

AVANOS

R&D REVIEW

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OVERVIEW

FORWARD-LOOKING INFORMATION

Certain matters in this presentation, including our financial outlook, expectations and planning assumptions, and any estimates, projections, and statements relating to our business plans, objectives, or the acquisition of CoolSystems constitute forward-looking statements and are based upon management's expectations and beliefs concerning future events impacting the Company.

These statements are subject to risks and uncertainties, including currency exchange risks, cost savings and reductions, raw material, energy, and other input costs, competition, market demand, economic condition, S&IP separation execution 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 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 Form 10-K and Quarterly Reports on Form 10-Q.

NON-GAAP FINANCIAL MEASURES

Management believes that 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 posted on our website (www.halyardhealth.com/investors).

R&D OVERVIEW

- **Transformation of R&D talent, capabilities & portfolio**
- **Investments in next generation platforms**
- **Focus on breakthrough innovations in Pain Management**
- **Building a strong R&D pipeline with consistent cadence of launches**



TRANSFORMATION OF OUR CAPABILITIES & PORTFOLIO



TALENT

- Built strong R&D team through targeted device industry recruitment
- Designed six sigma/culture of innovation
- Created pain technology “center of excellence”
- Developed strong research partnerships



PROCESS

- Collecting & prioritizing user needs
- Agile & scalable product development process
- Integrated human-centered engineering
- Disciplined portfolio investment criteria

Strong R&D talent with processes built to accelerate innovation

TRANSFORMATION OF OUR CAPABILITIES & PORTFOLIO

	2015	Today	Impact / Benefit
R&D Focus	Products	Products, services & solutions	<ul style="list-style-type: none"> • More diverse product portfolio & pipeline
R&D Spend	90% Incremental 10% Breakthrough	60% Incremental 40% Breakthrough	<ul style="list-style-type: none"> • Focused on higher-value, higher-impact innovations
Portfolio	Line extensions	Platform enhancements & breakthroughs	<ul style="list-style-type: none"> • Strong cadence of launches • Deep expertise in non-opioid pain technology
Vitality Index	7%	20%	<ul style="list-style-type: none"> • Enhanced vitality index & return on investment

Well-balanced portfolio of initiatives positioned for success

PLATFORM INVESTMENT: CHRONIC CARE

Focus of Platform Enhancements

- Reinvigorate platforms to address end-of-platform life
- Enhance safety & efficacy of enteral nutrition delivery
- Provide patients & caregivers low profile feeding tube status
- Expand the utilization of CORTRAK* tube tracking technology

Enteral Feeding Tubes



EnFit Safe Feeding



Low Profile Gastro-Jejunostomy



Next Gen. Low Profile Tube

CORTRAK* Navigation System



CORGRIP* Line Extensions



CORTRAK* System v2.5



Next Generation CORTRAK*

Enhancing enteral nutrition delivery in Chronic Care

PLATFORM INVESTMENT: PAIN MANAGEMENT

Focus of Platform Enhancements

- Reinvigorate platforms to address end-of-platform life
- Enhance capabilities, improve ease of use & position for international growth
- Increase physician & patient engagement to drive utilization
- Develop and expand into new procedures

Acute Pain: ON-Q* Pain Pump



ES500
Stimulator



NxG ON-Q*
Pain Pumps



Digital Patient
Engagement

Chronic Pain: COOLIEF*



New COOLIEF* RF
Generator



Next Generation
COOLIEF* Probes



Procedural
Expansion

Advancing market-leading non-opioid pain management solutions

INVESTMENTS IN OPIOID-FREE PAIN RELIEF BREAKTHROUGHS

PAIN TECHNOLOGY CENTER OF EXCELLENCE

- 15 PhDs in Neuroscience, Biomedical Engineering and Signal Processing
- Deep expertise in neural signaling, nerve anatomy & algorithms
- Developing novel breakthrough technology in both acute & chronic pain

**Procedural
Enhancements**

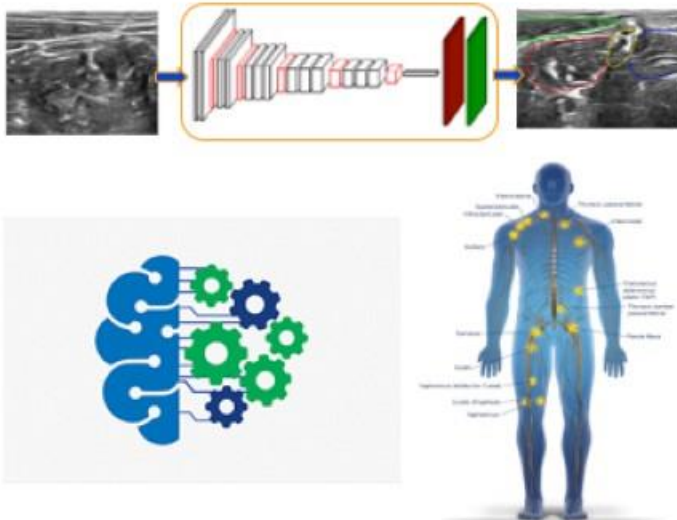
**Improving
Outcomes**

**Adjacent
Opportunities**

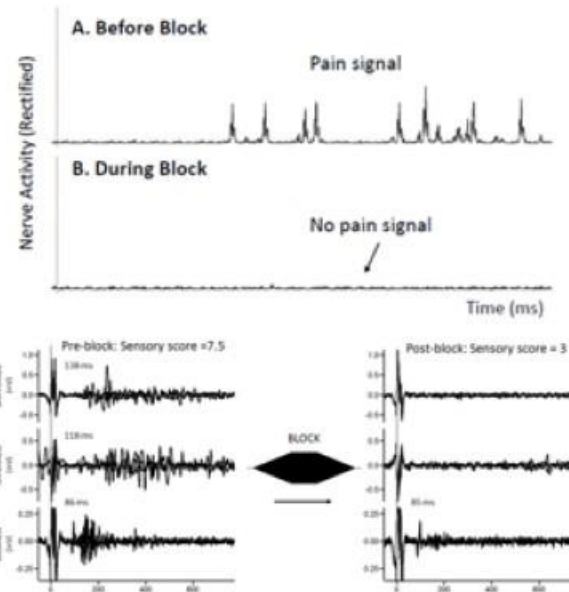
Goal: increase procedural utilization of opioid-free pain relief for patients

