



BAUSCH + LOMB

## J.P. Morgan Healthcare Conference

January 9, 2023

# 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 regarding future prospects and performance of Bausch + Lomb Corporation ("Bausch + Lomb"; the "Company", "we", "us", or "B+L"), the planned spin-off or separation of the Company from Bausch Health Companies Inc. ("BHC") and the timing of the completion of such spin-off, the anticipated opportunities of the Company as a standalone entity (including the potential for margin expansion, expected growth, the durability of the markets in which we expect to grow, anticipated balance sheet flexibility and proposed use of same), the anticipated momentum of our brands, our ability to mitigate inflation with pricing, the anticipated submission, approval and launch dates for certain of our pipeline products and R&D programs, the anticipated geographic expansions and planned line extensions for certain of our products, the expected market acceptance for certain of our products and pipeline products, expectations regarding mega trends and their ability to support growth, the expected market size and compound annual growth rates for certain of the markets in which we have or expect to have products, the timing of commencement and completion of clinical studies and other development work, anticipated M&A activity and the potential impact of same, the anticipated impact of the COVID-19 pandemic on the Company and its financial condition, results of operation, revenues, segments, liquidity, products and product pipeline, operations, facilities, supply chain and employees, the Company's anticipated catalysts and business growth drivers for 2023 and beyond. Forward-looking statements may generally be identified by the use of the words "anticipates," "expects," "predicts," "goals," "intends," "plans," "should," "could," "would," "may," "will," "believes," "estimates," "potential," "target," "commit," "forecast," "tracking," 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 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 risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. These risks and uncertainties include, but are not limited to, the risks and uncertainties discussed in Bausch + Lomb's filings with the U.S. Securities and Exchange Commission ("SEC") and the Canadian Securities Administrators (the "CSA") (including the Company's final prospectus as filed with the SEC on May 5, 2022 pursuant to Rule 424(b)(4) under the Securities Act of 1933 relating to the Company's Registration Statement on Form S-1 and the Company's supplemented PREP prospectus as filed with the CSA on May 5, 2022), which factors are incorporated herein by reference. They also include, but are not limited to, risks and uncertainties relating to the proposed plan to spin off or separate the Company from Bausch Health, including the expected benefits and costs of the spin-off transaction, the expected timing of completion of the spin-off transaction and its terms (including the expectation that the spin-off transaction will be completed following the expiry of customary lock-ups related to the Bausch + Lomb IPO which have now expired and achievement of targeted net leverage ratios, subject to market conditions and receipt of applicable shareholder and other necessary approvals), the ability to complete the spin-off transaction considering the various conditions to the completion of the spin-off transaction (some of which are outside the Company's and BHC's control, including conditions related to regulatory matters and receipt of applicable shareholder and other approvals), the impact of any potential sales of the Company's common shares by BHC that market or other conditions are no longer favorable to completing the transaction, that applicable shareholder, stock exchange, regulatory or other approval is not obtained on the terms or timelines anticipated or at all, business disruption during the pendency of or following the spin-off transaction, diversion of management time on spin-off transaction-related issues, retention of existing management team members, the reaction of customers and other parties to the spin-off transaction, the qualification of the spin-off transaction as a tax-free transaction for Canadian and/or U.S. federal income tax purposes (including whether or not an advance ruling from the Canada Revenue Agency and/or the Internal Revenue Service will be sought or obtained), the ability of the Company and BHC to satisfy the conditions required to maintain the tax-free status of the spin-off transaction (some of which

