

BAUSCH Health

EARNINGS

Q 4 & F Y 2 0 2 3

FEBRUARY 22, 2024



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 relating to Bausch Health Companies Inc.’s (“Bausch Health” or the “Company”) future prospects and performance, financial guidance, research and development efforts and anticipated timing or results thereof, proposed plan to separate its eye health business, including the timing thereof, management of its balance sheet, generation of cash, ability to launch and commercialize new products, including the timing of regulatory processes with respect to the Company’s product pipeline, ability to enforce and defend its Xifaxan® intellectual property rights, ability to execute its growth strategies generally, and other corporate and strategic transactions. Forward-looking statements may generally be identified by the use of the words “anticipates,” “hopes,” “expects,” “intends,” “plans,” “should,” “could,” “would,” “may,” “believes,” “estimates,” “potential,” “target,” 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 2024 financial outlook and 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.

These forward-looking statements are subject to certain factors, risks and uncertainties that could cause actual results to differ materially from those described in these forward-looking statements. These factors, risks and uncertainties include, but are not limited to the following: the impact of current market and economic conditions in one or more of the Company’s markets; the impact of inflation and other macroeconomic factors on the Company’s business and operations; the ability to complete the separation of Bausch + Lomb, including the timing and structure thereof, and to achieve the expected benefits thereof, and other risks and uncertainties relating to such separation, including actual and potential litigation related thereto; the uncertainty of commercial success for new and existing products; challenges to patents; challenges to the Company’s ability to enforce and defend against challenges to its patents; the impact of patent expirations and the ability of the company to successfully execute strategic plans; compliance with legal and regulatory requirements; our substantial debt and current and future debt service obligations; and other factors, 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 factors, risks and uncertainties are incorporated herein by reference.

Additional information regarding certain of these material factors and assumptions may be found in the Company’s filings described above. 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 and will not be updated or affirmed unless and until the Company publicly announces updated or affirmed guidance. Distribution or reference of this presentation following the date of this presentation 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 non-GAAP ratios to provide supplemental information to readers. Management uses these non-GAAP measures and ratios as key metrics in the evaluation of the Company’s 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 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 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 financial measures and ratios used by other companies. We caution investors not to place undue reliance on such non-GAAP measures and ratios, but instead to consider them with the most directly comparable GAAP measures and ratios. Non-GAAP financial measures and 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 and ratios to the most directly comparable financial measures and ratios calculated and presented in accordance with GAAP are shown in the Appendix hereto. However, as indicated above, 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.

Agenda



Business Update



4Q & FY 2023 Financial Results



2024 Guidance



2024 Priorities





BUSINESS UPDATE

Bausch Health (excl. B+L) Key Updates¹



SOLID BUSINESS PERFORMANCE IN Q4 & FY 2023

- Q4 & FY revenue of \$1.24 billion and \$4.61 billion, up 3% and 6% on a reported basis
- On an organic² basis, up 2% in Q4, and 6% for the full year
- Delivered on 2023 guidance



STRONG R&D PROGRESS

- Positive topline Phase 2 results for Amiselimod
- RED-C Phase 3 trials on track
- Thermage[®] FLX and TR-4 Return Pad approval by NMPA in China



FOCUS ON BALANCE SHEET

- Debt, net of cash, reduced by \$670 million in 2023
- \$250M of debt repurchased in January 2024
- Over \$1.5 billion of liquidity at year-end



ANNOUNCED FULL YEAR 2024 GUIDANCE

- Solid growth in revenue and Adjusted EBITDA expected in 2024, with increased investment in R&D



STRATEGIC ALTERNATIVES

- B+L distribution continues to be a strategic priority

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

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

Strategic Alternatives Progress¹

Steps Taken in 2023



CONTINUED FOCUS ON THE BALANCE SHEET:

- ✓ Executed A/R Credit Facility, providing up to \$600M of liquidity (subject to borrowing base tests)
- ✓ No outstanding borrowings under Revolving Credit Facility (~\$950M of availability as of December 31, 2023)²
- ✓ Reduced debt, net of cash by \$670 million in 2023
- ✓ In January 2024, completed open market repurchases of \$250M of principal amount of debt

OTHER:

- ✓ Continued to assess structure of potential separation, including completing the separation through a reduction of capital or a “butterfly reorganization”

Ongoing Areas of Focus



- »» Focus on investing in key assets and businesses to drive profitable growth
- »» Continue BHC (excluding B+L) de-levering
- »» Focus on appropriate capitalization of BHC and B+L on a stand-alone basis
- »» Continue to assess relevant factors related to potential full separation of B+L
- »» Flexibility to monetize ~8.5% B+L stake

Continue to believe separation of Bausch + Lomb makes strategic sense and thoughtfully evaluating factors and considerations related to the separation

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

2. Refers to BHC excluding B+L Revolving Credit Facility

Executing Against Our Objectives



Salix: Investing for Growth

Continued investment in Xifaxan® franchise; growth in other core products

- Increased investment to activate consumers for both IBS-D and HE
- Investing in AI-enabled sales force tools and capabilities
- Xifaxan® – Strong TRx growth in Q4 for IBS-D, return to growth for HE
- Double-digit TRx growth in Q4 for Relistor® and Trulance®
- Focus on advancing pipeline – RED-C and Amiselimod



International: Promoted Portfolio Focus

Growth in promoted brand portfolios; focus on business development for the long-term

- For both Q4 and FY 2023, reported and organic¹ revenue growth in all regions and in key markets, including Poland, Mexico, and Canada
- Focus on promoted portfolio, with targeted investments
- Canada – driving recent new product launches including Ryaltris® and UCERIS®
- Remain opportunistic with branded generic portfolio



Solta Medical: Driving Growth

Continue to invest to drive growth globally

- 4% reported and 5% organic¹ revenue growth in Q4, 16% reported and 18% organic¹ revenue growth for FY, led by continued momentum in China and Asia-Pacific
- Thermage® FLX – approval by NMPA in China
- New business leaders in key markets
- Expansion of US sales force
- Focus on new market authorizations and next-gen products



Diversified: Sustaining Margins

Managing the portfolio for profitability and cash generation

- Neurology – managing a challenging demand and pricing environment while capitalizing on competitor supply shortages
- Dermatology – growth in Jublia® demand and focus on CABTREO™ launch in January 2024
- Dentistry – continued investment in sales force and marketing tools to drive sustained growth

Improved focus, excellence in execution and strategic investments to drive long term growth

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.

R&D Pipeline¹

Key Clinical Programs	Phase 1	Phase 2	Phase 3	Approval/Launch	Notes
DERMATOLOGY					
CABTREO™ (IDP-126) First triple combination product for the treatment of acne vulgaris					Received FDA approval on October 20, 2023 U.S. commercial launch occurred the week of January 29, 2024 New Drug Submission was submitted to Health Canada on May 30, 2023
SALIX					
Red-C Prevention and delay of first episode of hepatic encephalopathy					Enrollment of one of two global Phase 3 trials has been completed and enrollment of the second trial is on track and is expected to be completed in H1 2024
Amiselimod (S1P modulator): Treatment for mild to moderate ulcerative colitis					Phase 2 study completed enrollment in July 2023 and topline data results announced in December 2023
SOLTA MEDICAL					
Thermage® FLX Radio-frequency technology to help tighten and improve the smoothness and texture of skin's surface					Received National Medical Products Administration (NMPA) approval in China in January 2024
Clear + Brilliant® Touch Fractionated laser device for skin rejuvenation					Planned regulatory submissions on track for Europe, Canada, and Asia Pacific markets in 2024
Next Generation Fraxel® Fractionated laser device for skin resurfacing					FDA submission planned for Q2 2024, and approval could occur in 2H 2024

Significant progress across our key R&D initiatives during the fourth quarter

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

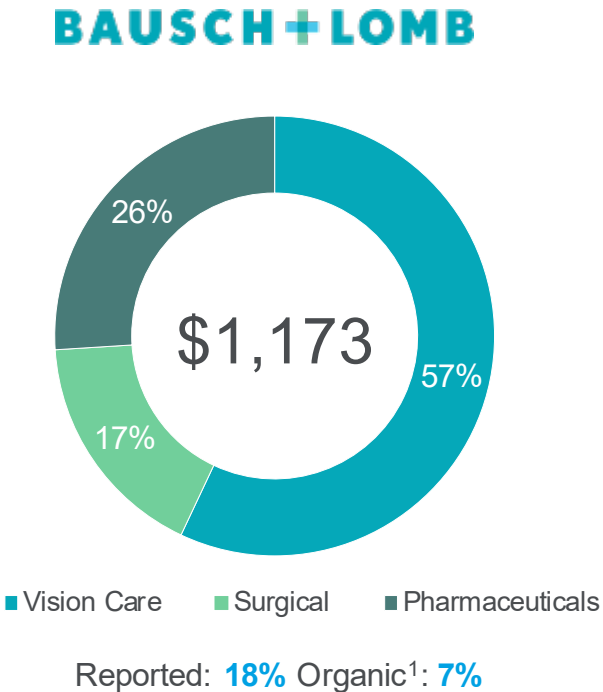
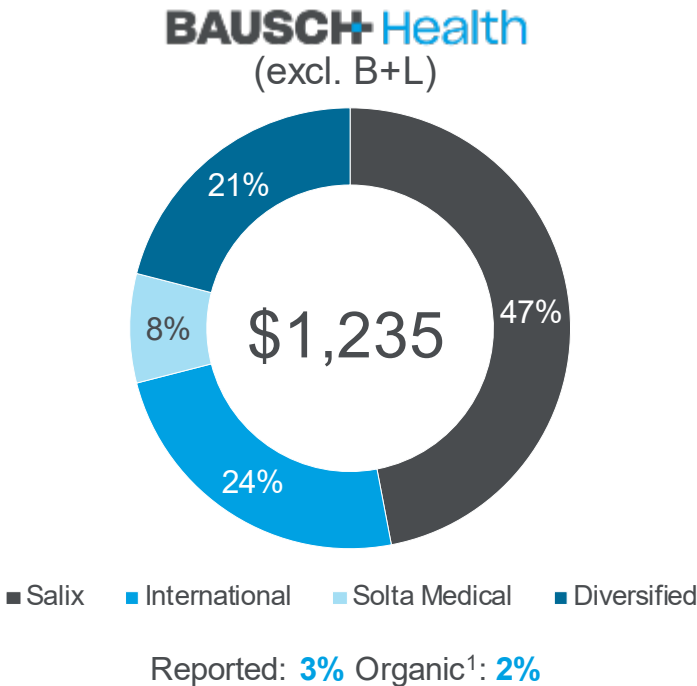
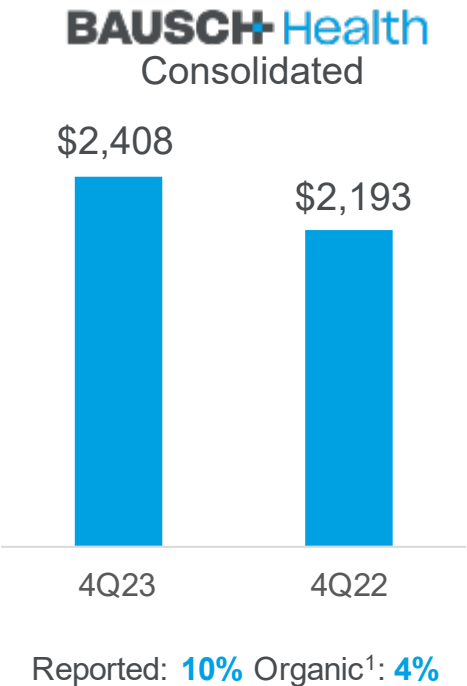


