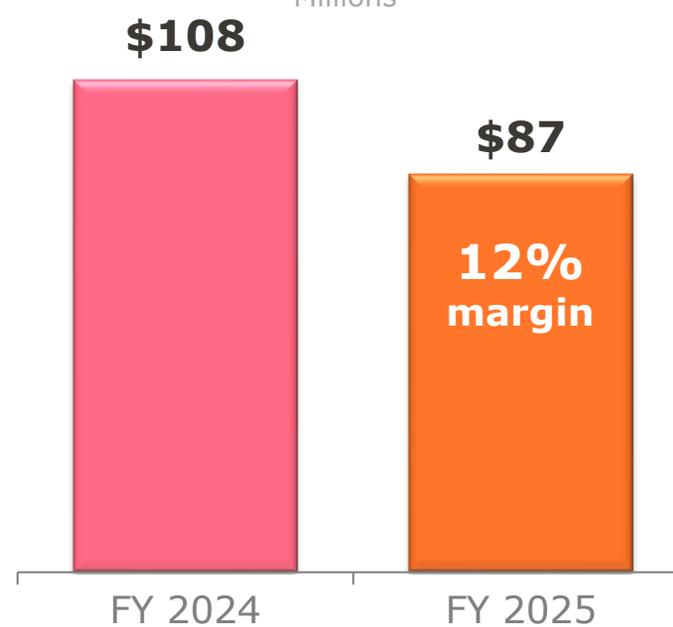
Net Sales

Millions

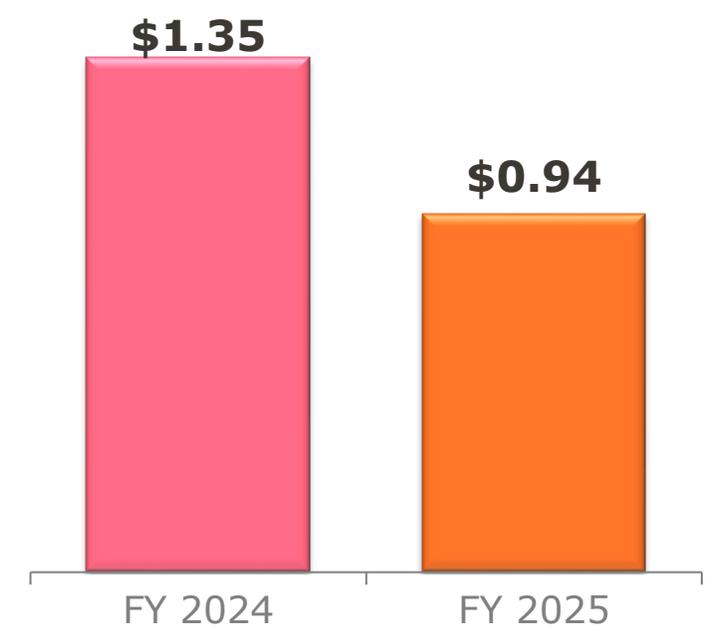


Adjusted EBITDA

Millions



Adjusted EPS



Specialty Nutrition Systems Growing >8% (FY)

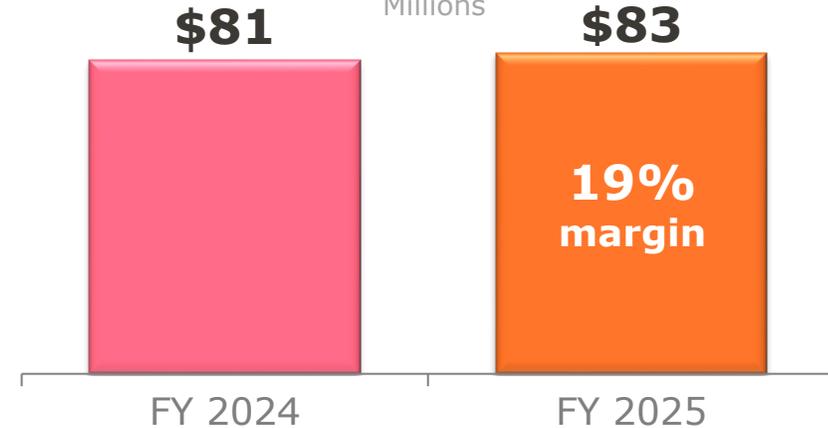
Net Sales

Millions



Operating Profit

Millions



Performance Highlights

- **8.2%** organic growth
- **19%** operating margin

Growth Drivers

- Sustained above-market growth
- Broad-based portfolio demand
- UK go-direct transition
- Recent CORGRIP tube retention
- Late-stage US ENFit adoption cycle

