

BAUSCH+Health

1Q 2026 Earnings

April 29, 2026



Forward-Looking Statements; Non-GAAP Information

Forward-Looking Statements

This presentation contains forward-looking information and statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and applicable Canadian securities laws (collectively, “forward-looking statements”), including, but not limited to, statements relating to the Company’s 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 and strategic priorities 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 full-year guidance, are based upon the current expectations and beliefs of management. The Company’s 2026 financial outlook and full-year guidance are included to provide further information about management’s expectations about the Company’s future business operations, activities and results and 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: our ability to execute our business strategy, business plans and operational efficiency initiatives; demand for, competitive positioning of and pricing for our current and anticipated products and our ability to achieve expected revenues, margins and expense levels; the successful development, regulatory approval, manufacture and timing of launches and commercialization of pipeline and other products; the completion, timing, integration and expected benefits of acquisitions and other strategic transactions including the planned separation of our eye health business consisting of our Bausch + Lomb global Vision Care, Surgical and Pharmaceuticals businesses on anticipated terms, timing and costs; the scope, duration and financial and operational impact of product quality matters; the continued availability and performance of key third-party distribution, fulfillment and other arrangements and the stability of global supply chains; the continuation of patent protection and regulatory exclusivity for key products; the expected impacts of the Inflation Reduction Act, and the selection by the Centers for Medicare & Medicaid Services of Xifaxan® for inclusion in the drug price negotiation program with negotiated pricing expected to become effective in 2027, and other healthcare reform measures and our ability to mitigate the impact thereof; our ability to generate cash flows and access liquidity to meet working capital needs, satisfy debt maturities as they become due, reduce debt levels and comply with financial and other covenants under our financing arrangements; the expected scope and impact of tariffs, counter-tariffs and other trade restrictions and the effectiveness of mitigation actions; macroeconomic and geopolitical conditions (including inflation, recessionary pressures, foreign currency exchange rates and interest rates), changes in tax laws and related guidance (including legislation referred to as the One Big Beautiful Bill Act and Organisation for Economic Co-operation and Development related measures); the expected outcomes of litigation and other contingencies; 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.

We caution that, as it is not possible to predict or identify all relevant factors that may impact forward-looking statements, the factors referred above are not exhaustive and should not be considered a complete statement of all potential risks and uncertainties. When relying on our forward-looking statements to make decisions with respect to the Company, investors and others should carefully consider the aforementioned factors and other uncertainties and potential events. These forward-looking statements speak only as of the date made. 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, except as required by law.

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 historical 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 Flow 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.

Commencing in the third quarter of 2025, the Company now includes payments of Acquired IPR&D in the calculation of Adjusted Cash Flow From Operations (non-GAAP). Prior-period amounts presented herein have been restated to conform to the current year’s presentation.

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



Agenda

- ▶ **Business Update**

- ▶ **1Q26 Financial Results**

- ▶ **2026 Guidance**

- ▶ **Momentum into 2026**

- ▶ **Closing Remarks, Q&A**

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Business Update

Driving Results, Advancing Strategy, & Unlocking Value in 1Q26



Delivered 12th Consecutive Quarter of Revenue and Adjusted EBITDA¹ Growth for Bausch Health (excl. B+L)



Achieved Reported Revenue and Segment Profit² Growth in Salix, Solta Medical, and International Segments



Generated \$319 Million in Adjusted Cash Flow from Operations¹; Reduced Net Debt by Approximately \$115 Million



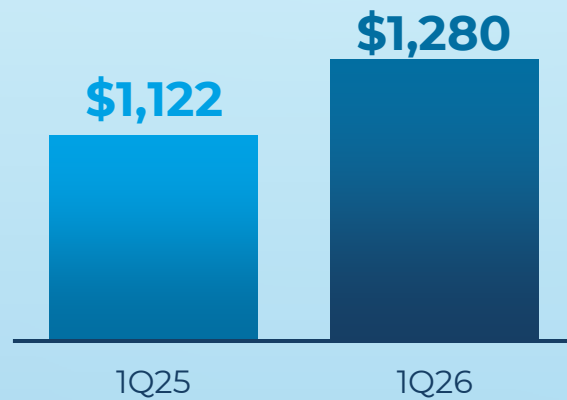
Reaffirming Full-Year Guidance



Momentum Across Bausch Health's (excl. B+L) Global Platform



BHC (excl. B+L) 1Q26 Revenue vs 1Q25



+14%

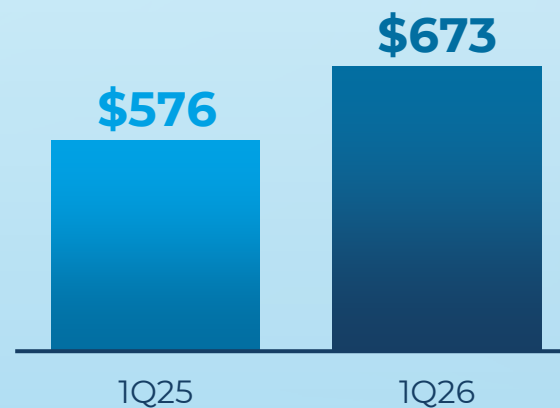
1Q26 Reported
Revenue Growth

+9%

1Q26 Organic¹
Revenue Growth



BHC (excl. B+L) 1Q26 Adjusted EBITDA¹ vs 1Q25

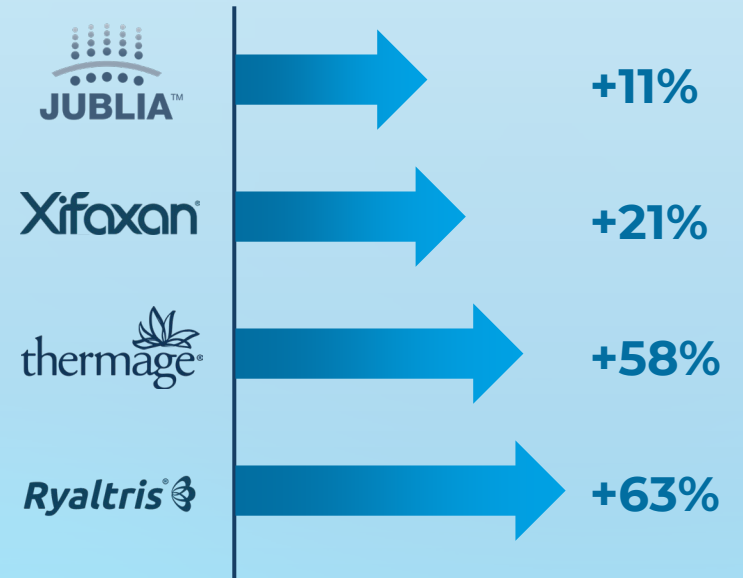


+17%

1Q26 Adjusted EBITDA¹ Growth



1Q26 GLOBAL Select Product Revenue Growth²



2

1Q26 Financial Results

1Q26 GAAP Financial Results

Amounts in millions USD, except EPS amounts

	Three Months Ended		Favorable (Unfavorable)
	March 31, 2026	March 31, 2025	Reported
Revenues	\$2,524	\$2,259	12%
Gross Profit	\$1,545	\$1,302	19%
Gross Margin	61.2%	57.6%	360 bps
Selling, A&P	\$613	\$597	(3%)
G&A	\$248	\$270	8%
R&D	\$163	\$143	(14%)
Acquired IPR&D	\$11	\$28	61%
Total Operating Expense¹	\$2,495	\$1,026	(143%)
Operating (Loss) Income	(\$950)	\$276	(444%)
Net Loss Attributable to Bausch Health Companies Inc.	(\$1,423)	(\$58)	NM
Loss per Share Attributable to Bausch Health Companies Inc.	(\$3.82)	(\$0.16)	-
Cash Flow from Operations	\$230	\$211	9%