4Q & FY 2023 FINANCIAL RESULTS

4Q23 Revenue

in millions USD

Revenue Change vs 4Q22



Strong fourth quarter performance, ending the year with good momentum

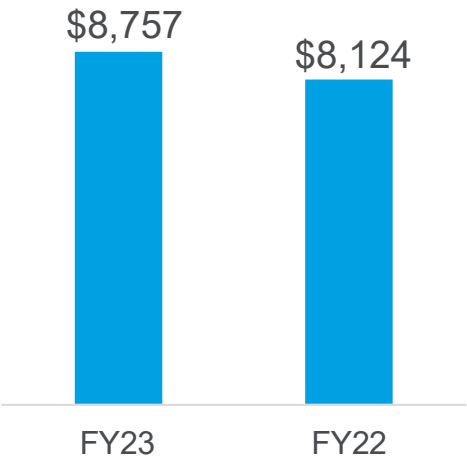
1. This is a non-GAAP measure or non-GAAP ratio. See Slide 3 and Non-GAAP Appendix for further information on non-GAAP measures and ratios.

FY23 Revenue

in millions USD

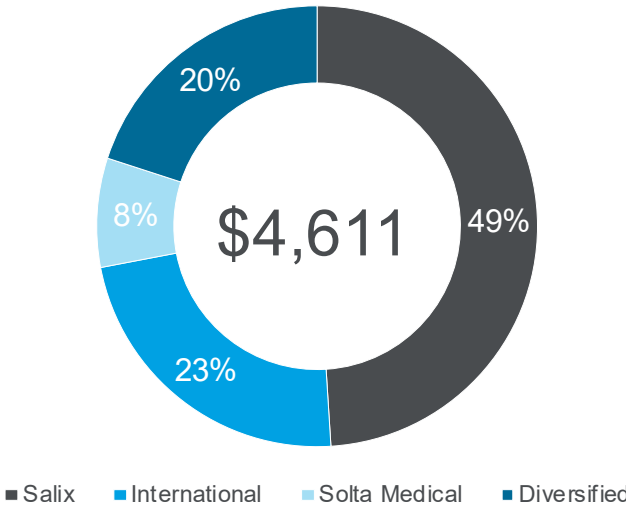
Revenue Change vs FY22

BAUSCH+Health Consolidated



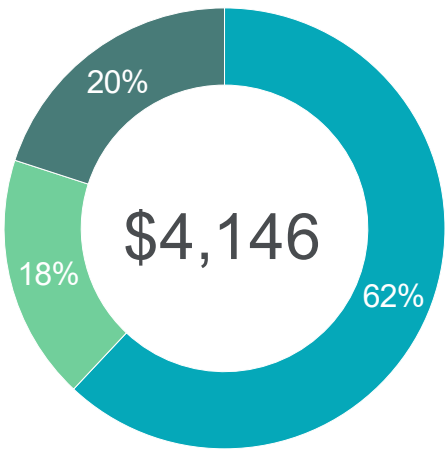
Reported: 8% Organic¹: 7%

BAUSCH+Health (excl. B+L)



Reported: 6% Organic¹: 6%

BAUSCH+LOMB



Reported: 10% Organic¹: 8%

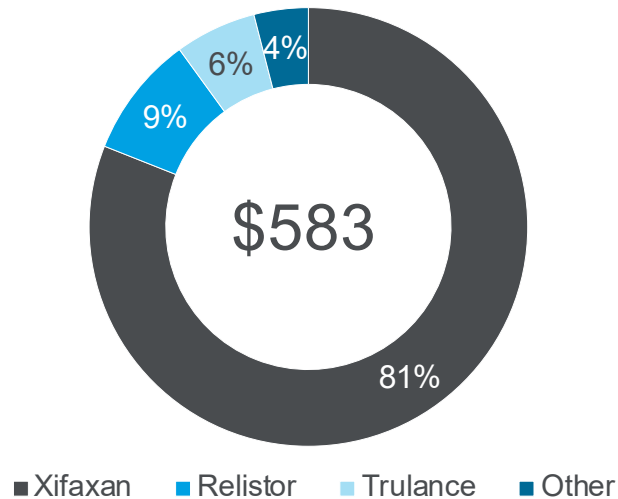
Reinforced our strong global foundation in 2023, positioning us well for continued growth in 2024

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.

Salix – 4Q23

in millions USD

Segment Mix



Revenue vs. 4Q22

Total – Reported: **0%** Organic¹: **0%**

Product	Revenue	TRx ²
Xifaxan®	Flat	3%
Relistor®	44%	13%
Trulance®	Flat	13%

Key Items

- Growth driven by Relistor®, while Xifaxan® and Trulance® sales in line with the prior year period
- Xifaxan® saw TRx growth for Q4 over the prior year, led by strong growth for IBS-D
- Solid double-digit TRx growth for Relistor and Trulance



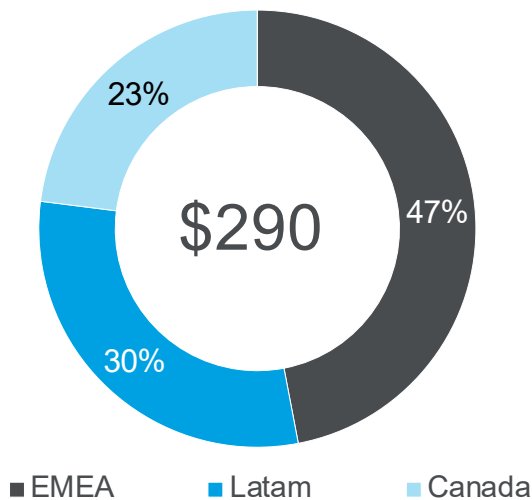
1. This is a non-GAAP measure or non-GAAP ratio. See Slide 3 and Non-GAAP Appendix for further information on non-GAAP measures and ratios.

2. TRx = total prescriptions. Source: IQVIA.

International – 4Q23

in millions USD

Segment Mix



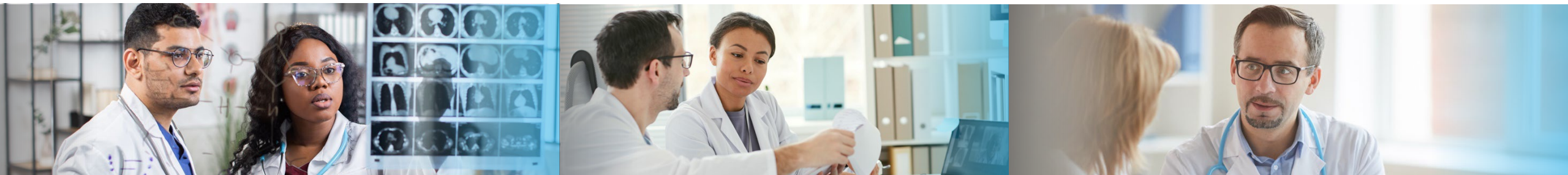
Revenue vs. 4Q22

Total – Reported: **11%** Organic¹: **6%**

Region	Reported	Organic ¹
EMEA	8%	4%
LATAM	17%	6%
Canada	5%	6%

Key Items

- Strong performances across the EMEA, Canada, and Latin America regions
- Growth led by promoted product portfolio
- Organic growth in key markets including Poland, Canada, Mexico

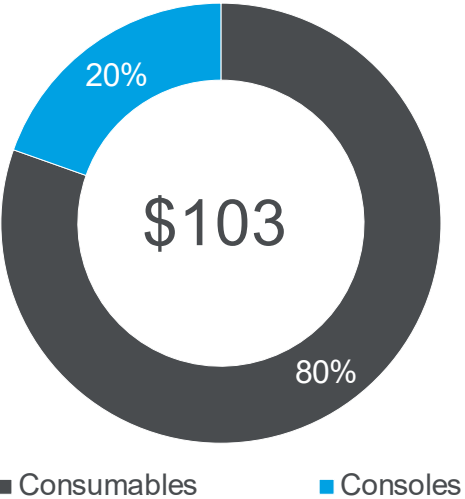


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Solta Medical – 4Q23

in millions USD

Segment Mix



Key Items

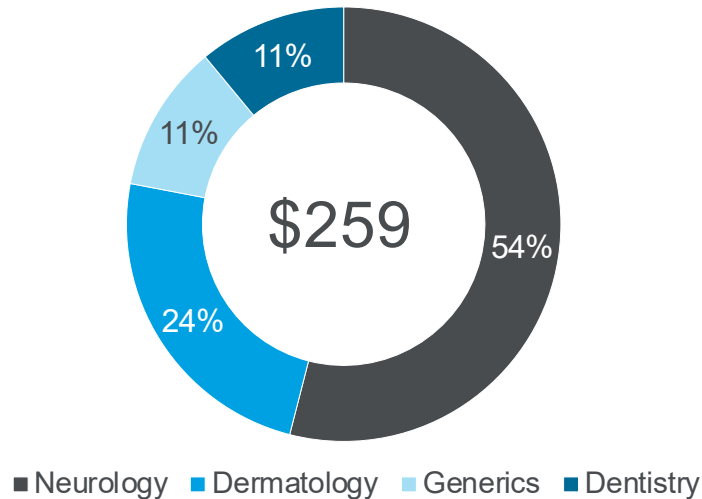
- Continued strong demand, particularly in Asia-Pacific (including China)
- Durable, profitable business driven by consumables growth
- Focus on sales force investments in the US heading into 2024