INVESTMENTS IN OPIOID-FREE PAIN RELIEF BREAKTHROUGHS

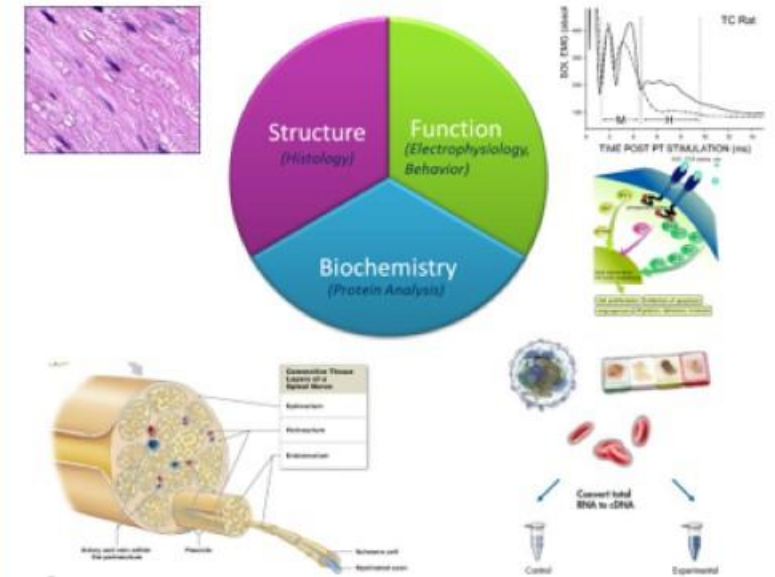
Machine Learning



Electrical Nerve Blocking

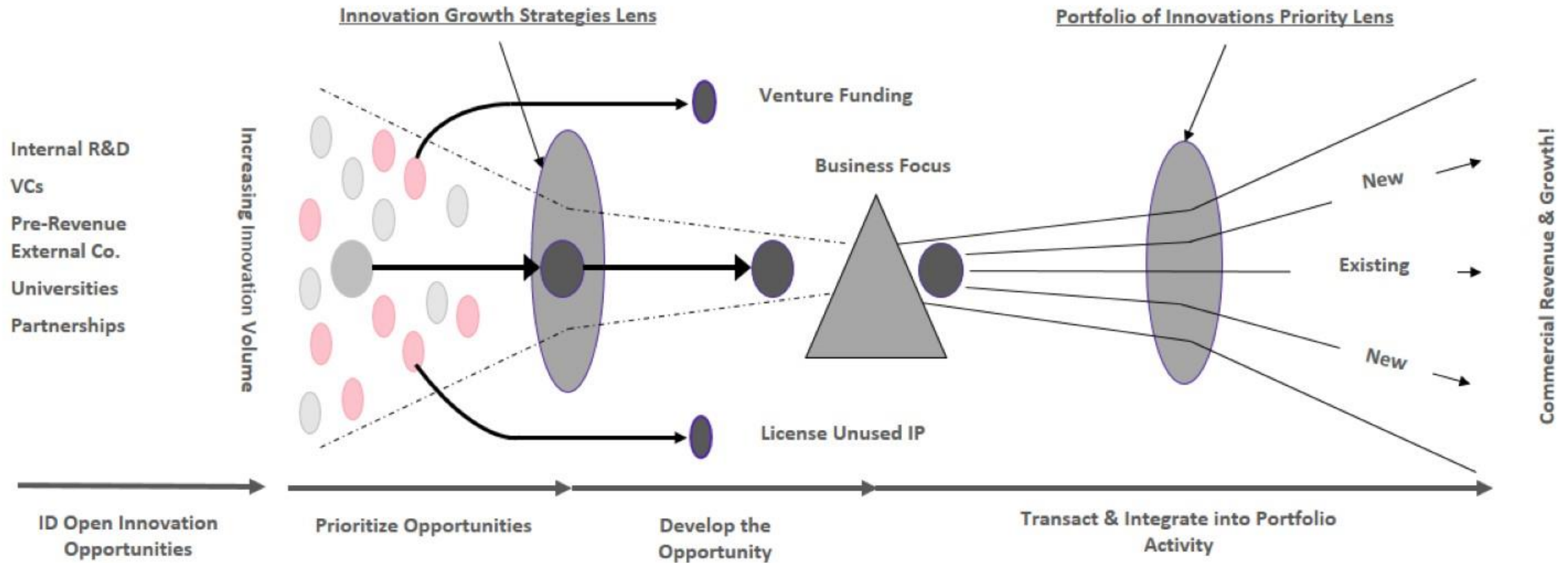


Advanced RF Technology



Several new technology platforms for long-term growth

INVESTMENTS IN OPEN INNOVATION




Leveraging open innovation to build a stronger portfolio

R&D PORTFOLIO PIPELINE



Double vitality index in 5 years

CONCLUDING REMARKS

-  R&D talent, capabilities & portfolio have been transformed
-  Next generation platform investments strengthen market-leading positions
-  Long-term breakthrough innovations in non-opioid pain relief
-  Strong R&D pipeline with consistent cadence of launches established

THANK YOU