1Q26 Non-GAAP¹ Financial Results

Amounts in millions USD

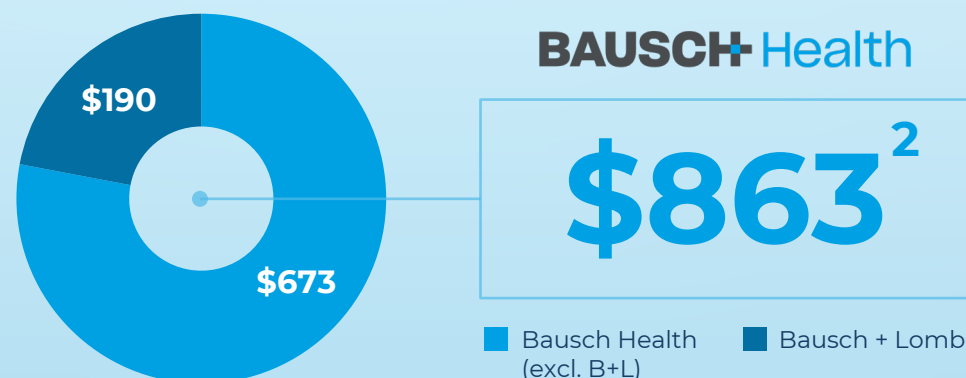
	Three Months Ended		Favorable (Unfavorable)	
	March 31, 2026	March 31, 2025	Reported	Constant Currency ¹
Revenues (Same as reported)	\$2,524	\$2,259	12%	9%
Adj. Gross Profit ¹	\$1,789	\$1,580	13%	11%
<i>Adj. Gross Margin¹</i>	<i>70.9%</i>	<i>69.9%</i>	<i>100 bps</i>	-
Total Adj. Operating Expense ¹	\$1,023	\$994	(3%)	(1%)
Adj. EBITA ^{1,2}	\$766	\$586	31%	28%
Adj. EBITDA Attributable to Bausch Health Companies Inc. ^{1,3}	\$837	\$661	27%	25%
Impact of Acquired IPR&D Net of Noncontrolling Interest	\$10	\$24	-	-
Adj. Net Income Attributable to Bausch Health Companies Inc. ¹	\$296	\$220	35%	-
<i>Diluted Shares Outstanding</i>	<i>378.9M</i>	<i>373.8M</i>	-	-
Adj. Cash Flow from Operations ^{1,4}	\$374	\$138	171%	-

1. This is a non-GAAP measure or non-GAAP ratio. See Slide 2 and Non-GAAP Appendix for further information on non-GAAP measures and ratios.
2. Includes the impact of Acquired IPR&D charges of \$11 million and \$28 million for the three months ended March 31, 2026 and March 31, 2025, respectively.
3. Includes the impact of Acquired IPR&D charges net of noncontrolling interest (non-GAAP) of \$10 million and \$24 million for the three months ended March 31, 2026 and March 31, 2025, respectively.
4. Excludes legacy legal settlements (net of insurance recoveries and restitutions), separation payments, separation-related payments, business transformation costs, fees paid in connection with debt re-financing and Acquired IPR&D, includes interest payments charged against premium.

1Q26 Adjusted EBITDA^{1,2} & Adjusted Cash Flow from Operations¹

Amounts in millions USD

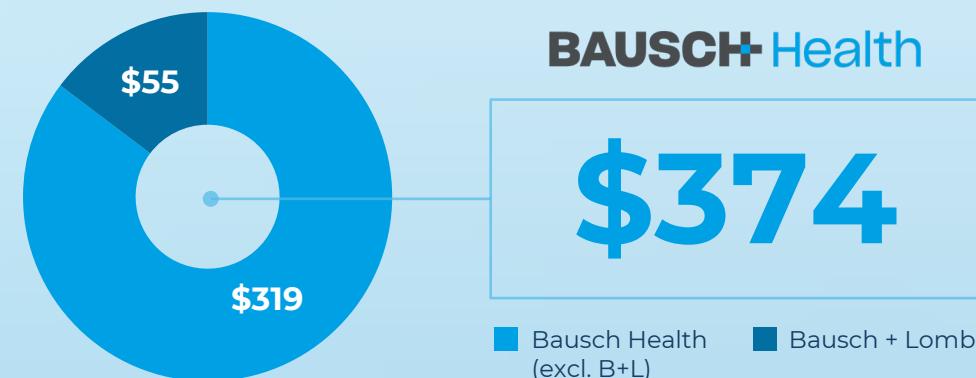
1Q26 Adjusted EBITDA^{1,2}



BHC (excl. B+L)
17% Adjusted EBITDA¹ Growth

**DOUBLE-DIGIT ADJUSTED EBITDA¹
 GROWTH FOR BHC (excl. B+L)**

1Q26 Adjusted Cash Flow from Operations¹



BHC (excl. B+L)
**Up \$191M
 vs. 1Q25**

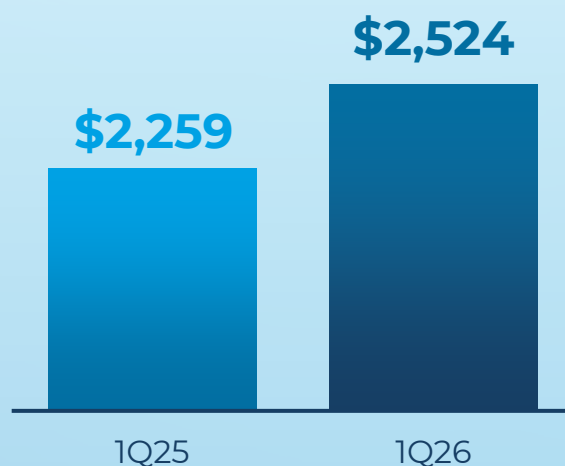
**SOLID ADJUSTED OPERATING CASH FLOW¹
 GENERATION FOR BHC (excl. B+L)**

1Q26 Revenue

Amounts in millions USD

BAUSCH+Health

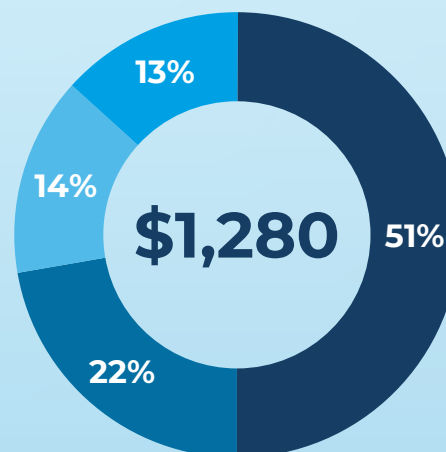
Consolidated Revenue vs 1Q25



Reported: 12% | Organic¹: 7%

BAUSCH+Health

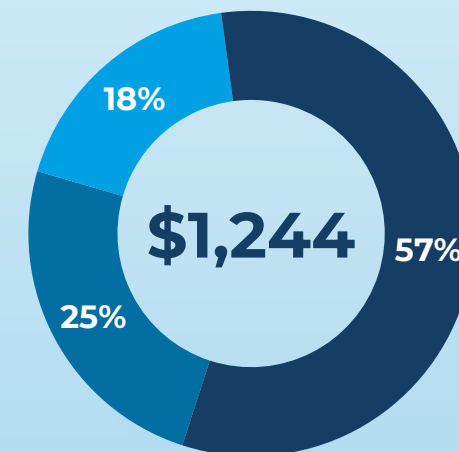
(excl. B+L)