Diversified – 4Q23

in millions USD

Segment Mix



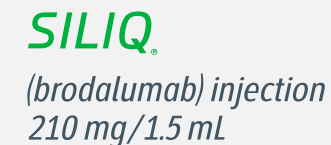
Revenue vs. 4Q22

Total – Reported: **1%** Organic¹: **2%**

Business	Reported	Organic ¹
Neurology	10%	10%
Dermatology	(12)%	(12)%
Dentistry	0%	0%
Generics	(7)%	0%

Key Items

- Neurology – strong year over year growth benefitted from supply constraints among competing products
- Dermatology – strong demand growth for Jublia® (TRx² +9% in Q4) and Arazlo® (TRX² +12% in Q4); continued net pricing pressures and declines in non-promoted products
- Dentistry in line with strong Q4 in prior year; investing in sales force to drive growth

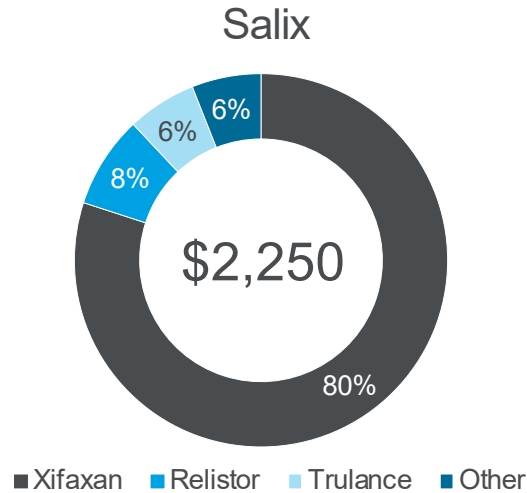


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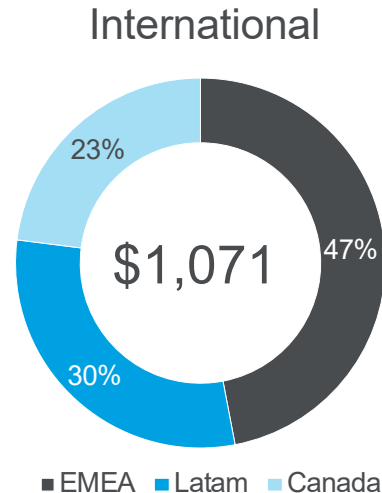
FY23 Bausch Health (excl. B+L) Revenue

Segment Mix



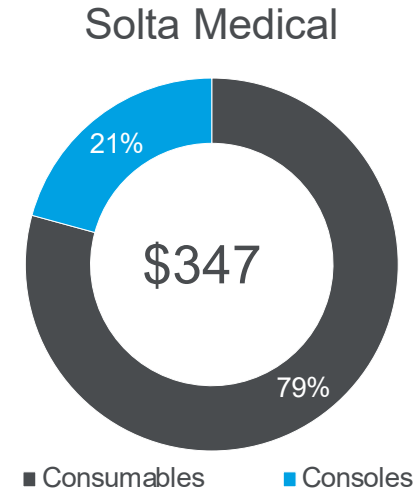
Reported: **8%** Organic¹: **8%**

- Strong performance from Xifaxan®, Relistor® and Trulance®



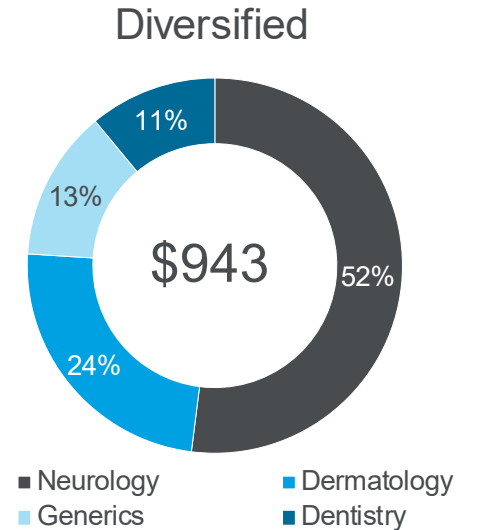
Reported: **8%** Organic¹: **6%**

- Growth across all three regions – EMEA, Canada and Latin America



Reported: **16%** Organic¹: **18%**

- Strong results in Asia-Pacific, especially China



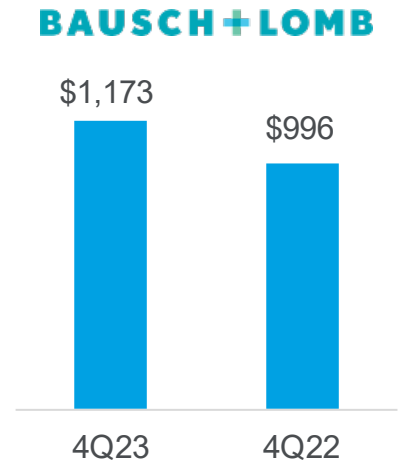
Reported: **(4%)** Organic¹: **(3%)**

- Declines in Neurology, Dermatology and Generics reflecting challenging market dynamics

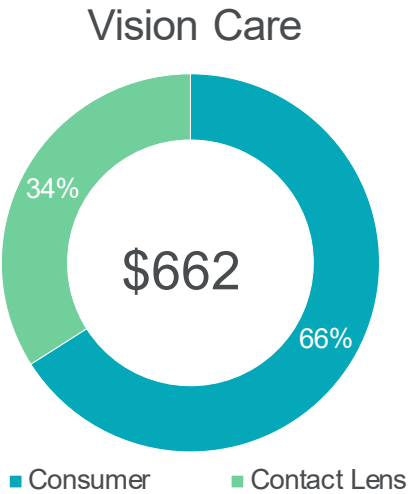
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4Q23 Bausch + Lomb Revenue

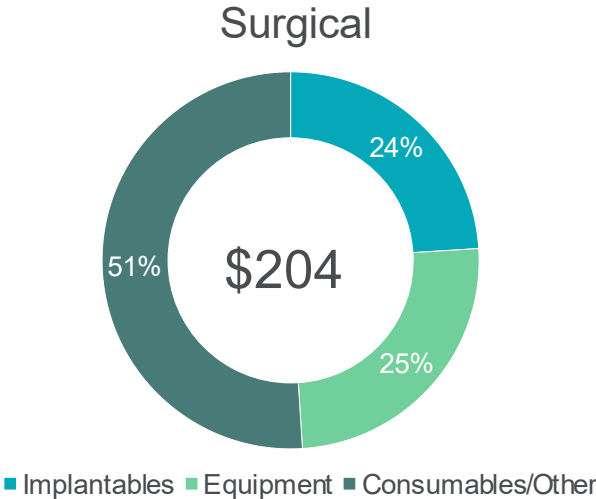
in millions USD



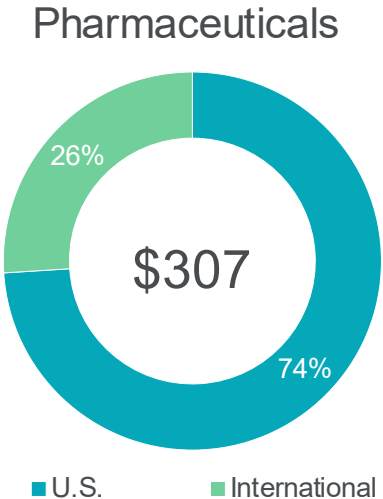
Reported: **18%** Organic¹: **7%**



Reported: **6%** Organic¹: **6%**



Reported: **9%** Organic¹: **6%**



Reported: **67%** Organic¹: **9%**

KEY DRIVERS | REPORTED REVENUE CHANGE

- Strong revenue growth across all segments and key product franchises
- \$(9M) revenue FX headwinds

- Growth momentum in Lumify®, Eye Vitamins, Daily SiHy
- Lens portfolio (+1%, +3% cc²), excluding Lynchburg disruptions (+7%, +9% cc²)

- Solid demand in Consumables and Equipment, supply remains focus area
- Continuing growth in Premium IOLs, offset by EyeCee One IOL recall

- Strong early Miebo® performance, investing to drive growth
- Relaunched Xiidra®, \$106M revenue contribution in 4Q23

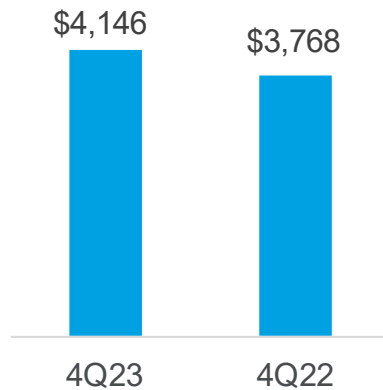
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2. Constant currency. This is a non-GAAP measure or ratio. See Slide 3 and Appendix for further information on non-GAAP measures and ratios.

FY23 Bausch + Lomb Revenue

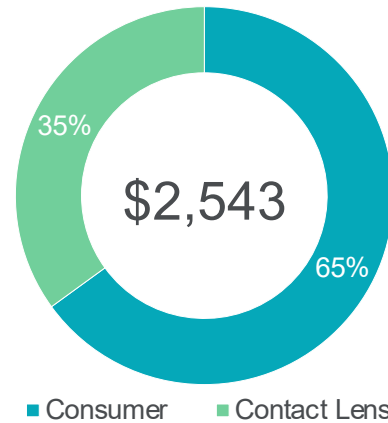
in millions USD

BAUSCH+LOMB



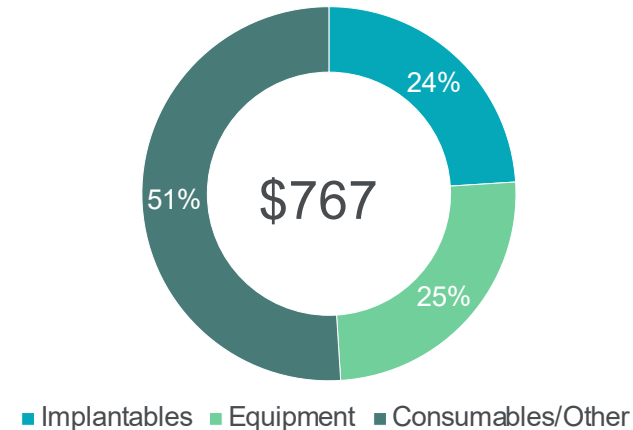
Reported: **10%** Organic¹: **8%**

Vision Care



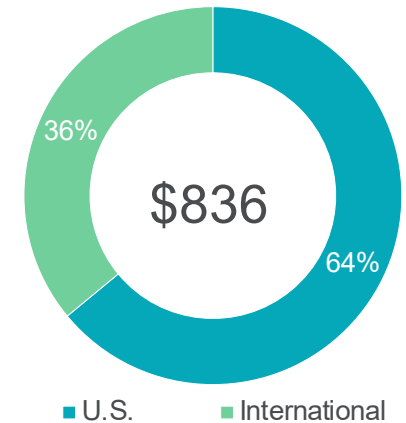
Reported: **7%** Organic¹: **9%**

Surgical



Reported: **7%** Organic¹: **6%**

Pharmaceuticals



Reported: **23%** Organic¹: **8%**

KEY DRIVERS | REPORTED REVENUE CHANGE

- Strong revenue growth across all segments and key product franchises
- \$(68M) revenue FX headwinds