are beyond their control), other potential tax or other liabilities that may arise as a result of the spin-off transaction, the potential dis-synergy costs resulting from the spin-off transaction, the impact of the spin-off transaction on relationships with customers, suppliers, employees and other business counterparties, general economic conditions, conditions in the markets the Company is engaged in, behavior of customers, suppliers and competitors, technological developments and legal and regulatory rules affecting the Company's business. In particular, the Company can offer no assurance that any spin-off transaction will occur at all, or that any spin-off transaction will occur on the terms and timelines anticipated by the Company and BHC. They also include, but are not limited to, risks and uncertainties caused by or relating to the evolving COVID-19 pandemic, the fear of that pandemic, the emergence of variant and subvariant strains of COVID-19 (including the Delta and Omicron variants and subvariants) and any resulting reinstitution or strengthening of lockdowns or other restrictions, the availability and effectiveness of vaccines for COVID-19 (including with respect to current or future variants and subvariants), COVID-19 vaccine immunization rates, the evolving reaction of governments, private sector participants and the public to that pandemic, and the potential effects and economic impact of that pandemic, the severity, duration and future impact of which are highly uncertain and cannot be predicted, and which may have a material adverse impact on the Company, including but not limited to its supply chain, third-party suppliers, project development timelines, employee base, liquidity, stock price, financial condition and costs (which may increase) and revenue and margins (both of which may decrease). Finally, they also include, but are not limited to, risks and uncertainties caused by or relating to a potential recession and other adverse economic conditions (such as inflation and slower growth), which could adversely impact our revenues, expenses and resulting margins and economic factors over which we have no control, including inflationary pressures as a result of historically high domestic and global inflation and otherwise, interest rates, foreign currency rates, and the positional effect of such factors on revenues, expenses and resulting margins. In addition, certain material factors and assumptions have been applied in making these forward-looking statements, including, without limitation, the assumption that the risks and uncertainties outlined above will not cause actual results or events to differ materially from those described in these forward-looking statements. If any of these assumptions are incorrect, our actual results could differ materially from those described in these forward-looking statements.

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 + Lomb 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.

# Non-GAAP Information; Comparable Information

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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 ratios, including Organic Revenue Growth. Management uses some of these non-GAAP measures as key metrics in the evaluation of Company 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 are useful to investors in their assessment of our operating performance and the valuation of the Company. In addition, these non-GAAP measures 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 measures and ratios of 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.

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

The comparable information about other companies was obtained from public sources and has not been verified by the Company. Comparable means information that compares a company to other companies. The information is a performance summary of the relevant attributes of certain companies that are considered to be an appropriate basis for comparison with the Company based on a variety of factors, including size, operating metrics, revenue growth and business model. The comparable companies face different risks from those applicable to the Company. Readers are cautioned that past performance is not indicative of future performance and the performance of the Company may be materially different from the comparable companies. Investors are cautioned to not put undue reliance on the comparables.





# Our Company

# Bausch + Lomb Overview

~170 years of success  
as a leading  
eye health brand



The most  
integrated eye care  
company<sup>1</sup>



Highest brand  
awareness in  
eye care<sup>2,3</sup>



Global leader in consumer  
eye health, outpacing U.S.  
market growth by ~1.7x  
since 2018<sup>4</sup>



80+% of world  
population has access  
to B+L products

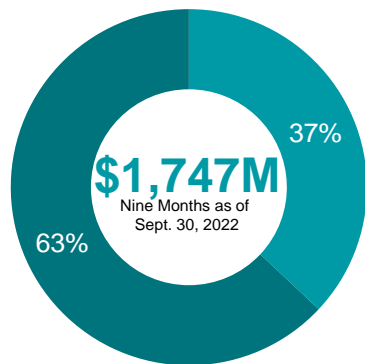


~100 countries and  
~12,800 employees



# Growth Driven by a Diversified Portfolio of Eye Care Products

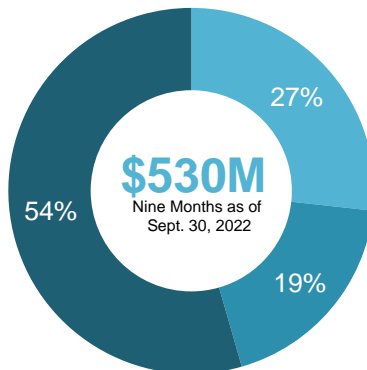
## Vision Care



■ Contact Lens   ■ Consumer

Durable, market-leading megabrands in consumer health portfolio  
Complete portfolio of contact lens modalities and technologies  
Scalable opportunity for future growth