Salix International Diversified Solta Medical

Reported: 14% | Organic¹: 9%

Bausch + Lomb



Vision Care Pharmaceuticals Surgical

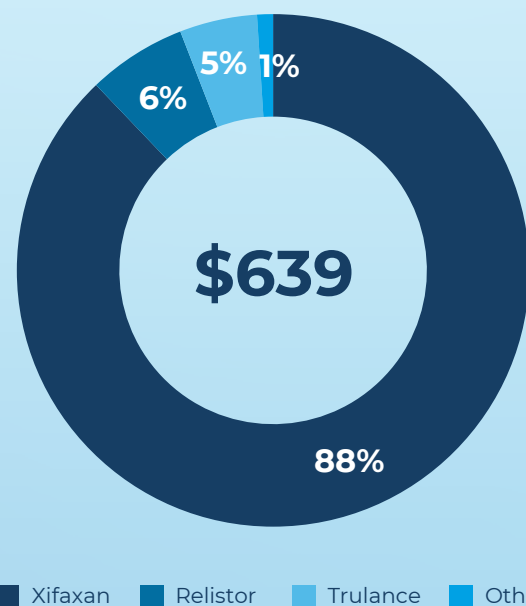
Reported: 9% | Organic¹: 6%

HIGH SINGLE-DIGIT ORGANIC¹ REVENUE GROWTH

Salix Segment – 1Q26

Amounts in millions USD

Segment Mix



Revenue vs. 1Q25

PRODUCT	REPORTED REVENUE	CHANGE (\$)	CHANGE (%)
Xifaxan [®]	\$559	\$98	21%
RELISTOR [®]	\$40	-	-
Trulance [®]	\$31	(\$1)	(2%)
TOTALS			
Reported: 18% Organic¹: 18%			

Highlights

Strong Xifaxan[®] demand growth excl. impact of Medicaid:

TRx² excl. Medicaid +6%,
TRx² (6%)

Media investments and AI engine activating new Xifaxan[®] patients, NBRx³ +3%

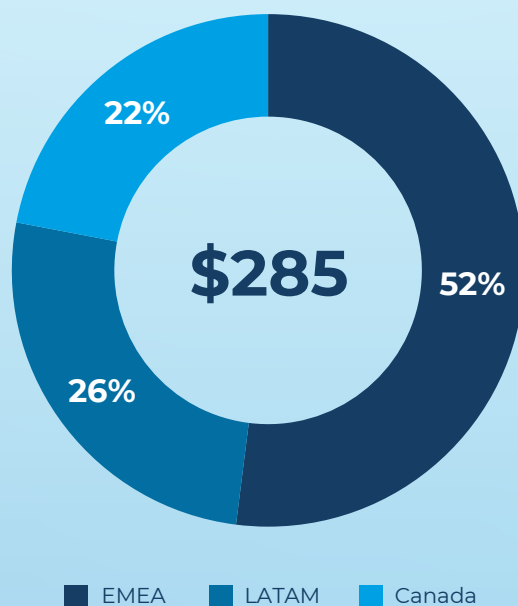
Higher net pricing and lower volume for Relistor[®] and Trulance[®]

REVENUE INCREASED 18% ON REPORTED AND ORGANIC¹ BASIS, FUELED BY XIFAXAN[®]

International Segment – 1Q26

Amounts in millions USD

Geographic Mix



Revenue vs. 1Q25

REGION	REPORTED REVENUE	CHANGE (\$)	REPORTED CHANGE (%)	ORGANIC ¹ CHANGE (%)
EMEA	\$149	\$16	12%	3%
LATAM	\$73	\$9	15%	-
Canada	\$63	(\$3)	(4%)	(7%)

TOTALS

Reported: **9%** | Organic¹: **0%**

Highlights

EMEA

13th consecutive quarter of organic¹ growth

LATAM

Commercial product growth, offset by lower gov't volume

Canada

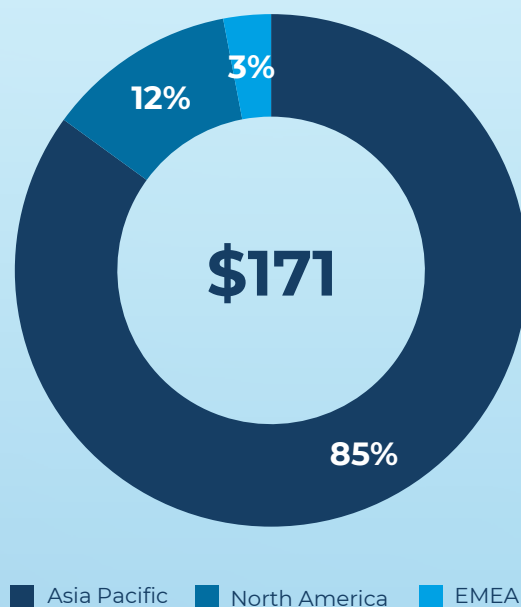
Impacted by reduction in LOE² portfolio

FLAT ORGANIC¹ REVENUE GROWTH DRIVEN BY EMEA AND LATAM

Solta Medical Segment – 1Q26

Amounts in millions USD

Geographic Mix



Revenue vs. 1Q25

REGION	REPORTED REVENUE	CHANGE (\$)	REPORTED CHANGE (%)	ORGANIC ¹ CHANGE (%)
Asia Pacific	\$145	\$56	63%	22%
N. America	\$20	\$1	8%	7%
EMEA	\$6	\$1	10%	10%

TOTALS

Reported: 51% | Organic¹: 19%

Highlights

Double-digit organic growth coupled with the benefits of integrating Shibo's full-service distributor in China

Thermage® +58%; Fraxel® +17%

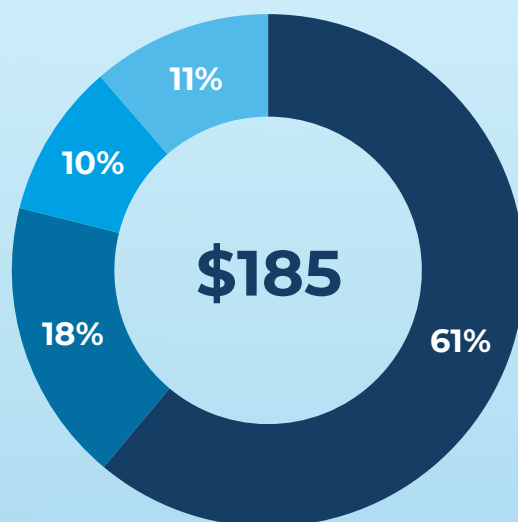
China +193%
South Korea +17%
U.S. +8%

STRONG DOUBLE-DIGIT REVENUE GROWTH DRIVEN BY CHINA AND S. KOREA

Diversified Segment – 1Q26

Amounts in millions USD

Segment Mix



■ Neuroscience ■ Dermatology ■ Generics ■ Dentistry

Revenue vs. 1Q25

BUSINESS	REPORTED REVENUE	CHANGE (\$)	CHANGE (%)
Neuroscience	\$113	(\$5)	(4%)
Dermatology	\$33	(\$13)	(28%)
Generics	\$18	-	-
Dentistry	\$21	(\$2)	(9%)

TOTALS

Reported: (10%) | Organic¹: (10%)