- Growth in key franchises Lumify®, Eye Vitamins, Daily SiHy, Artelac®
- Lens portfolio (+3%, +5% cc²), excluding Lynchburg disruptions (+7%, +10% cc²)

- Continuing demand in Consumables and Equipment, impacted by supply
- Expanding Premium IOL portfolio, offset by EyeCee One IOL recall

- Leadership in dry eye disease with launch of Miebo® and addition of Xidra®
- Strong growth in Vyzulta, U.S. Generics and International Pharma

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

4Q23 GAAP Financial Results

Amounts in millions USD, except EPS amounts

	Three Months Ended		Favorable (Unfavorable)
	December 31, 2023	December 31, 2022	Reported
Revenues	\$2,408	\$2,193	10%
GAAP Gross Profit	\$1,421	\$1,228	16%
<i>GAAP Gross Margin</i>	<i>59.0%</i>	<i>56.0%</i>	<i>300 bps</i>
Selling, A&P	\$550	\$450	(22)%
GAAP G&A	\$216	\$216	-
R&D	\$152	\$142	(7)%
GAAP Total Operating Expense	\$1,059	\$1,464	28%
GAAP Operating Income	\$362	\$(236)	253%
GAAP Loss Attributable to Bausch Health Companies Inc.	\$(39)	\$(410)	90%
GAAP Loss per Share Attributable to Bausch Health Companies Inc.	\$(0.11)	\$(1.13)	-
GAAP Cash Flow from Operations	\$390	\$475	(18)%

4Q23 Non-GAAP¹ Financial Results

Amounts in millions USD

	Three Months Ended		Favorable (Unfavorable)	
	December 31, 2023	December 31, 2022	Reported	Constant Currency ¹
Revenues	\$2,408	\$2,193	10%	10%
Adj. Gross Profit^{1,2}	\$1,724	\$1,541	12%	12%
<i>Adj. Gross Margin¹</i>	<i>71.6%</i>	<i>70.3%</i>	<i>130bps</i>	
Selling, A&P (Same as reported)	\$550	\$450	(22)%	(22)%
Adj. G&A ¹	\$190	\$178	(7)%	(8)%
Adj. R&D ¹	\$151	\$142	(6)%	(6)%
Total Adj. Operating Expense¹	\$891	\$770	(16)%	(16)%
Adj. EBITA¹	\$833	\$771	8%	8%
Adj. EBITDA Attributable to Bausch Health Companies Inc.¹	\$869	\$823	6%	5%
Adj. Net Income Attributable to Bausch Health Companies Inc.¹	\$406	\$372	9%	-
<i>Diluted Shares Outstanding²</i>	368.2M	364.3M	-	-
Adj. Cash Flows from Operations^{1,3}	\$305	\$507	(40)%	-

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. For the three months ended December 31, 2023 and 2022, this figure includes the dilutive impact of options and restricted stock units of approximately 2,082,000 and 1,689,000 common shares, respectively, which are excluded when calculating GAAP diluted loss per share because the effect of including these amounts in the 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, business transformation costs, and includes interest payments charged against premium.

Balance Sheet Summary

In millions USD

	As of December 31,		
	2023	2022	2021
Cash and cash equivalents ¹	\$962	\$591	\$2,119
Revolving Credit Facilities	\$275 ⁵	\$470	\$285
AR Credit Facility	\$350	\$-	\$-
Senior Secured Debt (principal amount) ²	\$15,203	\$13,300	\$7,958
Senior Unsecured Debt (principal amount) ²	\$5,803	\$5,810	\$14,912
Total Consolidated Debt (principal amount)²	\$21,006	\$19,110	\$22,870
Total Consolidated Debt (net of premiums and discounts)	\$22,388	\$20,766	\$22,654
Net Consolidated Debt (principal amount)³	\$20,059	\$18,546	\$22,288
TTM Adj. EBITDA Attributable to Bausch Health Companies Inc. (non-GAAP)⁴	\$3,014	\$3,022	\$3,472
TTM GAAP Net Loss	\$(611)	\$(212)	\$(937)

We continue to prioritize liquidity management and the de-levering of our balance sheet

1. Cash and cash equivalents includes restricted cash of \$15M, \$27M, and \$1,537M as of 12/31/23, 12/31/22, and 12/31/21, respectively.
2. Debt balances shown at principal value. Senior secured debt figure is inclusive of revolving credit facilities drawn (if any), AR Credit Facility and \$1,900M of secured debt for Bausch + Lomb's acquisition of XIIDRA in Q3 2023.
3. Net consolidated 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. No outstanding borrowings under BHC excl. B+L revolving credit facility at December 31, 2023

Long-Term Debt Maturity Profile

In millions USD

	As of December 31, 2023 ¹								
\$M	Total	2024	2025	2026	2027	2028	2029	2030	2031
Restricted									
Revolver	-	-	-	-	-	-	-	-	-
Term Loan	\$1,938	-	-	-	\$1,938	-	-	-	-
Secured Notes	\$6,906	-	\$1,680	-	\$1,500	\$3,374	-	\$352	-
Unsecured Notes	\$5,802	-	\$955	\$737	\$643	\$617	\$1,609	\$778	\$463
Mandatory Amortization	\$375	\$125	\$125	\$125	-	-	-	-	-
Unrestricted - AR Facility	\$350	-	-	-	-	\$350	-	-	-
Unrestricted - Intermediate Holdco	\$999	-	-	-	-	\$999	-	-	-
Total Bausch Health (excl. B+L)	\$16,370	\$125	\$2,760	\$862	\$4,081	\$5,340	\$1,609	\$1,130	\$463
B+L Term Loan	\$2,857	-	-	-	\$2,381	\$476	-	-	-
B+L Mandatory Amortization	\$104	\$30	\$30	\$30	\$11	\$3	-	-	-
B+L Revolver	\$275	-	-	-	\$275	-	-	-	-
B+L Secured Notes	\$1,400	-	-	-	-	\$1,400	-	-	-
Total B+L	\$4,636	\$30	\$30	\$30	\$2,667	\$1,879	-	-	-
Total Consolidated	\$21,006	\$155	\$2,790	\$892	\$6,748	\$7,219	\$1,609	\$1,130	\$463

No debt maturities until Q4 2025

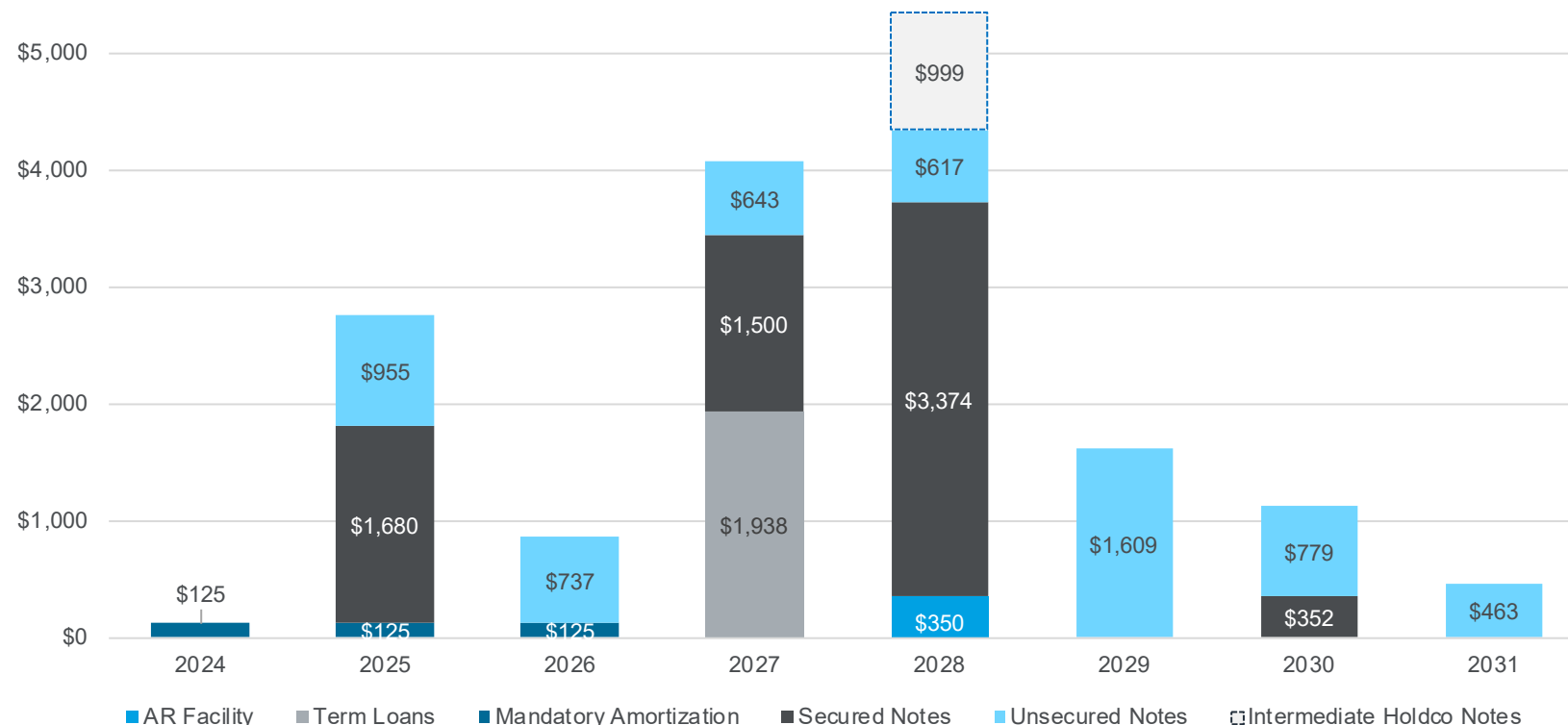
1. Debt values are shown at principal value. In January 2024, we repurchased \$250M of senior unsecured notes maturing in 2025 and 2026.