Margin Dynamics

- Volume leverage drove margin expansion
- Tariff impacts partially offset operating gains

Pain Management & Recovery Growing >2% (FY)

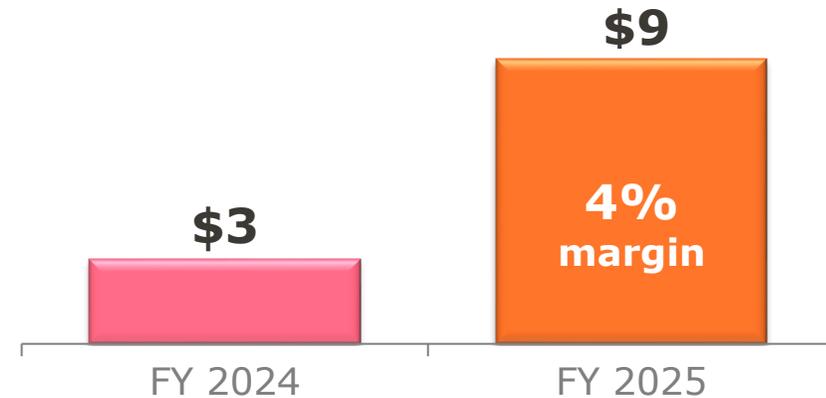
Net Sales

Millions



Operating Profit

Millions



Performance Highlights

- **2.3%** organic growth
- **4%** operating margin
- **+270 bps** operating profit expansion

Growth Drivers

- Higher RFA procedural volumes and reimbursement tailwinds in the UK & Japan
- Transition of US Game Ready rental business

Margin Dynamics

- Operating profit expansion driven by topline growth and disciplined cost management

Maintaining Strong Financial Position

- Healthy balance sheet provides strategic capital investment flexibility
- Targeted capital investments supporting supply chain optimization
- Continuing to leverage our balance sheet to pursue active M&A pipeline

| \$ in millions | 12/31/24 | 12/31/25 |
|--------------------------|--------------|--------------|
| Cash | \$108 | \$90 |
| Term Debt | (110) | (101) |
| Revolver | (25) | - |
| Net (Debt) | (\$27) | (\$11) |
| TTM Adjusted EBITDA | 108 | 87 |
| Net Debt / EBITDA | ~0.3x | ~0.1x |

Adjusted EBITDA = Continued Operations results

2026 Outlook

Net Sales

Estimate: \$700 million to \$720 million

- *Specialty Nutrition Systems up mid to high-single digit growth*
- *Pain Management & Recovery low to mid single-digit growth*
- *Assumed foreign exchange rates near current levels*

Adjusted Diluted EPS

Estimate: \$0.90 to \$1.10 per share

- *Assumed additional \$12 million of tariff expenses vs. 2025*
- *Assumed effective tax rate 29%*