Highlights

Neuroscience

Lower volume, partially offset by favorable net pricing

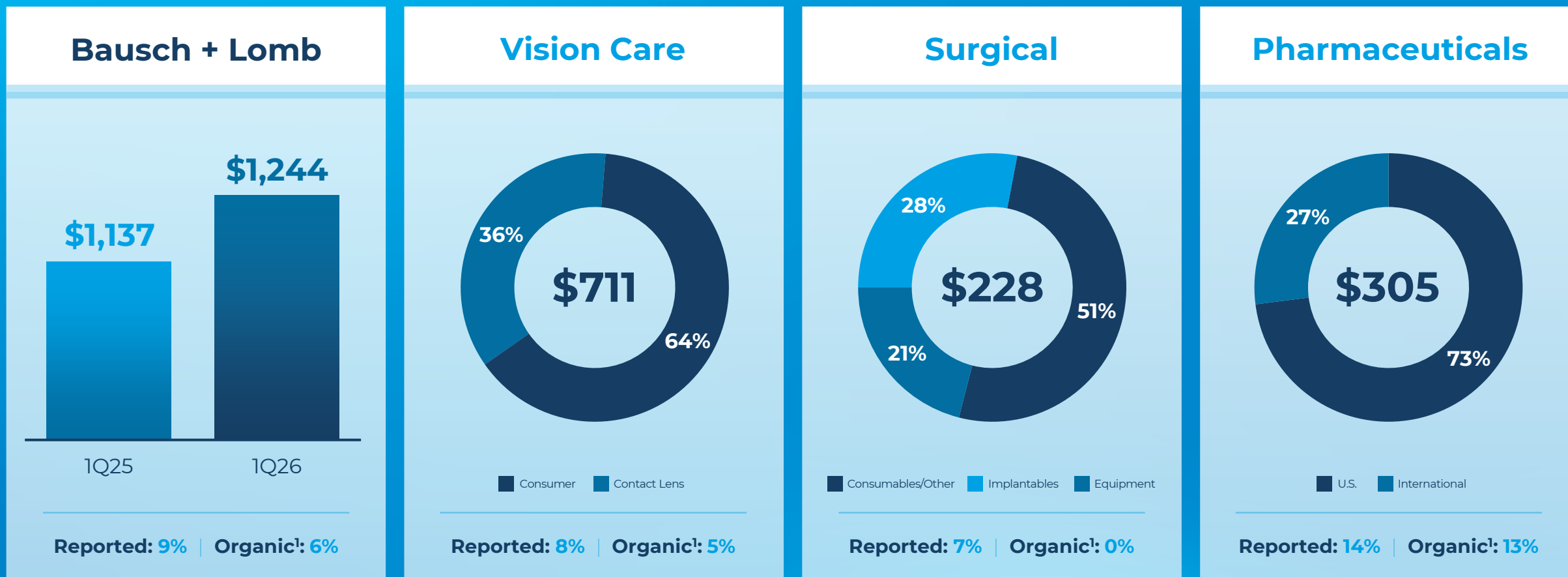
Dermatology

Partial channel destocking despite solid Cabtreo® and Jublia® demand

REVENUE DECLINE DRIVEN BY LOWER VOLUME IN NEUROSCIENCE AND DERMATOLOGY

Bausch + Lomb – 1Q26

Amounts in millions USD



HIGH SINGLE-DIGIT REPORTED REVENUE GROWTH

Bausch Health (excl. B+L) Revenue & Segment Profit¹ – 1Q26

Amounts in millions USD

Revenue			Segment Profit ¹			Highlights
	1Q26	vs. 1Q25		1Q26	vs. 1Q25	
Salix	\$639	18%	Salix	\$468	26%	→ Strong Xifaxan [®] revenue growth driving operating leverage
International	\$285	9%	International	\$88	4%	→ Investing in commercial launches in LATAM
Diversified	\$185	(10%)	Diversified	\$112	(12%)	→ Lower volumes, partially affected by unfavorable channel inventory
Solta Medical	\$171	51%	Solta Medical	\$75	42%	→ Strong Solta Medical revenue growth partially impacted by Shibo acquisition
TOTAL	\$1,280	14%	TOTAL	\$743	17%	

DOUBLE-DIGIT REVENUE & SEGMENT PROFIT¹ GROWTH

3

2026 Guidance

Full Year 2026 Guidance^{1,2}

All amounts are approximate, in billions USD

	2026 Guidance ^{1,2,3}	2026 Guidance ^{1,2,3}
Bausch Health Companies	Prior as of February 18, 2026	Current as of April 29, 2026
Net Revenue	\$10.625 – \$10.875	\$10.670 – \$10.920
Adjusted EBITDA ¹	\$3.875 – \$4.000	\$3.885 – \$4.010
Bausch + Lomb		
Net Revenue	\$5.375 – \$5.475	\$5.420 – \$5.520
Adjusted EBITDA ¹	\$1.000 – \$1.050	\$1.010 – \$1.060
Bausch Health Companies (excl. B+L)		
Net Revenue	\$5.250 – \$5.400	\$5.250 – \$5.400
Reported Revenue Growth	2% – 5%	2% – 5%
Adjusted EBITDA ¹	\$2.875 – \$2.950	\$2.875 – \$2.950
Adjusted EBITDA ¹ Growth	3% – 5%	3% – 5%
Adjusted Cash Flow from Operations ^{1,4}	\$1.200 – \$1.275	\$1.200 – \$1.275

1. This is a non-GAAP measure or non-GAAP ratio. See Slide 2 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. 2026 guidance assumes current FX rates.
4. Excludes legacy legal settlements (net of insurance recoveries and restitutions), separation payments, separation-related payments, business transformation costs, fees paid in connection with debt re-financing and Acquired IPR&D, includes interest payments charged against premium.

Key Financial Priorities¹



**Increase Value of
Bausch Health**



**Maximize the Value of Our
Bausch + Lomb Asset**



**Optimize Our Capital
Structure**

WORKING ALL LEVERS OF VALUE CREATION

4

Momentum into 2026

Investing in the Business to Drive Growth

STRONG EXECUTION ON U.S. Pharma STRATEGY



INTEGRATION OF Distribution Business (SOLTA CHINA)



ADVANCING Global Product Launches



MOMENTUM FOR GROWTH IN 2026

Advancing Product Launches Across Regions¹

EMEA

2026 LAUNCHES

More than **30** products launching across EMEA



GEOGRAPHIC EXPANSION

of existing portfolio products, including in Poland and Serbia-Montenegro



LATAM

PROGRESS IN CARDIOMETABOLIC FRANCHISE

3 products launched in 2025,
with **2** launching in 2026



MEXICO LAUNCHES

LETSERMIN DUAL
PRYUMEX



GEOGRAPHIC EXPANSION

of existing portfolio products including in Costa Rica, Honduras, Guatemala and El Salvador

NORTH AMERICA



CANADA

Solta launch of **Clear + Brilliant®** in Canada, growing advanced aesthetics into new markets



U.S.

Launch of **Biafine®**, iconic French skincare product

Leveraging AI Across the Business

Scalable AI Engines for Growth

Commercial Performance

- AI insights and smarter advertising driving growth in mature franchises
- Expanding approach across all U.S. pharmaceutical brands

R&D and Enterprise Efficiency

- Increasing efficiency and effectiveness of R&D organization
- Accelerating indication prioritization, site selection, and patient recruitment
- AI-enabled workflows

Pharmaco-
vigilance

AI-assisted
workflows

AI-enabled
Customer
Insights
Engine

Portfolio
analysis &
prioritization

Clinical Site
selection
and patient
recruitment

Opportunity
identification

Framework for Potential Business Development



THERAPEUTIC FIT

Screening assets in therapeutic areas in which we have expertise - GI, hepatology, neuroscience, dermatology, and aesthetics



LATE-STAGE / COMMERCIAL-READY

Ability to leverage commercial capabilities to take an asset from late-stage development through commercialization



ALIGNMENT WITH CAPITAL ALLOCATION STRATEGY

Optimize the capital structure first, then reinvest to drive growth through the core business and targeted business development