Unconsolidated

BAUSCH Health

Bausch Health (excl. B+L) Debt Maturity Profile^{1,2}

As of December 31, 2023, in millions USD



Bausch Health
(excl. B+L) Debt

Total:
\$16.4B²
Restricted: \$15.0B
Unrestricted: \$1.4B³

Reduced debt
net of cash by:

~\$250M
in 4Q23

~\$670M
in FY23

We continue to evaluate alternatives to reduce our overall leverage while also focusing on our maturity profile

1. Debt values are shown at principal value. In January 2024, we repurchased \$250M of senior unsecured notes maturing in 2025 and 2026.

2. Does not include ~\$3B of B+L term loans, \$275M of B+L revolving credit facility, and ~\$1.4B of B+L senior secured notes.

3. Consists of \$1B non-recourse debt issued by a wholly-owned unrestricted subsidiary, 1375209 B.C. Ltd., that owns 38.5% of the issued and outstanding shares of Bausch + Lomb, and \$350M outstanding under AR credit facility.



2024 GUIDANCE

Full Year 2024 Guidance^{1,2}

All amounts are approximate and in USD

	2024 Guidance ^{1,2}		
	BHC	B+L	BHC excl. B+L
Net Revenue	\$9.30B - \$9.55B	\$4.60B - \$4.70B	\$4.70B - \$4.85B
Organic Growth			2% - 5%
Adjusted EBITDA (non-GAAP) ^{1,4}	\$3.20B - \$3.35B	\$840M - \$890M	\$2.36B - \$2.46B
Adjusted Operating Cash Flow (non-GAAP) ³			\$775M - \$825M
Adjusted Gross Margin ¹			~80%
R&D Expense			~\$325M
Interest Expense ⁵			~\$1.3B
Adj. Tax Rate (non-GAAP) ¹			15%-18%
Capital Expenditures			~\$60M

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, business transformation costs and interest payments charged against premium.

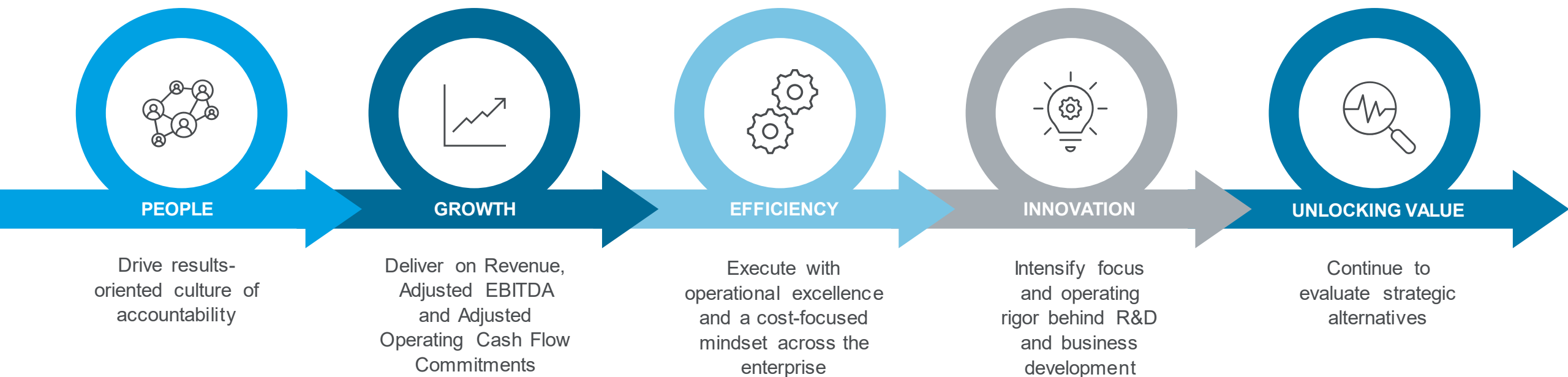
4. Bausch Health (excl. B+L) Adjusted EBITDA above includes approximately \$7 million in 2023 of net benefit from Transition Service Agreements with B+L in connection with the Separation of B+L, as income for services provided to B+L exceeds charges for services provided by B+L. These amounts eliminate in consolidation.

5. On September 30, 2022, the Company closed a series of transactions (the "Exchange") whereby it exchanged validly tendered senior unsecured notes for newly issued secured notes (the "New Secured Notes"). The accounting for the Exchange resulted in the calculation of interest expense under GAAP using effective interest rates on the New Secured Notes which are significantly lower than the stated interest rates of the New Secured Notes. As a result, interest guidance has been presented based on interest as calculated using contractual principal and interest, including amortization and write-down of deferred financing costs of approximately \$35M.



2024 PRIORITIES

2024 Priorities¹



Life won't wait. Neither can we.

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

BAUSCH  **Health**



APPENDIX

4Q23 & FY23 Revenue Performance

Amounts in millions USD

	4Q23	4Q22	Reported	Organic ¹	YTD23	YTD22	Reported	Organic ¹
Salix	\$583	\$581	0%	0%	\$2,250	\$2,090	8%	8%
International	\$290	\$261	11%	6%	\$1,071	\$988	8%	6%
Solta Medical	\$103	\$99	4%	5%	\$347	\$300	16%	18%
Neurology	\$141	\$128	10%	10%	\$494	\$503	(2)%	(2)%
Dermatology	\$61	\$69	(12)%	(12)%	\$226	\$247	(9)%	(9)%
Generics	\$28	\$30	(7)%	0%	\$120	\$126	(5)%	(3)%
Dentistry	\$29	\$29	0%	0%	\$103	\$102	1%	1%
Diversified	\$259	\$256	1%	2%	\$943	\$978	(4)%	(3)%
Bausch Health (excl. B+L)	\$1,235	\$1,197	3%	2%	\$4,611	\$4,356	6%	6%
Vision Care	\$662	\$624	6%	6%	\$2,543	\$2,369	7%	9%
Surgical	\$204	\$188	9%	6%	\$767	\$718	7%	6%
Pharmaceuticals	\$307	\$184	67%	9%	\$836	\$681	23%	8%
Bausch + Lomb	\$1,173	\$996	18%	7%	\$4,146	\$3,768	10%	8%
Total Bausch Health	\$2,408	\$2,193	10%	4%	\$8,757	\$8,124	8%	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.

FY23 GAAP Financial Results

Amounts in millions USD, except EPS amounts

	Twelve Months Ended		Favorable (Unfavorable)
	December 31, 2023	December 31, 2022	Reported
Revenues	\$8,757	\$8,124	8%
GAAP Gross Profit	\$5,067	\$4,530	12%
<i>GAAP Gross Margin</i>	<i>57.9%</i>	<i>55.8%</i>	<i>210 bps</i>
Selling, A&P	\$2,018	\$1,806	(12)%
GAAP G&A	\$899	\$819	(10)%
R&D	\$604	\$529	(14)%
GAAP Total Operating Expense	\$4,104	\$4,076	(1)%
GAAP Operating Income	\$963	\$454	112%
GAAP Loss Attributable to Bausch Health Companies Inc.	\$(592)	(\$225)	(163)%
GAAP Loss per Share Attributable to Bausch Health Companies Inc.	\$(1.62)	(\$0.62)	-
GAAP Cash Flow from Operations	\$1,032	\$(728)	242%

FY23 Non-GAAP¹ Financial Results

Amounts in millions USD

	Twelve Months Ended		Favorable (Unfavorable)	
	December 31, 2023	December 31, 2022	Reported	Constant Currency ¹
Revenues	\$8,757	\$8,124	8%	8%
Adj. Gross Profit¹	\$6,221	\$5,760	8%	9%
<i>Adj. Gross Margin¹</i>	<i>71.0%</i>	<i>70.9%</i>	<i>10 bps</i>	
Selling, A&P (Same as reported)	\$2,018	\$1,806	(12)%	(12)%
Adj. G&A ¹	\$770	\$650	(18)%	(19)%
Adj. R&D ¹	\$602	\$529	(14)%	(14)%
Total Adj. Operating Expense¹	\$3,390	\$2,985	(14)%	(14)%
Adj. EBITA¹	\$2,831	\$2,775	2%	3%
Adj. EBITDA Attributable to Bausch Health Companies Inc.¹	\$3,014	\$3,022	0%	2%
Adj. Net Income Attributable to Bausch Health Companies Inc.¹	\$1,274	\$1,113	14%	-
<i>Diluted Shares Outstanding²</i>	367.7M	363.9M	-	-
Adj. Cash Flows from Operations^{1,3}	\$763	\$1,020	-	-

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. For the twelve months ended December 31, 2023 and 2022, this figure includes the dilutive impact of options and restricted stock units of approximately 2,719,000 and 1,851,000 common shares, respectively, which are excluded when calculating GAAP diluted loss per share because the effect of including this 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, business transformation costs, and includes interest payments charged against premium.

Inventory in Select U.S. Businesses (QTD)¹

Business Units	Months on Hand					
	As of Sept 30, 2022	As of Dec 31, 2022	Change 4Q22	As of Sept 30, 2023	As of Dec 31, 2023	Change 4Q23
Dermatology	1.18	1.07	(0.11)	1.17	1.04	(0.13)
Neurology	1.14	1.17	0.03	1.18	1.18	0.00
Salix	0.96	1.02	0.06	1.25	1.20	(0.05)

1. U.S. wholesale inventory

Inventory in Select U.S. Businesses (FY23)¹

	Months on Hand					
Business Units	As of Dec 31, 2021	As of Dec 31, 2022	Change YTD22	As of Dec 31, 2022	As of Dec 31, 2023	Change YTD23
Dermatology	1.03	1.07	0.04	1.07	1.04	(0.03)
Neurology	1.17	1.17	0.00	1.17	1.18	0.01
Salix	0.99	1.02	0.03	1.02	1.20	0.18

1. U.S. wholesale inventory

Segment Profit¹

In millions USD

	4Q23					FY23				
	Salix	International	Solta Medical	Diversified	Total	Salix	International	Solta Medical	Diversified	Total
Segment Revenue	\$583	\$290	\$103	\$259	\$1,235	\$2,250	\$1,071	\$347	\$943	\$4,611
Segment Profit ¹	\$419	\$99	\$47	\$169	\$734	\$1,548	\$335	\$161	\$586	\$2,630

	4Q22					FY22				
	Salix	International	Solta Medical	Diversified	Total	Salix	International	Solta Medical	Diversified	Total
Segment Revenue	\$581	\$261	\$99	\$256	\$1,197	\$2,090	\$988	\$300	\$978	\$4,356
Segment Profit ¹	\$422	\$82	\$47	\$162	\$713	\$1,489	\$324	\$135	\$612	\$2,560

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, Other (income) expense, net, and other corporate allocations are not included in the measure of segment profit, as management excludes these items in assessing segment financial performance.