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Thank You



APPENDICES

Segments

Non-GAAP Reconciliations

SEGMENTS

In millions

| | Segment Income | | | | | | | | | |
|---|-----------------|-----------------|-----------------|-------------------|-------------------|-----------------|------------------|-----------------|-----------------|------------------|
| | 2024 | | | | | 2025 | | | | |
| | Q1 | Q2 | Q3 | Q4 | Total | Q1 | Q2 | Q3 | Q4 | Total |
| Specialty Nutrition Systems: | | | | | | | | | | |
| Enteral feeding | \$ 70.0 | \$ 72.7 | \$ 72.0 | \$ 75.0 | \$ 289.7 | \$ 74.5 | \$ 74.5 | \$ 82.7 | \$ 83.0 | \$ 314.7 |
| Neonate solutions | 24.6 | 25.0 | 26.2 | 30.8 | 106.6 | 26.6 | 28.2 | 31.3 | 32.1 | 118.2 |
| Total Specialty Nutrition Systems | 94.6 | 97.7 | 98.2 | 105.8 | 396.3 | 101.1 | 102.7 | 114.0 | 115.1 | 432.9 |
| Pain Management & Recovery: | | | | | | | | | | |
| Surgical pain and recovery | 27.0 | 27.8 | 26.5 | 26.7 | 108.0 | 24.5 | 25.2 | 24.4 | 24.7 | 98.8 |
| Radiofrequency ablation | 29.3 | 31.5 | 31.3 | 34.1 | 126.2 | 31.7 | 35.8 | 34.6 | 36.9 | 139.0 |
| Total Pain Management & Recovery | 56.3 | 59.3 | 57.8 | 60.8 | 234.2 | 56.2 | 61.0 | 59.0 | 61.6 | 237.8 |
| Corporate and Other | 15.2 | 14.7 | 14.4 | 13.0 | 57.3 | 10.2 | 11.3 | 4.8 | 4.2 | 30.5 |
| Total Net Sales | \$ 166.1 | \$ 171.7 | \$ 170.4 | \$ 179.6 | \$ 687.8 | \$ 167.5 | \$ 175.0 | \$ 177.8 | \$ 180.9 | \$ 701.2 |
| Operating Income (Loss) | | | | | | | | | | |
| Specialty Nutrition Systems | 15.4 | 21.8 | 18.6 | 25.0 | 80.8 | 21.1 | 18.0 | 23.0 | 20.5 | 82.6 |
| Pain Management & Recovery | (2.1) | 0.1 | 0.6 | 4.0 | 2.6 | 0.2 | 1.8 | 2.0 | 5.2 | 9.2 |
| Corporate and Other | (9.3) | (15.6) | (7.2) | (447.5) | (479.6) | (11.0) | (94.3) | (24.9) | (23.2) | (153.4) |
| Total Operating Income (Loss) | \$ 4.0 | \$ 6.3 | \$ 12.0 | \$ (418.5) | \$ (396.2) | \$ 10.3 | \$ (74.5) | \$ 0.1 | \$ 2.5 | \$ (61.6) |

NON-GAAP RECONCILIATIONS

In millions

| | Three Months Ended December 31, 2025 | | | | | | As Adjusted Non-GAAP |
|--|--------------------------------------|-----------------------------|-----------------------------------|--------------------------|-------------|----------|----------------------|
| | As reported | Acquisition and Integration | Post-RH Divestiture Restructuring | Intangibles Amortization | Tax Effects | | |
| Net Sales | \$ 180.9 | \$ — | \$ — | \$ — | \$ — | \$ 180.9 | |
| Cost of products sold | 94.9 | — | (9.0) | (1.6) | — | 84.3 | |
| Gross Profit | 86.0 | — | 9.0 | 1.6 | — | 96.6 | |
| <i>Gross Profit Margin</i> | 47.5 % | | | | | 53.4 % | |
| Research and development expenses | 6.1 | — | (0.5) | — | — | 5.6 | |
| Selling and general expenses | 78.8 | (0.6) | (4.5) | (2.9) | — | 70.8 | |
| <i>SG&A as a percentage of revenue</i> | 43.6 % | | | | | 39.1 % | |
| Other income, net | (1.4) | (0.5) | (0.5) | — | — | (2.4) | |
| Operating Income | 2.5 | 1.1 | 14.5 | 4.5 | — | 22.6 | |
| Interest income | 0.6 | — | — | — | — | 0.6 | |
| Interest expense | (1.9) | — | — | — | — | (1.9) | |
| Income Before Income Taxes | 1.2 | 1.1 | 14.5 | 4.5 | — | 21.3 | |
| Income tax benefit | (2.5) | — | — | — | (5.4) | (7.9) | |
| <i>Effective Tax Rate</i> | (208.3)% | | | | | (37.1)% | |
| Net (Loss) Income | \$ (1.3) | \$ 1.1 | \$ 14.5 | \$ 4.5 | \$ (5.4) | \$ 13.4 | |
| Diluted (loss) earnings per share | \$ (0.03) | | | | | \$ 0.29 | |