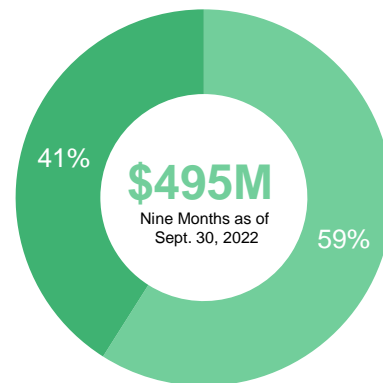
## Surgical



■ Implantables   ■ Equipment  
■ Consumables/Other

Extensive product suite for all major procedures  
Equipment platform drives demand for significant portion of the portfolio: consumables / implantables

## Ophthalmic Pharmaceuticals

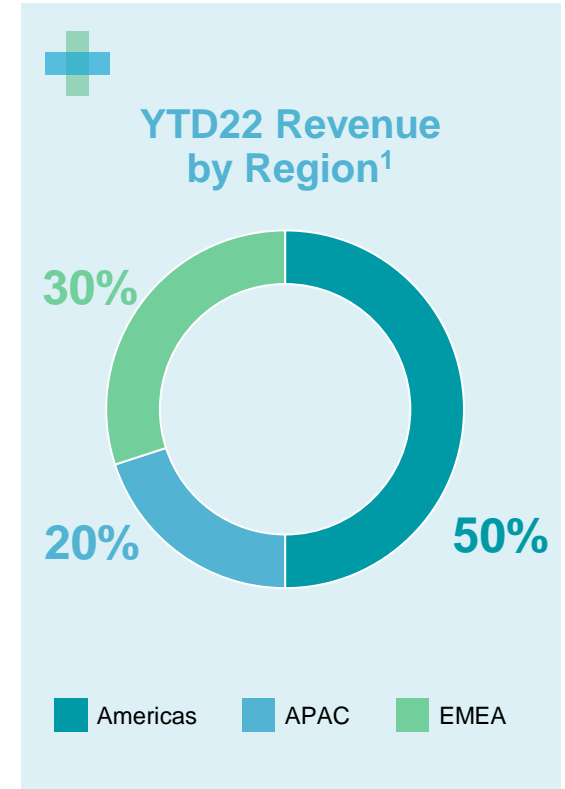
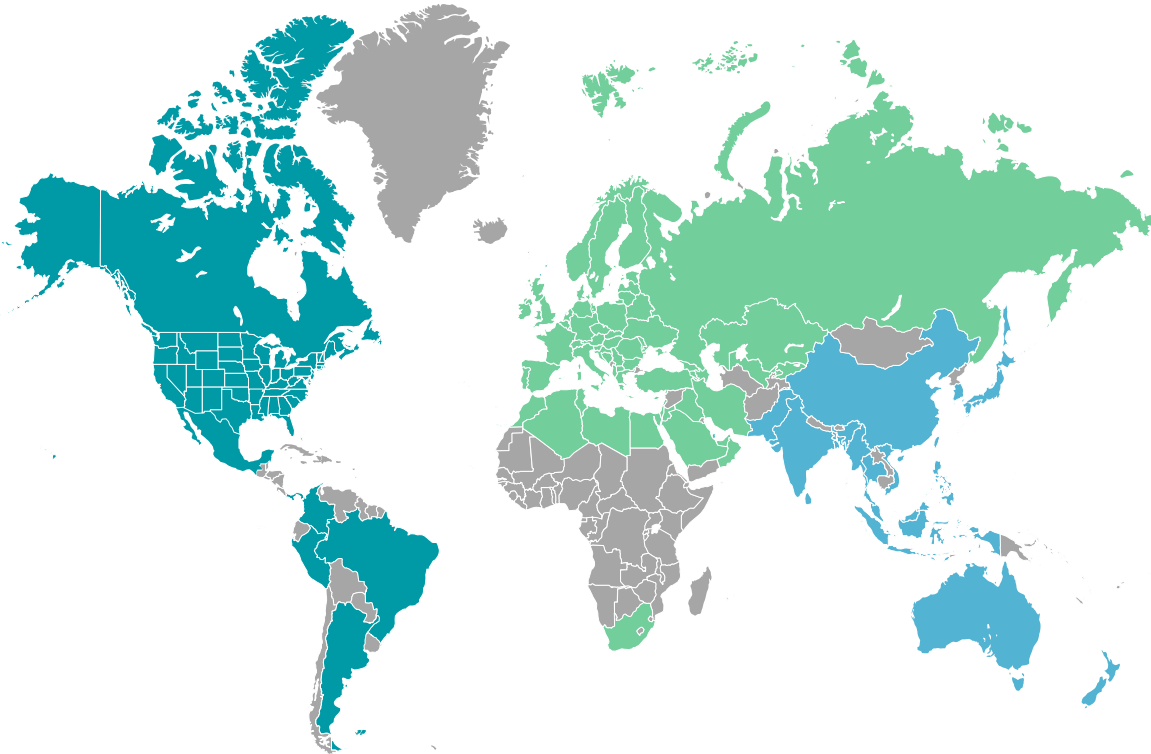