Other Financial Information

In millions USD unless otherwise indicated

	Three Months Ended		Favorable (Unfavorable)		Twelve Months Ended		Favorable (Unfavorable)	
	Dec 31, 2023	Dec 31, 2022	Reported	Constant Currency ¹	Dec 31, 2023	Dec 31, 2022	Reported	Constant Currency ¹
Cash Interest Paid ²	\$450	\$422	(7)%	(7)%	\$1,533	\$1,540	-	-
Net Interest Expense (GAAP)	\$356	\$301	(18)%	(19)%	\$1,302	\$1,450	10%	10%
Non-cash adjustments								
Depreciation	\$47	\$47	0%	2%	\$187	\$179	(4)%	(3)%
Non-cash share-based Comp	\$29	\$35	17%	17%	\$132	\$126	(5)%	(5)%
Additional cash items								
Contingent Consideration	\$23	\$8	-	-	\$45	\$28	-	-
Milestones/License Agreements and Other Intangibles	\$46	\$35	-	-	\$57	\$57	-	-
Restructuring and Other	\$14	\$14	-	-	\$47	\$93	-	-
Capital Expenditures	\$98	\$65	-	-	\$215	\$217	-	-
Adj. Tax Rate ¹	10.8%	17.0%	-	-	13.0%	13.4%	-	-
GAAP Tax Rate	524.9%	14.9%	-	-	56.6%	64.9%	-	-

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. Cash interest paid includes payments recorded against debt premiums.

Non-GAAP Adjustments EPS Impact

In millions USD unless otherwise indicated

	Three Months Ended				Twelve Months Ended			
	Dec 31, 2023		Dec 31, 2022		Dec 31, 2023		Dec 31, 2022	
	Income (Expense)	EPS Impact ²	Income (Expense)	EPS Impact ²	Income (Expense)	EPS Impact ²	Income (Expense)	EPS Impact ²
Net loss	\$(47)	\$(0.13)	\$(410)	\$(1.13)	\$(611)	\$(1.67)	\$(212)	\$(0.59)
Non-GAAP adjustments:¹								
Amortization of intangible assets	282	0.77	313	0.86	1,077	2.93	1,215	3.34
Goodwill impairments	91	0.25	622	1.71	493	1.34	824	2.26
Asset impairments	-	-	-	-	54	0.15	15	0.04
Restructuring, integration, and transformation costs	31	0.08	20	0.05	116	0.32	58	0.16
Acquisition-related costs and adjustments (excluding amortization of intangible assets)	45	0.12	28	0.08	122	0.33	30	0.08
(Gain) loss on extinguishment of debt	(1)	-	(192)	(0.53)	(1)	-	(875)	(2.40)
IT infrastructure investment	9	0.02	5	0.01	31	0.08	15	0.04
Separation costs, separation-related costs, IPO costs and IPO-related costs	6	0.02	13	0.04	26	0.07	127	0.35
Legal and other professional fees	3	0.01	5	0.01	20	0.05	32	0.09
(Gain) loss on sale of assets, net	1	-	(2)	(0.01)	(3)	(0.01)	(5)	(0.01)
Litigation and other matters	2	0.01	2	0.01	(53)	(0.14)	9	0.02
Other	4	0.01	1	-	13	0.04	9	0.02
Tax effect of non-GAAP ¹ adjustments	(11)	(0.03)	(25)	(0.07)	25	0.07	(94)	(0.26)
EPS difference between basic and diluted shares	-	-	-	0.01	-	-	-	0.01
Adjusted net income (non-GAAP)¹	415	-	380	-	1,309	-	1,148	-
Adjusted net income attributable to noncontrolling interest (non-GAAP) ¹	(9)	(0.02)	(8)	(0.02)	(35)	(0.10)	(35)	(0.10)
Adjusted net income attributable to Bausch Health Companies Inc. (non-GAAP)¹	\$406	-	\$372	-	\$1,274	-	\$1,113	-

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. Includes 2,820,000 and 1,689,000 diluted shares for the three months ended December 31, 2023 and 2022, respectively, and 2,719,000 and 1,851,000 diluted shares for the twelve months ended December 31, 2023 and 2022, respectively, as the inclusion of these shares would be anti dilutive.

4Q23 Reconciliation of Reported Operating Income (loss) to Adjusted EBITA (Non-GAAP)¹

In millions USD unless otherwise indicated

	4Q23							4Q22						
	Gross Profit	Gross Margin	Selling & Advertising	G&A	R&D Expense	Operating Expense	Operating Income	Gross Profit	Gross Margin	Selling & Advertising	G&A	R&D Expense	Operating Expense	Operating Income
GAAP Operating Income (loss)	\$1,421	59.0%	\$550	\$216	\$152	\$1,059	\$362	\$1,228	56.0%	\$450	\$216	\$142	\$1,464	\$(236)
Amortization of intangible assets	282	11.7%	-	-	-	-	282	313	14.3%	-	-	-	-	313
Goodwill impairments	-	0.0%	-	-	-	(91)	91	-	0.0%	-	-	-	(622)	622
Asset impairments	-	0.0%	-	-	-	-	-	-	0.0%	-	-	-	-	-
Restructuring, integration, and transformation costs	-	0.0%	-	(10)	-	(31)	31	-	0.0%	-	(18)	-	(20)	20
Acquisition-related costs and adjustments (excluding amortization of intangible assets)	21	0.9%	-	-	-	(24)	45	-	0.0%	-	-	-	(28)	28
IT infrastructure investment	-	0.0%	-	(9)	-	(9)	9	-	0.0%	-	(5)	-	(5)	5
Separation costs, separation-related costs, IPO costs and IPO-related costs	-	0.0%	-	(4)	(1)	(6)	6	-	0.0%	-	(10)	-	(13)	13
Legal and other professional fees	-	0.0%	-	(3)	-	(3)	3	-	0.0%	-	(5)	-	(5)	5
(Gain) loss on sale of assets, net	-	0.0%	-	-	-	(1)	1	-	0.0%	-	-	-	2	(2)
Litigation and other matters	-	0.0%	-	-	-	(2)	2	-	0.0%	-	-	-	(2)	2
Other	-	0.0%	-	-	-	(1)	1	-	0.0%	-	-	-	(1)	1
Adjusted EBITA (Non-GAAP)¹	\$1,724	71.6%	\$550	\$190	\$151	\$891	\$833	\$1,541	70.3%	\$450	\$178	\$142	\$770	\$771

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.

YTD23 Reconciliation of Reported Operating Income to Adjusted EBITA (Non-GAAP)¹

In millions USD unless otherwise indicated

	YTD23							YTD22						
	Gross Profit	Gross Margin	Selling & Advertising	G&A	R&D Expense	Operating Expense	Operating Income	Gross Profit	Gross Margin	Selling & Advertising	G&A	R&D Expense	Operating Expense	Operating Income
GAAP Operating Income	\$5,067	57.9%	\$2,018	\$899	\$604	\$4,104	\$963	\$4,530	55.8%	\$1,806	\$819	\$529	\$4,076	\$454
Amortization of intangible assets	1,077	12.3%	-	-	-	-	1,077	1,215	15.0%	-	-	-	-	1,215
Goodwill impairments	-	0.0%	-	-	-	(493)	493	-	0.0%	-	-	-	(824)	824
Asset impairments	54	0.6%	-	-	-	-	54	15	0.2%	-	-	-	-	15
Restructuring, integration, and transformation costs	-	0.0%	-	(58)	-	(116)	116	-	0.0%	-	(28)	-	(58)	58
Acquisition-related costs and adjustments (excluding amortization of intangible assets)	23	0.3%	-	-	-	(83)	106	-	0.0%	-	-	-	(30)	30
IT infrastructure investment	-	0.0%	-	(31)	-	(31)	31	-	0.0%	-	(15)	-	(15)	15
Separation costs, separation-related costs, IPO costs and IPO-related costs	-	0.0%	-	(20)	(2)	(26)	26	-	0.0%	-	(94)	-	(127)	127
Legal and other professional fees	-	0.0%	-	(20)	-	(20)	20	-	0.0%	-	(32)	-	(32)	32
(Gain) loss on sale of assets, net	-	0.0%	-	-	-	3	(3)	-	0.0%	-	-	-	5	(5)
Litigation and other matters	-	0.0%	-	-	-	53	(53)	-	0.0%	-	-	-	(9)	9
Other	-	0.0%	-	-	-	(1)	1	-	0.0%	-	-	-	(1)	1
Adjusted EBITA (Non-GAAP)¹	\$6,221	71.0%	\$2,018	\$770	\$602	\$3,390	\$2,831	\$5,760	70.9%	\$1,806	\$650	\$529	\$2,985	\$2,775

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.

Reconciliation of Reported Net Loss to EBITDA¹ and Adj. EBITDA¹

In millions USD unless otherwise indicated

	Three months ended Dec 31,		Twelve months ended Dec 31,	
	2023	2022	2023	2022
Net loss	\$(47)	\$(410)	\$(611)	\$(212)
Interest expense, net	356	301	1,302	1,450
Provision for income taxes	40	53	221	83
Depreciation and amortization	329	360	1,264	1,394
EBITDA	678	304	2,176	2,715
Adjustments:				
Goodwill impairments	91	622	493	824
Asset impairments	-	-	54	15
Restructuring, integration, and transformation costs	31	20	116	58
Acquisition related costs and adjustments (excluding amortization of intangible assets)	44	28	106	30
Gain on extinguishment of debt	(1)	(192)	(1)	(875)
Share-based compensation	29	35	132	126
Separation costs, separation-related costs, IPO costs and IPO-related costs	6	13	26	127
Other adjustments:				
Litigation and other matters, net of insurance recoveries	2	2	(53)	9
IT infrastructure investment	9	5	31	15
Legal and other professional fees	3	5	20	32
(Gain) loss on sale of assets, net	1	(2)	(3)	(5)
Other	4	1	13	9
Adjusted EBITDA (non-GAAP)¹	897	841	3,110	3,080
Adjusted EBITDA attributable to noncontrolling interest (non-GAAP) ¹	(28)	(18)	(96)	(58)
Adjusted EBITDA Attributable to Bausch Health Companies Inc. (non-GAAP)¹	\$869	\$823	\$3,014	\$3,022

	Three months ended Dec 31,		Twelve months ended Dec 31,	
	2023	2022	2023	2022
Net income (loss) attributable to noncontrolling interest	\$8	\$0	\$19	\$(13)
Noncontrolling interest portion of adjustments for:				
Interest expense, net	(11)	(5)	(32)	(11)
Depreciation and amortization	(13)	(10)	(42)	(27)
All other adjustments	(12)	(3)	(41)	(7)
Adjusted EBITDA attributable to noncontrolling interest (non-GAAP)¹	\$(28)	\$(18)	\$(96)	\$(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.