**COMMITTED TO LEVERAGING COMMERCIAL CAPABILITIES TO
DRIVE GROWTH & CREATE SHAREHOLDER VALUE**

Bausch Health Performing Across a Strong Set of Assets

**DIVERSE
PORTFOLIO**
with
**VALUABLE
BRANDS**

**BROAD
GLOBAL
FOOTPRINT**

**DEEP
EXPERTISE**
in
**GI
NEUROSCIENCE
DERMATOLOGY
AESTHETICS**

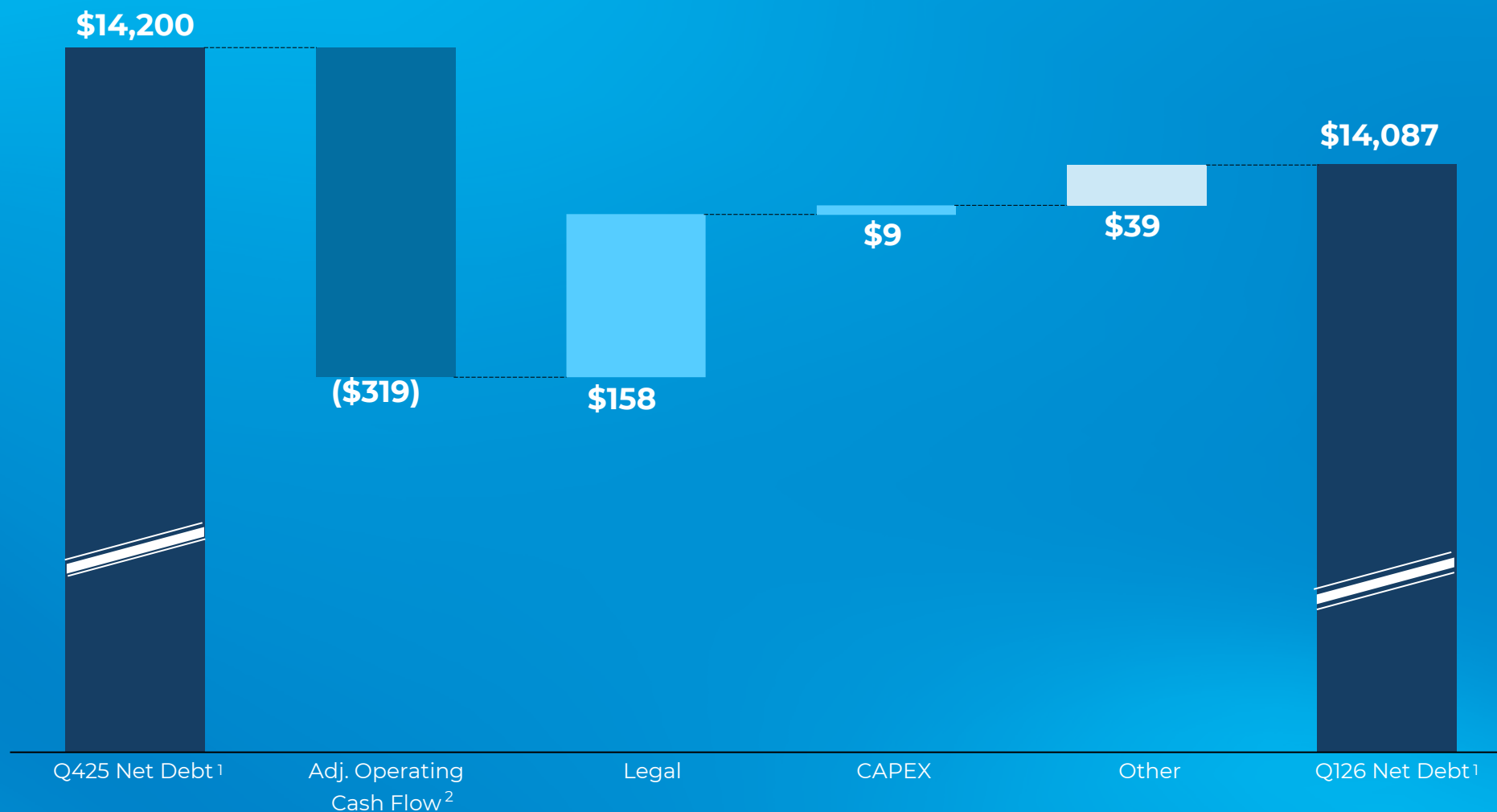
**MARKET-
LEADING
COMMERCIAL
PLATFORM**



Appendix

Bausch Health (excl. B+L) 1Q26 Change in Net Debt

As of 1Q26, amounts in millions USD



**NET DEBT
DECREASED BY
\$113M**

Key R&D Initiatives¹

Pharmaceutical Clinical Programs	Phase 1	Phase 2	Phase 3	Approval/Launch	Notes
Larsucosterol Treatment of alcohol-associated hepatitis (AH)					- Potential to be first FDA-approved therapeutic option for AH - Granted FDA Breakthrough Therapy Designation - Registrational Phase 3 program to evaluate the safety & efficacy in patients with severe AH initiated in early 2026
Amiselimod (S1P modulator) Once-daily oral treatment of mild- to moderate-ulcerative colitis					Internal review of opportunity ongoing
Medical Aesthetic Programs	Development		Approval/Launch		Notes
Thermage® FLX Radio-frequency technology to help tighten & improve smoothness & texture of skin's surface					Continued regulatory progress for Thermage FLX in additional global markets
Thermage® 1.x Improvements on select tips and software					Anticipated launch in late 2027
Clear + Brilliant® Touch Fractionated laser device for skin resurfacing					- Launched in Canada in February 2026 - Received China NMPA approval in August 2025
Fraxel FTX® Next generation fractionated laser device for skin resurfacing					- Received approval in Australia in December 2025 - Launched in the U.S. in April 2025 at American Society for Laser Medicine & Surgery (ASLMS)

Balance Sheet Summary

Amounts in millions USD

	March 31, 2026	December 31, 2025	December 31, 2024
Cash, cash equivalents, and restricted cash ¹	\$1,312	\$1,325	\$1,201
Revolving Credit Facilities ⁵	\$100	\$100	\$110
AR Credit Facility	-	-	\$300
Senior Secured Debt (principal amount) ²	\$16,102	\$16,122	\$15,233
Senior Unsecured Debt (principal amount) ²	\$4,110	\$4,110	\$5,247
Total Consolidated Debt (principal amount)²	\$20,212	\$20,232	\$20,480
Total Consolidated Debt (net of premiums and discounts)	\$20,764	\$20,817	\$21,616
Net Consolidated Debt (principal amount)³	\$18,913	\$18,923	\$19,299
TTM GAAP Net (Loss) Income	(\$1,225)	\$120	(\$72)
TTM Adj. EBITDA Attributable to Bausch Health Companies Inc. (non-GAAP)^{4,6}	\$3,717	\$3,541	\$3,307

1. Cash, cash equivalents, and restricted cash includes restricted cash of \$13M, \$16M, and \$20M as of March 31, 2026, December 31, 2025, and December 31, 2024, respectively.

2. Debt balances shown at principal value. Senior secured debt figure is inclusive of revolving credit facilities drawn (if any) and AR Credit Facility in 2024.