■ U.S.   ■ International

Broad portfolio in ophthalmology market  
Portfolio breadth and depth of ~100 products, with large commercial infrastructure  
Expected new launches represent opportunity for future growth

# 80+% of the World's Population has Access to B+L Products

Substantial global footprint and commercial platform with presence in ~100 countries



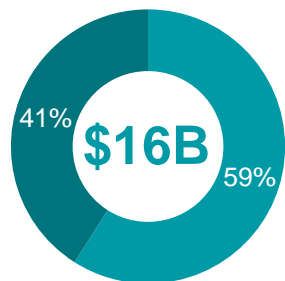
# Large and Growing +\$50B Addressable Market

Global addressable market revenue, 2019

## Mega Trends Support Long Runway for Potential Growth

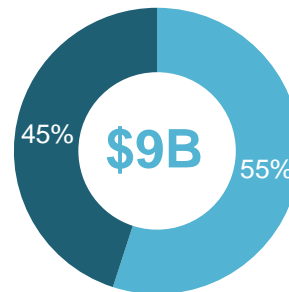
- Increasing Eye Health Needs for Aging Population
- Rising Diabetes Prevalence
- Growing Prevalence of Myopia
- Rising Amount of Digital Screen Time
- Growing Adoption of E-commerce Leading to Expanded Access and Distribution

### Vision Care<sup>1</sup>



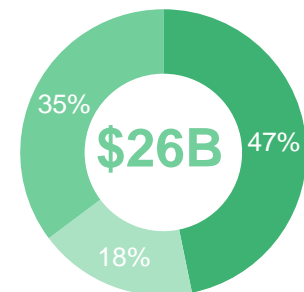
■ Contact Lens ■ Consumer

### Surgical<sup>3</sup>



■ Implantables  
■ Capital Equipment / Other

### Ophthalmic Pharmaceuticals<sup>2</sup>



■ AMD ■ Glaucoma ■ Dry Eye / Other

## 2019-2025 Market CAGR<sup>4</sup>

~4%

~5%

~4%

1. Third party market research and management estimates. Contact lens includes: sales from contact lenses, lens care solutions, and off-the-shelf eye care products; Consumer includes: sales from eye drops and eye vitamins

2. Third party market research and management estimates. AMD includes: sales from products for the treatment of wet age-related macular degeneration ("AMD") and dry AMD; Glaucoma includes: sales from products for the treatment of glaucoma; Dry Eye / Other includes: sales from products for the treatment of dry eye, diabetic macular edema ("DME"), conjunctivitis, ocular pain and inflammation, other corneal and external eye disorders, other retinal disorders, uveitis, and inherited retinal disorders, and other ophthalmology treatments

3. Third party market research and management estimates. Implantables includes: sales from implantables; Capital Equipment / Other includes: sales from capital equipment, instruments and procedure fees

4. Expected. See Slide 1 for further information regarding forward-looking statements.



A close-up photograph of a person's eye, looking slightly to the right. The eye is light-colored with long, dark eyelashes. A large, semi-transparent cross is overlaid on the eye. The vertical bar of the cross is green, and the horizontal bar is teal. The background is a soft, out-of-focus light blue.