4Q23 Reconciliation of Reported Revenue to Organic Revenue^{1,2} and Organic Revenue Growth¹

In millions USD unless otherwise indicated

	For Three Months Ended							Change in Reported Revenue		Change in Organic Revenue ¹	
	December 31, 2023				December 31, 2022						
	Revenue as reported	Changes in Exchange Rates ²	Acquisitions	Organic Revenue (Non-GAAP) ¹	Revenue as Reported	Divestitures and Discontinuations	Organic Revenue (Non-GAAP) ¹	Amount	Pct.	Amount	Pct.
Salix	\$583	\$-	\$-	\$583	\$581	\$-	\$581	\$2	-%	\$2	-%
International	290	(16)	-	274	261	(2)	259	29	11%	15	6%
Solta Medical	103	1	-	104	99	-	99	4	4%	5	5%
Neurology	141	-	-	141	128	-	128	13	10%	13	10%
Dermatology	61	-	-	61	69	-	69	(8)	(12)%	(8)	(12)%
Generics	28	-	-	28	30	(2)	28	(2)	(7)%	-	-%
Dentistry	29	-	-	29	29	-	29	-	-%	-	-%
Diversified	259	-	-	259	256	(2)	254	3	1%	5	2%
Bausch Health (excl. B+L)	\$1,235	\$(15)	\$-	\$1,220	\$1,197	\$(4)	\$1,193	\$38	3%	\$27	2%
Vision Care	662	13	(13)	662	624	(1)	623	38	6%	39	6%
Surgical	204	(3)	(3)	198	188	(1)	187	16	9%	11	6%
Pharmaceuticals	307	(1)	(106)	200	184	(1)	183	123	67%	17	9%
Total Bausch + Lomb	\$1,173	\$9	\$(122)	\$1,060	\$996	\$(3)	\$993	\$177	18%	\$67	7%
Total Bausch Health	\$2,408	\$(6)	\$(122)	\$2,280	\$2,193	\$(7)	\$2,186	\$215	10%	\$94	4%

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. 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.

FY23 Reconciliation of Reported Revenue to Organic Revenue^{1,2} and Organic Revenue Growth¹

In millions USD unless otherwise indicated

	For Twelve Months Ended							Change in Reported Revenue		Change in Organic Revenue ¹	
	December 31, 2023				December 31, 2022						
	Revenue as reported	Changes in Exchange Rates ²	Acquisitions	Organic Revenue (Non-GAAP) ¹	Revenue as Reported	Divestitures and Discontinuations	Organic Revenue (Non-GAAP) ¹	Amount	Pct.	Amount	Pct.
Salix	\$2,250	\$-	\$-	\$2,250	\$2,090	\$-	\$2,090	\$160	8%	\$160	8%
International	1,071	(31)	-	1,040	988	(10)	978	83	8%	62	6%
Solta Medical	347	8	-	355	300	-	300	47	16%	55	18%
Neurology	494	-	-	494	503	-	503	(9)	(2)%	(9)	(2)%
Dermatology	226	-	-	226	247	-	247	(21)	(9)%	(21)	(9)%
Generics	120	-	-	120	126	(2)	124	(6)	(5)%	(4)	(3)%
Dentistry	103	-	-	103	102	-	102	1	1%	1	1%
Diversified	943	-	-	943	978	(2)	976	(35)	(4)%	(33)	(3)%
Bausch Health (excl. B+L)	\$4,611	\$(23)	\$-	\$4,588	\$4,356	\$(12)	\$4,344	\$255	6%	\$244	6%
Vision Care	2,543	61	(25)	2,579	2,369	(3)	2,366	174	7%	213	9%
Surgical	767	1	(10)	758	718	(6)	712	49	7%	46	6%
Pharmaceuticals	836	6	(106)	736	681	(1)	680	155	23%	56	8%
Total Bausch + Lomb	\$4,146	\$68	\$(141)	\$4,073	\$3,768	\$(10)	\$3,758	\$378	10%	\$315	8%
Total Bausch Health	\$8,757	\$45	\$(141)	\$8,661	\$8,124	\$(22)	\$8,102	\$633	8%	\$559	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.

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.

4Q23 & FY23 Reconciliation of Reported Cash Provided by Operating Activities to Adjusted Cash Flows from Operations (Non-GAAP)¹

In millions USD

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2023	2022	2023	2022
Cash provided by (used in) operating activities	\$390	\$475	\$1,032	\$(728)
Payments of legacy legal settlements, net of insurance proceeds	-	-	(79)	1,559
Payments of transformation costs	17	-	68	-
Payments of separation costs, separation-related costs, IPO costs, and IPO-related costs	6	29	22	155
Interest payments charged against premium	(108)	-	(282)	-
Third party fees paid in connection with the Exchange	-	3	2	34
Adjusted cash flows from operations (non-GAAP) ¹	\$305	\$507	\$763	\$1,020

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.

4Q23 and FY23 Reconciliation of Reported Cash Provided by Operating Activities to Adjusted Cash Flows from Operations Excluding B+L (non-GAAP)¹

In millions USD

	Three Months Ended December 31, 2023			Twelve Months Ended December 31, 2023		
	Bausch Health Companies Inc.	B+L	Bausch Health (excl. B+L) ²	Bausch Health Companies Inc.	B+L	Bausch Health (excl. B+L) ²
Cash provided by (used in) operating activities	\$390	\$15	\$377	\$1,032	\$(17)	\$1,051
Payments of legacy legal settlements, net of insurance proceeds	-	-	-	(79)	-	(79)
Payments of transformation costs	17	13	4	68	64	4
Payments of separation costs and separation-related costs	6	-	5	22	9	12
Interest payments charged against premium	(108)	-	(108)	(282)	-	(282)
Third party fees paid in connection with the Exchange	-	-	-	2	-	2
Adjusted cash flows from operations (non-GAAP) ¹	\$305	\$28	\$278	\$763	\$56	\$708

1. This is a non-GAAP measure. Management considers the presentation of Adjusted cash flows from operations for Bausch Health (excl. B+L) (non-GAAP) to be meaningful information and utilizes it in decision making and for compensation purposes. Adjusted cash flows from operations for Bausch Health (excl. B+L) (non-GAAP) is not intended to be representative of GAAP operating activities and Adjusted cash flows from operating activities for B+L is not intended to be representative of discontinued operations as the criteria for that accounting hasn't been met. As such, Adjusted cash flows from operations excluding B+L (non-GAAP) as included herein may not be indicative of the results of the operations or Adjusted cash flows from operations attributable to Bausch Health (non-GAAP) in the future, or if B+L met the criteria to be treated as a discontinued operation during any of the periods presented. See Slide 3 and Non-GAAP Appendix for further information on non-GAAP measures and ratios.

2. Amounts may not cross foot due to rounding.

Consolidated

Trailing Twelve Months Adjusted EBITDA¹

In millions USD

	Trailing Twelve Months Ended				
	Dec-23	Sep-23	Jun-23	Mar-23	Dec-22
Net Loss	\$(611)	\$(974)	\$(189)	\$(355)	\$(212)
Interest expense, net	1,302	1,247	1,296	1,391	1,450
Provision for income taxes	221	234	214	172	83
Depreciation and amortization	1,264	1,295	1,329	1,361	1,394
EBITDA	2,176	1,802	2,650	2,569	2,715
Adjustments:					
Goodwill impairments	493	1,024	741	824	824
Asset impairments	54	54	51	20	15
Restructuring, integration, and transformation costs	116	105	87	82	58
Acquisition related costs and adjustments (excluding amortization of intangible assets)	106	90	49	58	30
Gain on extinguishment of debt	(1)	(192)	(762)	(875)	(875)
Share-based compensation	132	138	142	135	126
Separation costs, separation-related costs, IPO costs and IPO-related costs	26	33	54	100	127
Other adjustments:					
Insurance recoveries, net of litigation and other matters	(53)	(53)	(77)	2	9
IT infrastructure investment	31	27	21	17	15
Legal and other professional fees	20	22	22	20	32
Gain on sale of assets, net	(3)	(6)	(1)	(5)	(5)
Other	13	10	8	3	9
Adjusted EBITDA (non-GAAP)¹	3,110	3,054	2,985	2,950	3,080
Adjusted EBITDA attributable to noncontrolling interest (non-GAAP) ¹	(96)	(86)	(81)	(72)	(58)
Adjusted EBITDA attributable to Bausch Health Companies Inc. (non-GAAP)¹	\$3,014	\$2,968	\$2,904	\$2,878	\$3,022

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.

Reconciliation of Reported Net (Loss) Income to Adj. EBITDA (excl. B+L)¹

In millions

	Three Months Ended December 31, 2023			Three Months Ended December 31, 2022		
	Bausch Health Companies Inc.	Bausch + Lomb Corporation	Bausch Health (excl. B+L) ³	Bausch Health Companies Inc.	Bausch + Lomb Corporation	Bausch Health (excl. B+L) ³
Net (Loss) Income	\$(47)	\$(56)	\$8	\$(410)	\$-	\$(410)
Interest expense, net	356	96	261	301	44	257
Provision for (benefit from) income taxes	40	(1)	41	53	(2)	55
Depreciation and amortization	329	116	213	360	93	267
EBITDA	678	155	523	304	135	169
Adjustments:						
Goodwill impairments	91	-	91	622	-	622
Restructuring, integration, and transformation costs	31	20	11	20	21	(1)
Acquisition related costs and adjustments (excluding amortization of intangible assets)	44	29	15	28	1	27
Gain on extinguishment of debt	(1)	-	(1)	(192)	-	(192)
Share-based compensation	29	16	13	35	17	18
Separation costs, separation-related costs, IPO costs and IPO-related costs	6	3	3	13	7	6
Other adjustments:						
Litigation and other matters	2	(2)	4	2	1	1
IT infrastructure investment	9	7	2	5	-	5
Legal and other professional fees	3	-	3	5	-	5
Net gain on sale of assets	1	-	1	(2)	-	(2)
Other	4	6	(2)	1	-	1
Adjusted EBITDA (non-GAAP)^{1,2}	897²	234²	663	841²	182²	659

1. This is a non-GAAP measure. Management considers the presentation of Adjusted EBITDA for Bausch Health (excl. B+L) (non-GAAP) to be meaningful information and utilizes it in decision making and for compensation purposes. Adjusted EBITDA for Bausch Health Excluding B+L (non-GAAP) is not intended to be representative of GAAP continuing operations and Adjusted EBITDA for B+L is not intended to be representative of discontinued operations as the criteria for that accounting hasn't been met. As such, Adjusted EBITDA excluding B+L (non-GAAP) as included herein may not be indicative of the results of the operations or Adjusted EBITDA attributable to Bausch Health (non-GAAP) in the future, or if B+L met the criteria to be treated as a discontinued operation during any of the periods presented. See Slide 3 and Non-GAAP Appendix for further information on this and other non-GAAP measures and ratios.
2. Adjusted EBITDA (non-GAAP) above includes Adjusted EBITDA attributable to noncontrolling interests. For Bausch Health Companies Inc., this amounted to \$28 million and \$18 million for the three months ended December 31, 2023 and 2022, which includes \$3 million and \$1 million, respectively related to B+L.
3. Amounts may not cross foot due to rounding.