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

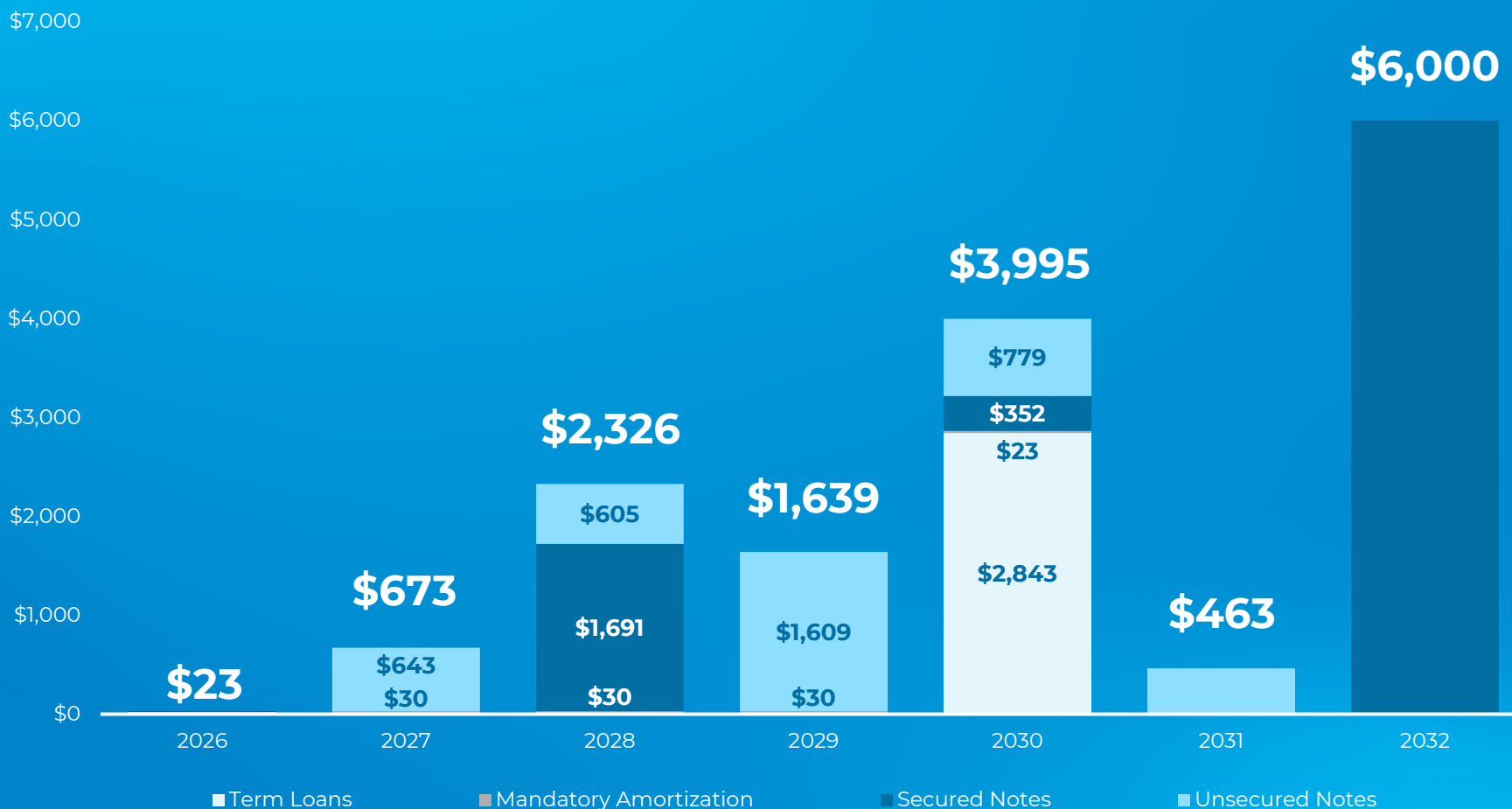
4. This is a non-GAAP measure or non-GAAP ratio. See Slide 2 and Non-GAAP Appendix for further information on non-GAAP measures and ratios.

5. No outstanding borrowings under BHC excl. B+L revolving credit facility at March 31, 2026, December 31, 2025 and December 31, 2024.

6. Includes the impact of Acquired IPR&D charges net of noncontrolling interest (non-GAAP) of \$96 million, \$110 million, and \$16 million for March 31, 2026, December 31, 2025, and December 31, 2024, respectively.

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

As of 1Q26, amounts in millions USD



TOTAL
\$15.1B¹

DECREASED DEBT BY
~\$8M
Since 4Q25

DECREASED DEBT, NET OF
UNRESTRICTED CASH, BY
\$113M
Since 4Q25

1Q26 Revenue Performance

Amounts in millions USD

	1Q26	1Q25	Reported	Organic ¹
Salix	\$639	\$542	18%	18%
International	\$285	\$262	9%	-
Solta Medical	\$171	\$113	51%	19%
Diversified	\$185	\$205	(10%)	(10%)
Neuroscience	\$113	\$118	(4%)	(4%)
Dermatology	\$33	\$46	(28%)	(28%)
Generics	\$18	\$18	-	-
Dentistry	\$21	\$23	(9%)	(9%)
Bausch Health (excl. B+L)	\$1,280	\$1,122	14%	9%
Bausch + Lomb	\$1,244	\$1,137	9%	6%
Vision Care	\$711	\$656	8%	5%
Surgical	\$228	\$214	7%	-
Pharmaceuticals	\$305	\$267	14%	13%
Total Bausch Health	\$2,524	\$2,259	12%	7%

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

Business Units	Months on Hand					
	As of Dec 31, 2024	As of Mar 31, 2025	Change 1Q25	As of Dec 31, 2025	As of Mar 31, 2026	Change 1Q26
Dermatology	1.08	1.03	(0.05)	1.17	0.88	(0.29)
Neuroscience	1.02	1.16	0.14	1.11	1.09	(0.02)
Salix	1.09	0.99	(0.10)	1.00	1.00	-

Other Financial Information

Amounts in millions USD

	Three Months Ended		Favorable (Unfavorable)	
	March 31, 2026	March 31, 2025	Reported	Constant Currency ¹
Cash Interest Paid ²	\$318	\$433	27%	27%
Net Interest Expense (GAAP)	\$392	\$319	(23%)	(22%)
Non-cash adjustments				
Depreciation	\$54	\$49	(10%)	(6%)
Non-cash share-based Compensation	\$52	\$43	(21%)	(21%)
Additional cash items				
Contingent Consideration	\$11	\$9	-	-
Milestones/License Agreements and Other Intangibles	\$50	\$37	-	-
Restructuring and Other	\$16	\$15	-	-
Capital Expenditures	\$109	\$115	-	-
Adj. Tax Rate ¹	19.0%	20.4%	-	-

Non-GAAP Adjustments EPS Impact

Amounts in millions USD, except EPS amounts

	Three Months Ended			
	March 31, 2026		March 31, 2025	
	Income (Expense)	EPS Impact	Income (Expense)	EPS Impact
Net loss attributable to Bausch Health Companies Inc.¹	(\$1,423)	(\$3.82)	(\$58)	(\$0.16)
Non-GAAP adjustments:²				
Amortization of intangible assets	241	0.65	256	0.69
Goodwill impairments	1,426	3.76	-	-
Restructuring, integration and transformation costs	19	0.05	29	0.08
Acquisition-related costs and adjustments (excluding amortization of intangible assets)	16	0.04	12	0.03
Loss on extinguishment of debt and write down of financing fees	9	0.02	-	-
Separation costs and separation-related costs	1	-	5	0.01
Gain on sale of assets, net	(3)	(0.01)	-	-
Litigation and other matters, net of insurance recoveries and restitutions	10	0.03	(3)	(0.01)
Other	8	0.02	12	0.03
Tax effect of non-GAAP ² adjustments	6	0.02	(15)	(0.04)
EPS difference between basic and diluted shares		0.06		-
Noncontrolling interest portion of the non-GAAP adjustments	(14)	(0.04)	(18)	(0.04)
Adjusted net income attributable to Bausch Health Companies Inc. (non-GAAP)²	296	-	\$220	-

1Q26 Reconciliation of Reported Operating (Loss) Income to Adjusted EBITA (Non-GAAP)¹