# 2022 Accomplishments

# 2022 Bausch + Lomb Separation Progress<sup>1</sup>



**Filed Registration Statement and Preliminary Prospectus for Proposed Initial Public Offering**



**Launched Roadshow and IPO**



**BLCO First Day of Trading (May 6, 2022) on NYSE and TSX**



**BLCO is Not a Guarantor of BHC Debt**



**BHC Announced the Unrestricting of BLCO Under BHC Debt Covenants (Nov. 29, 2022)**



**“We continue to believe that the separation of Bausch and Lomb makes strategic sense and we will thoughtfully evaluate all factors related to the B&L separation.” – Bausch Health Companies 3Q22 Earnings Call**

# 2022 Bausch + Lomb Business Fundamentals are Strong

✓ **5% organic revenue growth<sup>1,2</sup> YTD22 vs. YTD21<sup>6</sup>;  
6 consecutive quarters of organic revenue growth<sup>1,2,7</sup>**

✓ **Strong performance in key franchises:**

- Ocuville® + PreserVision®: +9% reported revenue growth YTD
- LUMIFY®: ~50% market share in Redness Reliever Category<sup>8</sup>
- BioTrue® ONEday: +4% reported revenue growth YTD
- Bausch + Lomb ULTRA®: +5% reported revenue growth YTD
- Daily SiHy: +32% reported revenue growth YTD
- VYZULTA®: +32% TRx growth in FY22 vs. FY21<sup>9</sup>
- Consumables: +4% reported revenue growth YTD
- Implantables: +4% reported revenue growth YTD

✓ **FDA filing acceptance** for NOV03 and 510(k) Clearance from FDA for BioTrue® Hydration Boost Contact Lens Rehydrating Drops

✓ **Enhanced our pipeline since the IPO** with increased R&D spend (+14% YTD22 through Q3) and completed 5 acquisitions/licensing transactions

✓ **BLCO was the largest healthcare IPO in 2022 and the 4th largest IPO overall in 2022**

✓ **Launched new products including:**

- XIPERE®
- REVIVE®
- Project Watson®
- Geo-expansion for LUMIFY® and VYZULTA®
- BioTrue® Hydration Plus Multi-Purpose Solution
- Enhanced Ocuville® Adult 50+ Eye Vitamin Formulation with Vitamin D

## Bausch + Lomb is....



**The Most  
Integrated Eye  
Care Company<sup>3</sup>**



**Global leader  
in Consumer  
Eye Health<sup>4</sup>**



**#3 Largest  
Eye Health  
Company<sup>5</sup>**

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

2. Organic revenue growth/change, a non-GAAP ratio, is defined as a change on a period-over-period basis in revenues on a constant currency basis (if applicable) excluding the impact of acquisitions, divestitures and discontinuations.

3. Peers consist of: Alcon, Johnson & Johnson, CooperVision, Carl Zeiss Meditec AG, Hoya, Rayner, Regeneron, Allergan and Novartis.

4. Period 2018-2021. Internal and peer data. Global leader based on reported peer group revenue. Peer group includes: Alcon, Allergan, Prestige and Johnson & Johnson.

5. Based on reported revenue.

6. As of Sept. 30 and noted in the 3Q22 BLCO earnings presentation.

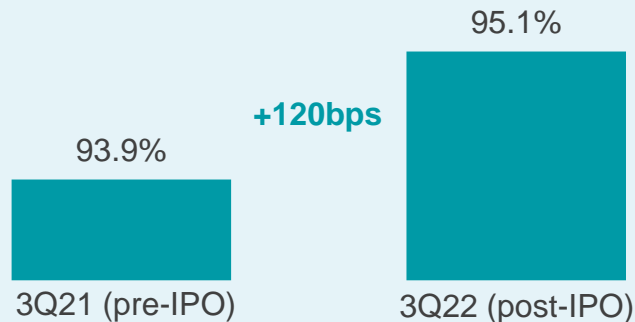
7. Q221-Q322

8. IRI Panel Omnichannel

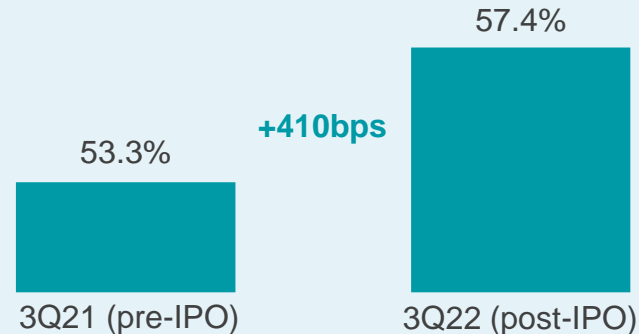
9. IQVIA NPA weekly.