NON-GAAP RECONCILIATIONS

In millions

Three Months Ended December 31, 2024

| | As reported | Acquisition and Integration | Restructuring & Transform. | Post-RH Divestiture Transition | Post-RH Divestiture Restructuring | Goodwill & Intangibles Impairment | EU MDR Compliance | Intangibles Amortization | Tax Effects | As Adjusted Non-GAAP |
|---|-------------|-----------------------------|----------------------------|--------------------------------|-----------------------------------|-----------------------------------|-------------------|--------------------------|-------------|----------------------|
| Net Sales | \$ 179.6 | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ 179.6 |
| Cost of products sold | 81.6 | — | (1.3) | (0.4) | (2.1) | — | — | (3.6) | — | 74.2 |
| Gross Profit | 98.0 | — | 1.3 | 0.4 | 2.1 | — | — | 3.6 | — | 105.4 |
| <i>Gross Profit Margin</i> | 54.6 % | | | | | | | | | 58.7 % |
| Research and development expenses | 5.7 | — | — | — | — | — | — | — | — | 5.7 |
| Selling and general expenses | 79.7 | (0.1) | 0.4 | (0.2) | (0.4) | — | (1.8) | (2.8) | — | 74.8 |
| <i>SG&A as a percentage of revenue</i> | 44.4 % | | | | | | | | | 41.6 % |
| Goodwill and intangibles impairment | 436.7 | — | — | — | — | (436.7) | — | — | — | — |
| Other (income) expense, net | (5.6) | — | 6.9 | (0.3) | — | — | — | — | — | 1.0 |
| Operating (Loss) Income | (418.5) | 0.1 | (6.0) | 0.9 | 2.5 | 436.7 | 1.8 | 6.4 | — | 23.9 |
| Interest income | 0.8 | — | — | — | — | — | — | — | — | 0.8 |
| Interest expense | (2.8) | — | — | — | — | — | — | — | — | (2.8) |
| (Loss) Income Before Income Taxes | (420.5) | 0.1 | (6.5) | 0.1 | 2.5 | 436.7 | (1.8) | 6.4 | — | 21.9 |
| Income tax benefit (provision) | 23.5 | — | — | — | — | — | — | — | (25.4) | (1.9) |
| <i>Effective Tax Rate</i> | (5.6)% | | | | | | | | | (8.7)% |
| Net Loss (Income) from Continuing Operations | (397.0) | 0.1 | (6.5) | 0.1 | 2.5 | 436.7 | (1.8) | 6.4 | (25.4) | 20.0 |
| Net Loss from Discontinued Operations | (0.3) | — | — | — | — | — | — | — | — | (0.3) |
| Net (Loss) Income | \$ (397.3) | \$ 0.1 | \$ (6.5) | \$ 0.1 | \$ 2.5 | \$ 436.7 | \$ (1.8) | \$ 6.4 | \$ (25.4) | \$ 19.7 |
| Diluted (loss) earnings per share: | | | | | | | | | | |
| Continuing operations | \$ (8.63) | | | | | | | | | \$ 0.43 |
| Discontinued operations | \$ (0.01) | | | | | | | | | \$ (0.01) |
| Diluted loss (earnings) per share | \$ (8.64) | | | | | | | | | \$ 0.42 |