Amounts in millions USD

	1Q26							1Q25						
	Gross Profit	Gross Margin	Selling & Advertising	G&A	R&D Expense	Operating Expense	Operating (Loss) Income	Gross Profit	Gross Margin	Selling & Advertising	G&A	R&D Expense	Operating Expense	Operating Income
GAAP Operating (Loss) Income	\$1,545	61.2%	\$613	\$248	\$163	\$2,495	(\$950)	\$1,302	57.6%	\$597	\$270	\$143	\$1,026	\$276
Amortization of intangible assets	241	9.5%	-	-	-	-	241	256	11.3%	-	-	-	-	256
Goodwill impairments	-	-	-	-	-	(1,426)	1,426	-	-	-	-	-	-	-
Restructuring, integration and transformation costs	-	-	-	(6)	-	(19)	19	-	-	-	(28)	-	(29)	29
Acquisition-related costs and adjustments (excluding amortization of intangible assets)	3	0.1%	-	-	-	(13)	16	22	1.0%	-	-	-	10	12
Separation costs and separation-related costs	-	-	-	(1)	-	(1)	1	-	-	-	(5)	-	(5)	5
Gain on sale of assets, net	-	-	-	-	-	3	(3)	-	-	-	-	-	-	-
Litigation and other matters, net of insurance recoveries and restitutions	-	-	-	-	-	(10)	10	-	-	-	-	-	3	(3)
Other	-	-	-	(5)	-	(6)	6	-	-	-	(11)	-	(11)	11
Adjusted EBITA (Non-GAAP)^{1,2}	\$1,789	70.9%	\$613	\$236	\$163	\$1,023	\$766	\$1,580	69.9%	\$597	\$226	\$143	\$994	\$586

Reconciliation of Reported Net Loss to EBITDA¹ and Adjusted EBITDA¹

Amounts in millions USD

	Three months ended March 31,	
	2026	2025
Net Loss	(\$1,431)	(\$86)
Interest expense, net	392	319
Provision for income taxes	77	39
Depreciation and amortization	295	305
EBITDA (non-GAAP)¹	(667)	577
Adjustments:		
Goodwill impairments	1,426	-
Restructuring, Integration and transformation costs	19	29
Acquisition related costs and adjustments (excluding amortization of intangible assets)	16	12
Loss on extinguishment of debt	1	-
Share-based compensation	52	43
Separation costs and separation-related costs	1	5
Other adjustments:		
Litigation and other matters, net of insurance recoveries and restitutions	10	(3)
Gain on sale of assets, net	(3)	-
Other	8	12
Adjusted EBITDA (non-GAAP)^{1,2}	863	675
Adjusted EBITDA attributable to noncontrolling interest (non-GAAP) ¹	(26)	(14)
Adjusted EBITDA attributable to Bausch Health (non-GAAP)^{1,3}	\$837	\$661
	Three months ended March 31,	
	2026	2025
Net loss attributable to noncontrolling interest	\$8	\$28
Noncontrolling interest portion of adjustments for:		
Interest expense, net	(12)	(12)
Depreciation and amortization	(13)	(13)
All other adjustments	(9)	(17)
Adjusted EBITDA attributable to noncontrolling interest (non-GAAP)¹	(\$26)	(\$14)

1Q26 Segment Profit² Reconciliation to Adjusted EBITDA¹

Amounts in millions USD

	Three months ended March 31, 2026			Three months ended March 31, 2025		
	Revenue	Segment Profit ²	Segment Profit Margin	Revenue	Segment Profit ²	Segment Profit Margin
Salix	\$639	\$468	73%	\$542	\$371	68%
International	285	88	31%	262	85	32%
Solta Medical	171	75	44%	113	53	47%
Diversified Products	185	112	61%	205	127	62%
Total Bausch Health (excluding B+L)	\$1,280	\$743	58%	\$1,122	\$636	57%
Bausch + Lomb	1,244	277	22%	1,137	180	16%
Total	\$2,524	\$1,020	40%	\$2,259	\$816	36%
Corporate	-	(258)	-	-	(268)	-
Adjustments:						
Fair value inventory step-up resulting from acquisitions	-	3	-	-	22	-
IT infrastructure investment	-	5	-	-	8	-
Legal and other professional fees	-	-	-	-	3	-
Separation-related costs	-	1	-	-	5	-
Transformation Costs	-	6	-	-	28	-
Other expense, net	-	(11)	-	-	(28)	-
Adjusted EBITA (non-GAAP)^{1,3}	-	\$766	-	-	\$586	-
Depreciation	-	54	-	-	49	-
Share-based compensation	-	52	-	-	43	-
Foreign exchange and other	-	(9)	-	-	(3)	-
Adjusted EBITDA attributable to noncontrolling interest (non-GAAP) ¹	-	(26)	-	-	(14)	-
Adjusted EBITDA attributable to Bausch Health (non-GAAP)^{1,4}	-	\$837	-	-	\$661	-

1. This is a non-GAAP measure or non-GAAP ratio. See Slide 2 and Non-GAAP Appendix for further information on non-GAAP measures and ratios.
2. 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, Goodwill impairments, Asset impairments, Restructuring, integration, separation costs, Other 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.
3. Includes the impact of Acquired IPR&D charges of \$11 million and \$28 million for the three months ended March 31, 2026 and March 31, 2025, respectively.
4. Includes the impact of Acquired IPR&D charges net of noncontrolling interest (non-GAAP) of \$10 million and \$24 million for the three months ended March 31, 2026 and March 31, 2025, respectively.

1Q26 Reconciliation of Reported Revenue to Organic Revenue^{1,2} and Organic Revenue Growth¹

Amounts in
millions USD

Amounts in millions USD	Three Months Ended							Change in Reported Revenue		Change in Organic Revenue ¹	
	March 31, 2026				March 31, 2025						
	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	\$639	-	-	\$639	\$542	-	\$542	\$97	18%	\$97	18%
International	285	(25)	-	260	262	(1)	261	23	9%	(1)	-
Solta Medical	171	(4)	(32)	135	113	-	113	58	51%	22	19%
Diversified	185	-	-	185	205	-	205	(20)	(10%)	(20)	(10%)
Neuroscience	113	-	-	113	118	-	118	(5)	(4%)	(5)	(4%)
Dermatology	33	-	-	33	46	-	46	(13)	(28%)	(13)	(28%)
Generics	18	-	-	18	18	-	18	-	-	-	-
Dentistry	21	-	-	21	23	-	23	(2)	(9%)	(2)	(9%)
Bausch Health (excl. B+L)	\$1,280	(\$29)	(\$32)	\$1,219	\$1,122	(\$1)	\$1,121	\$158	14%	\$98	9%
Total Bausch + Lomb	\$1,244	(\$42)	(\$1)	\$1,201	\$1,137	(\$3)	\$1,134	\$107	9%	\$67	6%
Vision Care	711	(25)	-	686	656	(2)	654	55	8%	32	5%
Surgical	228	(12)	(1)	215	214	-	214	14	7%	1	-
Pharmaceuticals	305	(5)	-	300	267	(1)	266	38	14%	34	13%
Total Bausch Health	\$2,524	(\$71)	(\$33)	\$2,420	\$2,259	(\$4)	\$2,255	\$265	12%	\$165	7%

1Q26 Reconciliation of Reported Cash Provided by Operating Activities to Adjusted Cash Flow from Operations (Non-GAAP)¹

Amounts in millions USD

	Three Months Ended March 31,	
	2026	2025
Cash provided by operating activities	\$230	\$211
Net cash impact of legacy legal matters ²	158	15
Payments of transformation costs	7	4
Payments of separation costs and separation-related costs	-	7
Interest payments charged against premium	(44)	(127)
Fees paid in connection with debt refinancing	11	-
Payments of Acquired IPR&D	12	\$28
Adjusted cash flow from operations (non-GAAP)¹	\$374	\$138

1Q26 Reconciliation of Reported Cash Provided by Operating Activities to Adjusted Cash Flow from Operations (Non-GAAP)¹

Amounts in millions USD

	Three Months Ended March 31, 2026		
	Bausch Health Companies Inc.	B+L	Bausch Health (excl. B+L) ³
Cash provided by operating activities	\$230	\$32	\$198
Net cash impact of legacy legal matters ²	158	-	158
Payments of transformation costs	7	7	1
Interest payments charged against premium	(44)	-	(44)
Fees paid in connection with debt refinancing	11	6	5
Payments of Acquired IPR&D	12	10	1
Adjusted cash flow from operations (non-GAAP)¹	\$374	\$55	\$319

1. This is a non-GAAP measure. Management considers the presentation of Adjusted cash flow 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 flow from operations for Bausch Health (excl. B+L) (non-GAAP) is not intended to be representative of GAAP operating activities and Adjusted cash flow 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 flow from operations excluding B+L (non-GAAP) as included herein may not be indicative of the results of the operations or Adjusted cash flow 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 2 and Non-GAAP Appendix for further information on non-GAAP measures and ratios.
2. Payments of legacy legal settlements, net of insurance recoveries and restitutions.
3. Amounts may not cross foot due to rounding.