Reconciliation of Reported Net (Loss) Income to Adj. EBITDA (excl. B+L)¹

In millions

	Year Ended December 31, 2023			Year Ended December 31, 2022		
	Bausch Health Companies Inc.	Bausch + Lomb Corporation	Bausch Health (excl. B+L) ³	Bausch Health Companies Inc.	Bausch + Lomb Corporation	Bausch Health (excl. B+L) ³
Net (Loss) Income	\$(611)	\$(253)	\$(362)	\$(212)	\$15	\$(227)
Interest expense, net	1,302	268	1,034	1,450	140	1,310
Provision for (benefit from) income taxes	221	87	134	83	58	25
Depreciation and amortization	1,264	382	882	1,394	379	1,015
EBITDA	2,176	484	1,688	2,715	592	2,123
Adjustments:						
Goodwill impairments	493	-	493	824	-	824
Asset impairments	54	-	54	15	1	14
Restructuring, integration, and transformation costs	116	97	19	58	36	22
Acquisition related costs and adjustments (excluding amortization of intangible assets)	106	50	56	30	(4)	34
Gain on extinguishment of debt	(1)	-	(1)	(875)	-	(875)
Share-based compensation	132	74	58	126	62	64
Separation costs, separation-related costs, IPO costs and IPO-related costs	26	10	16	127	35	92
Other adjustments:						
Litigation and other matters	(53)	-	(53)	9	1	8
IT infrastructure investment	31	26	5	15	-	15
Legal and other professional fees	20	-	20	32	-	32
Net gain on sale of assets	(3)	-	(3)	(5)	-	(5)
Other	13	9	4	9	6	3
Adjusted EBITDA (non-GAAP)^{1,2}	3,110²	750²	2,356	3,080²	729²	2,351

1. This is a non-GAAP measure. Management considers the presentation of Adjusted EBITDA for Bausch Health (excl. B+L) (non-GAAP) to be meaningful information and utilizes it in decision making and for compensation purposes. Adjusted EBITDA for Bausch Health Excluding B+L (non-GAAP) is not intended to be representative of GAAP continuing operations and Adjusted EBITDA for B+L is not intended to be representative of discontinued operations as the criteria for that accounting hasn't been met. As such, Adjusted EBITDA excluding B+L (non-GAAP) as included herein may not be indicative of the results of the operations or Adjusted EBITDA attributable to Bausch Health (non-GAAP) in the future, or if B+L met the criteria to be treated as a discontinued operation during any of the periods presented. See Slide 3 and Non-GAAP Appendix for further information on this and other non-GAAP measures and ratios.
2. Adjusted EBITDA (non-GAAP) above includes Adjusted EBITDA attributable to noncontrolling interests. For Bausch Health Companies Inc., this amounted to \$96 million and \$58 million for the twelve months ended December 31, 2023 and 2022, which includes \$12 million and \$9 million, respectively related to B+L.
3. Amounts may not cross foot due to rounding.

Non-GAAP Appendix

Description of Non-GAAP Financial Measures

To supplement the financial measures prepared in accordance with U.S. 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 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, integration and transformation 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. Additionally, with the completion of the B+L IPO, as the Company prepares for post-separation operations, the Company is launching certain transformation initiatives that will result in certain changes to and investment in its organizational structure and operations. These transformation initiatives arise outside of the ordinary course of continuing operations and, as is the case with the Company's restructuring efforts, costs associated with these transformation initiatives are expected to fluctuate between periods in amount, size and timing. These out-of-the-ordinary-course charges include third-party advisory costs, as well as certain severance-related costs (including the severance costs associated with the departure of Bausch + Lomb's former CEO). Investors should understand that the outcome of these transformation initiatives may

result in future restructuring actions and certain of these charges could recur. 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:** 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.
- **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 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 significantly impacted by the timing and size of its acquisitions. In addition, the company excludes 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 are not consistent and are 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.
- **Gain (Loss) on extinguishment of debt:** The Company has excluded gain (loss) on extinguishment of debt as this represents a gain or loss from refinancing our existing debt and is not a reflection of our operations for the period. Further, the amount and frequency of such amounts 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.

Non-GAAP Appendix

- **Separation and IPO costs and separation-related and IPO-related costs:** The Company has excluded certain costs incurred in connection with activities regarding: (i) the separation of the eye-health business and the separation of the Solta Medical businesses (which was suspended in 2022) from the remainder of the Company and (ii) the registration of the eye-health business and suspended registration of the Solta Medical 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 suspended initial public offering ("IPO") of the Solta aesthetic medical device business (the "Solta IPO"), and include, but are not limited to, legal, audit and advisory fees, talent acquisition costs and costs associated with establishing a new board of directors and related board committees. Separation-related and IPO-related costs are incremental costs indirectly related to the separation of the eye-health business and the suspended 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 adjustments:** 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) loss on sale of assets or other disposition of assets. 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 has also excluded IT infrastructure investments that are the result of other, non-comparable events to measure operating performance. These events arise outside of the ordinary course of continuing operations. The Company has also excluded certain other costs, including professional fees associated with contemplated, but not completed, strategic transactions. The Company excluded these costs as the consideration of such matters are outside of the ordinary course of continuing operations and are infrequent in nature. 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.

Adjusted EBITDA attributable to Bausch Health (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.

Adjusted Net Income and Adjusted Net Income attributable to Bausch Health

Adjusted net income (non-GAAP) is Net income (its most directly comparable GAAP financial measure), adjusted for asset impairments, including (gain) loss on assets held for sale, goodwill impairments, restructuring, integration and transformation costs, acquisition-related costs and adjustments excluding amortization of intangible assets, gain (loss) on extinguishment of debt, separation and IPO costs and separation-related and IPO-related costs and other non-GAAP adjustments as these adjustments are described above, and amortization of intangible assets and acquisition-related costs and adjustments excluding 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.
- **Acquisition-related costs and adjustments excluding amortization of intangible assets:** In addition to the acquisition-related costs and adjustments as described above, the company has excluded the expense directly attributable to one-time commitment and structuring fees related to a bridge loan facility put in place prior to the acquisition of XIIDRA and certain other ophthalmology assets. The company excluded these costs as they are outside of the ordinary course of continuing operations and are infrequent in nature. 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.

Adjusted net income attributable to Bausch Health (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.

Non-GAAP Appendix

Historically, management has used Adjusted net income (loss) (non-GAAP) 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 allows 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).

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 change in organic revenue (non-GAAP) to assess performance of its reportable segments, and the Company in total. The Company believes that providing these non-GAAP measures is useful to investors as they provide a supplemental period-to-period comparison.

The adjustments to 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 change in organic revenue 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 change in organic revenue 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.

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.

Non-GAAP Appendix

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 segment's 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.

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 of transformation costs, (iii) payments for separation costs, IPO costs, separation-related costs, and IPO-related costs, (iv) interest payments charged against premium, and (v) fees paid in connection with the debt exchange transaction

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 the effects of changes in foreign currencies. The impact of changes in foreign currency exchange rates is determined by comparing 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.

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.

Adjusted EBITDA excluding Bausch + Lomb (non-GAAP)

Adjusted EBITDA excluding Bausch + Lomb (non-GAAP) is Adjusted EBITDA (non-GAAP) adjusted to remove Adjusted EBITDA attributable to Bausch + Lomb (non-GAAP). Adjusted EBITDA attributable to Bausch + Lomb (non-GAAP) is Income (loss) before income taxes of our Bausch + Lomb segment (its most directly comparable GAAP financial measure) adjusted for the portion of the Company's interest expense, depreciation, amortization and other adjustments as described above, allocated or attributable to Bausch + Lomb.

Adjusted EBITDA excluding Bausch + Lomb is not intended to be, and may not be, representative of income from continuing operations (for Bausch Health excluding Bausch + Lomb) or from discontinued operations (for B+L) in accordance with GAAP, as: (i) the criteria for that accounting has not been met and (ii) certain cost allocations to BHC excluding B+L and B+L are not in accordance with the criteria for that accounting. As such, Adjusted EBITDA excluding Bausch + Lomb (non-GAAP) as included herein may not be indicative of the results of the operations or Adjusted EBITDA attributable to Bausch Health (non-GAAP) in the future, or if Bausch + Lomb met the criteria to be treated as a discontinued operation during any of the periods presented.

Management believes that Adjusted EBITDA excluding Bausch + Lomb (non-GAAP), along with the GAAP and other non-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 Cash Flows from Operations excluding Bausch + Lomb (non-GAAP)

Adjusted Cash Flows from Operations excluding Bausch + Lomb (non-GAAP) is Adjusted Cash Flow from Operations (non-GAAP) adjusted to remove Adjusted Cash Flow from Operations attributable to Bausch + Lomb (non-GAAP). Adjusted Cash Flow from Operations attributable to Bausch + Lomb (non-GAAP) is Cash Flow from Operations of our Bausch + Lomb segment (its most directly comparable GAAP financial measure) adjusted for the portion of the Company's payment of separation costs, separation-related costs, IPO costs, and IPO-related costs and other adjustments as described above, allocated or attributable to Bausch + Lomb.

Adjusted Cash Flow from Operations excluding Bausch + Lomb is not intended to be, and may not be, representative of Cash Flow from Operations (for Bausch Health excluding Bausch + Lomb) or from discontinued operations (for B+L) in accordance with GAAP, as: (i) the criteria for that accounting has not been met and (ii) certain cost allocations to BHC excluding B+L and B+L are not in accordance with the criteria for that accounting. As such, Adjusted Cash Flow from Operations excluding Bausch + Lomb (non-GAAP) as included herein may not be indicative of the cash flows or Adjusted Cash Flow from Operations attributable to Bausch Health (non-GAAP) in the future, or if Bausch + Lomb met the criteria to be treated as a discontinued operation during any of the periods presented.

Management believes that Adjusted Cash Flow from Operations excluding Bausch + Lomb (non-GAAP), along with the GAAP and other non-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 cash flows and therefore reflects our financial performance based on operational factors.