NON-GAAP RECONCILIATIONS

In millions

| | Year Ended December 31, 2025 | | | | | | | |
|--|------------------------------|-----------------------------|-----------------------------------|-------------------------------------|----------------------|--------------------------|------------------|----------------------|
| | As reported | Acquisition and Integration | Post-RH Divestiture Restructuring | Goodwill and Intangibles Impairment | Litigation and Legal | Intangibles Amortization | Tax Effects | As Adjusted Non-GAAP |
| Net Sales | \$ 701.2 | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ 701.2 |
| Cost of products sold | 347.3 | — | (19.5) | — | — | (9.5) | — | 318.3 |
| Gross Profit | 353.9 | — | 19.5 | — | — | 9.5 | — | 382.9 |
| <i>Gross Profit Margin</i> | 50.5 % | | | | | | | 54.6 % |
| Research and development expenses | 23.3 | — | (0.5) | — | — | — | — | 22.8 |
| Selling and general expenses | 315.6 | (1.0) | (10.2) | — | — | (9.7) | — | 294.7 |
| <i>SG&A as a percentage of revenue</i> | 45.0 % | | | | | | | 42.0 % |
| Goodwill and intangibles impairment | 77.0 | — | — | (77.0) | — | — | — | — |
| Other (income) expense, net | (0.4) | (0.5) | (2.2) | — | 1.4 | — | — | (1.7) |
| Operating Income | (61.6) | 1.5 | 32.4 | 77.0 | (1.4) | 19.2 | — | 67.1 |
| Interest income | 3.2 | — | — | — | — | — | — | 3.2 |
| Interest expense | (7.8) | — | — | — | — | — | — | (7.8) |
| (Loss) Income Before Income Taxes | (66.2) | 1.5 | 32.4 | 77.0 | (1.4) | 19.2 | — | 62.5 |
| Income tax provision | (6.7) | — | — | — | — | — | (12.4) | (19.1) |
| <i>Effective Tax Rate</i> | 10.1 % | | | | | | | (30.6)% |
| Net (Loss) Income | \$ (72.9) | \$ 1.5 | \$ 32.4 | \$ 77.0 | \$ (1.4) | \$ 19.2 | \$ (12.4) | \$ 43.4 |
| Diluted (loss) earnings per share | \$ (1.57) | | | | | | | \$ 0.94 |

NON-GAAP RECONCILIATIONS

In millions

| | Year Ended December 31, 2024 | | | | | | | | | |
|---|------------------------------|-----------------------------|----------------------------|--------------------------------|-----------------------------------|-----------------------------------|-------------------|--------------------------|-------------|----------------------|
| | As reported | Acquisition and Integration | Restructuring & Transform. | Post-RH Divestiture Transition | Post-RH Divestiture Restructuring | Goodwill & Intangibles Impairment | EU MDR Compliance | Intangibles Amortization | Tax Effects | As Adjusted Non-GAAP |
| Net Sales | \$ 687.8 | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ 687.8 |
| Cost of products sold | 306.5 | (0.1) | (3.0) | (1.8) | (5.1) | — | (0.2) | (14.3) | — | 282.0 |
| Gross Profit | 381.3 | 0.1 | 3.0 | 1.8 | 5.1 | — | 0.2 | 14.3 | — | 405.8 |
| <i>Gross Profit Margin</i> | 55.4 % | | | | | | | | | 59.0 % |
| Research and development expenses | 26.2 | (0.1) | 0.2 | — | — | — | — | — | — | 26.3 |
| Selling and general expenses | 318.5 | (1.4) | (3.0) | (0.8) | (3.8) | — | (6.0) | (10.9) | — | 292.6 |
| <i>SG&A as a percentage of revenue</i> | 46.3 % | | | | | | | | | 42.5 % |
| Goodwill and intangibles impairment | 436.7 | — | — | — | — | (436.7) | — | — | — | — |
| Other (income) expense, net | (3.9) | (2.6) | 6.6 | (0.5) | — | — | — | — | — | (0.4) |
| Operating (Loss) Income | (396.2) | 4.2 | (0.8) | 3.1 | 8.9 | 436.7 | 6.2 | 25.2 | — | 87.3 |
| Interest income | 5.1 | — | — | — | — | — | — | — | — | 5.1 |
| Interest expense | (12.2) | — | — | — | — | — | — | — | — | (12.2) |
| Income Before Income Taxes | (403.3) | 4.2 | (9.6) | (0.3) | 8.9 | 436.7 | (6.0) | 25.2 | — | 80.2 |
| Income tax benefit (provision) | 17.0 | — | — | — | — | — | — | — | (34.6) | (17.6) |
| <i>Effective Tax Rate</i> | (4.2)% | | | | | | | | | (21.9)% |
| Net (Loss) Income from Continuing Operations | (386.3) | 4.2 | (9.6) | (0.3) | 8.9 | 436.7 | (6.0) | 25.2 | (34.6) | 62.6 |
| Net Loss from Discontinued Operations | (5.8) | — | — | — | — | — | — | — | — | (5.8) |
| Net (Loss) Income | \$ (392.1) | \$ 4.2 | \$ (9.6) | \$ (0.3) | \$ 8.9 | \$ 436.7 | \$ (6.0) | \$ 25.2 | \$ (34.6) | \$ 56.8 |
| Diluted (loss) earnings per share: | | | | | | | | | | |
| Continuing operations | \$ (8.40) | | | | | | | | | \$ 1.35 |
| Discontinued operations | \$ (0.13) | | | | | | | | | \$ (0.13) |
| Diluted loss (earnings) per share | \$ (8.53) | | | | | | | | | \$ 1.22 |