Trailing Twelve Months Adjusted EBITDA¹

Amounts in millions USD

	Trailing Twelve Months Ended				
	Mar-26	Dec-25	Sep-25	Jun-25	Mar-25
Net (Loss) Income	(\$1,225)	\$120	\$321	\$48	(\$81)
Interest expense, net	1,629	1,556	1,496	1,438	1,328
Provision for income taxes	285	247	199	233	270
Depreciation and amortization	1,198	1,208	1,225	1,241	1,252
EBITDA (non-GAAP)¹	1,887	3,131	3,241	2,960	2,769
Adjustments:					
Goodwill impairments	1,571	145	-	-	-
Asset impairments	8	8	24	23	28
Restructuring, integration and transformation costs	132	142	124	102	76
Acquisition-related costs and adjustments (excluding amortization of intangible assets)	41	37	13	72	95
Gain on extinguishment of debt	(161)	(162)	(181)	(178)	(12)
Share-based compensation	225	216	175	170	160
Separation costs and separation-related costs	3	7	13	21	23
Other adjustments:					
Litigation and other matters, net of insurance recoveries and restitutions	74	61	45	198	211
Gain on sale of assets, net	(9)	(6)	(6)	(5)	(6)
Other	81	85	89	94	68
Adjusted EBITDA (non-GAAP)^{1,2}	3,852	3,664	3,537	3,457	3,412
Adjusted EBITDA attributable to noncontrolling interest (non-GAAP) ¹	(135)	(123)	(113)	(110)	(109)
Adjusted EBITDA attributable to Bausch Health Companies Inc. (non-GAAP)^{1,3}	\$3,717	\$3,541	\$3,424	\$3,347	\$3,303

1. This is a non-GAAP measure or non-GAAP ratio. See Slide 2 and Non-GAAP Appendix for further information on non-GAAP measures and ratios.
2. Includes the impact of Acquired IPR&D charges of \$97 million, \$114 million, \$110 million, \$44 million, and \$46 million for the trailing twelve months March 31, 2026, December 31, 2025, September 30, 2025, June 30, 2025, and March 31, 2025, respectively.
3. Includes the impact of Acquired IPR&D charges net of noncontrolling interest (non-GAAP) of \$96 million, \$110 million, \$106 million, \$38 million, and \$40 million for the trailing twelve months March 31, 2026, December 31, 2025, September 30, 2025, June 30, 2025, and March 31, 2025, respectively.

1Q26 Reconciliation of Reported Net (Loss) Income to Adjusted EBITDA¹

Amounts in millions USD

	Three Months Ended March 31, 2026			Three Months Ended March 31, 2025		
	Bausch Health Companies Inc.	B+L	Bausch Health (excl. B+L)	Bausch Health Companies Inc.	B+L	Bausch Health (excl. B+L)
Net (Loss) Income	(\$1,431)	(\$70)	(\$1,361)	(\$86)	(\$211)	\$125
Interest expense, net	392	93	299	319	91	228
Provision for income taxes	77	6	71	39	31	8
Depreciation and amortization	295	101	194	305	106	199
EBITDA (non-GAAP)¹	(667)	130	(797)	577	17	560
Adjustments:						
Goodwill impairments	1,426	-	1,426	-	-	-
Restructuring, integration and transformation costs	19	12	7	29	27	2
Acquisition related costs and adjustments (excluding amortization of intangible assets)	16	3	13	12	14	(2)
Loss on extinguishment of debt	1	1	-	-	-	-
Share-based compensation	52	34	18	43	28	15
Separation costs and separation-related costs	1	1	-	5	3	2
Other adjustments:						
Litigation and other matters, net of insurance recoveries and restitutions	10	7	3	(3)	1	(4)
Gain on sale of assets, net	(3)	(3)	-	-	-	-
Other	8	5	3	12	9	3
Adjusted EBITDA (non-GAAP)^{1,2}	\$863	\$190	\$673	\$675	\$99	\$576
Impact of Acquired IPR&D	\$11	\$11	-	\$28	\$28	-

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 has not 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 2 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 \$26 million and \$14 million for the three months ended March 31, 2026 and 2025, respectively, which includes \$1 million related to B+L in each period.

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 and non-GAAP ratios. These measures and ratios do not have any standardized meaning under GAAP and 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, 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.

Commencing in the third quarter of 2025, the Company now includes payments of Acquired IPR&D in the calculation of Adjusted Cash Flow from Operations (non-GAAP). Prior-period amounts presented herein have been restated to conform to the current year's presentation.

EBITDA, Adjusted EBITDA and Adjusted EBITDA Attributable to Bausch Health

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. 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 (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 (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, 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, 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. 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.
- **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 costs and separation-related costs:** The Company has excluded certain costs incurred in connection with activities regarding the separation of the eye-health business. Separation costs are incremental costs directly related to effectuating the separation of the eye-health business and include, but are not limited to, legal, audit and advisory fees. Separation-related costs are incremental costs indirectly related to the separation of the eye-health business and include, but are not limited to 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, goodwill impairments, restructuring, integration and transformation costs, acquisition-related costs and adjustments (excluding amortization of intangible assets), gain (loss) on extinguishment of debt, separation costs and separation-related costs and other non-GAAP adjustments as these adjustments are described above, and amortization of intangible assets and write down of financing fees, 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.
- **Write down of financing fees:** In addition to excluding Gain on extinguishment of debt, the Company has excluded the impact of the write down of financing fees from Adjusted net income (non-GAAP). 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. In addition, 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 Change in organic revenue (non-GAAP), are defined as GAAP Revenue and change 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 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 Change 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, separation-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.

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.

Non-GAAP Appendix

Adjusted Gross Profit and Adjusted Gross Margin

Adjusted 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) (the most directly comparable GAAP financial measure for which is gross margin) represents Adjusted gross profit (non-GAAP) divided by Product revenues.

Adjusted gross profit (non-GAAP) and Adjusted gross 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) and Adjusted gross margin (non-GAAP) facilitates period-to-period comparisons of each segment's ability to generate cash flow 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 non-cash charges.

The Company believes that Adjusted gross profit (non-GAAP) and Adjusted gross 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 flow 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 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 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 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 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, separation-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.

Non-GAAP Appendix

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 Cash Flow from Operations

Adjusted cash flow 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 recoveries and restitutions, (ii) payments of transformation costs, (iii) payments for separation costs and separation-related costs, (iv) interest payments charged against premium, (v) fees paid in connection with the debt refinancing transactions and (vi) payments of acquired IPR&D.

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.

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 Bausch + Lomb) in accordance with GAAP, as: (i) the criteria for that accounting has not been met and (ii) certain cost allocations to Bausch Health excluding Bausch + Lomb and Bausch + Lomb 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.

Adjusted Cash Flow from Operations excluding Bausch + Lomb (non-GAAP)

Adjusted Cash Flow 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 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 Bausch + Lomb) in accordance with GAAP, as: (i) the criteria for that accounting has not been met and (ii) certain cost allocations to BHC excluding Bausch + Lomb and Bausch + Lomb 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 flow 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 EBITDA excluding Bausch + Lomb (non-GAAP), Adjusted Cash Flow from Operations, and Adjusted Cash Flow from Operations excluding Bausch + Lomb (non-GAAP), along with the GAAP and other non-GAAP measures used by management, most appropriately reflects 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) and Adjusted Cash Flow (non-GAAP) targets.