NON-GAAP RECONCILIATIONS

In millions

| | EBITDA | | | |
|---|---|--------------------------------------|----------------------------|------------|
| | Three Months Ended December 31, 2025 | Three Months Ended December 31, 2024 | | |
| | | Continuing Operations | Discontinued Operations | Total |
| Net loss | \$ (1.3) | \$ (397.0) | \$ (0.3) | \$ (397.3) |
| Interest expense, net | 1.3 | 2.0 | — | 2.0 |
| Income tax (provision) benefit | 2.5 | (23.5) | 0.1 | (23.4) |
| Depreciation | 5.4 | 4.7 | — | 4.7 |
| Amortization | 4.5 | 6.4 | — | 6.4 |
| EBITDA | 12.4 | (407.4) | (0.2) | (407.6) |
| Acquisition and integration-related charges | 1.1 | 0.1 | — | 0.1 |
| Restructuring and transformation charges | — | (6.0) | — | (6.0) |
| Post-RH Divestiture transition charges | — | 0.9 | — | 0.9 |
| Post-RH Divestiture restructuring | 14.5 | 2.5 | — | 2.5 |
| Goodwill and intangibles impairment | — | 436.7 | — | 436.7 |
| EU MDR Compliance | — | 1.8 | — | 1.8 |
| As adjusted, non-GAAP | \$ 28.0 | \$ 28.6 | \$ (0.2) | \$ 28.4 |

NON-GAAP RECONCILIATIONS

In millions

| | EBITDA | | | |
|---|---------------------------------|------------------------------|----------------------------|------------|
| | Year Ended December 31, 2025 | Year Ended December 31, 2024 | | |
| | | Continuing Operations | Discontinued Operations | Total |
| Net loss | \$ (72.9) | \$ (386.3) | \$ (5.8) | \$ (392.1) |
| Interest expense, net | 4.6 | 7.1 | — | 7.1 |
| Income tax benefit (provision) | 6.7 | (17.0) | (1.9) | (18.9) |
| Depreciation | 19.7 | 20.3 | — | 20.3 |
| Amortization | 19.2 | 25.2 | — | 25.2 |
| EBITDA | (22.7) | (350.7) | (7.7) | (358.4) |
| Acquisition and integration-related charges | 1.5 | 4.2 | — | 4.2 |
| Restructuring and transformation charges | — | (0.8) | — | (0.8) |
| Post-RH Divestiture transition charges | — | 3.1 | — | 3.1 |
| Post-RH Divestiture restructuring | 32.4 | 8.9 | — | 8.9 |
| Goodwill and intangibles impairment | 77.0 | 436.7 | — | 436.7 |
| EU MDR Compliance | — | 6.2 | — | 6.2 |
| Litigation and legal | (1.4) | — | — | — |
| As adjusted, non-GAAP | \$ 86.8 | \$ 107.6 | \$ (7.7) | \$ 99.9 |

NON-GAAP RECONCILIATIONS

In millions

| | Free Cash Flow | | | |
|---|---------------------------------|---------|-------------------------|----------|
| | Three Months Ended December 31, | | Year Ended December 31, | |
| | 2025 | 2024 | 2025 | 2024 |
| Cash provided by (used in) operating activities | \$ 28.2 | \$ 57.9 | \$ 74.7 | \$ 100.7 |
| Capital expenditures | (6.9) | (4.8) | (31.6) | (17.8) |
| Free Cash Flow | \$ 21.3 | \$ 53.1 | \$ 43.1 | \$ 82.9 |

| | 2026 | |
|--|-----------------|------------|
| | Estimated Range | |
| Diluted earnings per share (GAAP) | \$ 0.48 | to \$ 0.73 |
| Intangibles amortization | 0.28 | to 0.26 |
| Restructuring and transformation charges | 0.08 | to 0.06 |
| Other | 0.06 | to 0.05 |
| Adjusted diluted earnings per share (non-GAAP) | \$ 0.90 | to \$ 1.10 |