## 3Q22 (Post IPO) vs. 3Q21 (Pre-IPO) U.S. Consumer Key Products Market Share

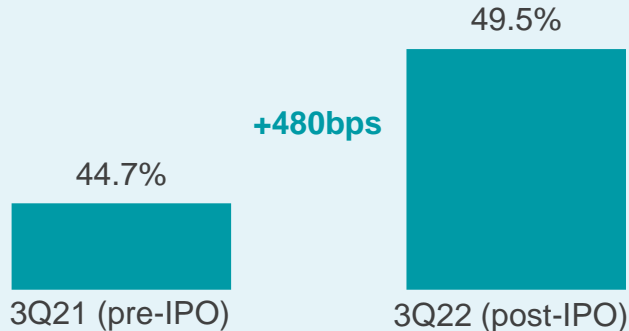
**PreserVision® U.S. Market Share<sup>1</sup>**



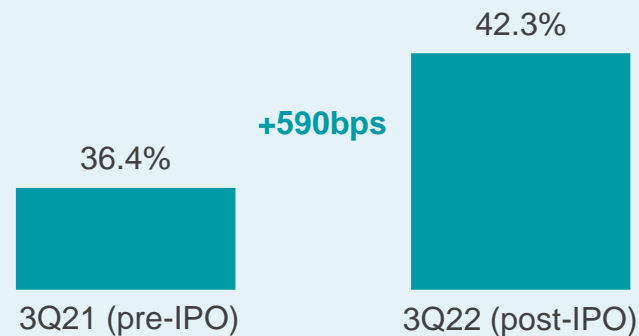
**B+L Multi-purpose Solution U.S. Market Share<sup>1</sup>**



**LUMIFY® U.S. Market Share<sup>1</sup>**



**Ocuvite® U.S. Market Share<sup>1</sup>**



A photograph of a smiling man, a young girl, and a smiling woman on a beach. The man is in the foreground, wearing a blue shirt. The girl is behind him, and the woman is in the foreground on the right, wearing a white top. A decorative cross made of four overlapping squares (green, blue, green, blue) is centered over the image. The text "Looking Ahead: 2023" is overlaid in a bold, teal font on the right side of the image.

**Looking Ahead:  
2023**



# B+L Business Well Positioned To Withstand Macro Economic Challenges<sup>1</sup>



## Strong Business Fundamentals

Large and growing end markets,  
driven by increasing megatrends

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Momentum from strong brand names

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Successful R&D with 15+ launches  
expected in 2023

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Strategic ability to mitigate  
inflation with pricing



## Macro Market Conditions

Uncertain macro economic conditions  
with rising interest rates

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Continued COVID disruptions,  
mainly in China

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Strong U.S. dollar and  
constraints on supply chain

# R&D Delivering Opportunities in High Growth, High Margin Categories<sup>1</sup> Expected to Launch More than 15 Products in 2023



## 2023 Launches

Vision Care /  
Consumer

**Growing market  
share with new  
products, line extensions  
and geo-expansion**



Lumify®  
geo-expansion



Daily SiHy – Multifocal  
Daily SiHy – geo-expansion

Ophthalmic Pharmaceuticals

**Launching high-margin  
pharmaceutical products**



VYZULTA®  
geo-expansion

**NOV03**

Surgical

**Shift surgical portfolio  
to premium categories**



enVista®  
Premium  
IOL Expansion



Teneo™ Excimer  
Laser for Refractive  
Surgery (US)



Lux Premium  
IOL Expansion



eyeTelligence™  
digital ecosystem



3D Microscope



Minimally Invasive  
Micro Sclerostomy  
("MIMS®")

M&A

**Supported by  
M&A**

Post IPO, completed 5 acquisitions/licensing transactions to enhance pipeline

# Expanding LUMIFY®'s Beauty Positioning to Specialty Eye Care

**Successful +\$100M brand expanding, which already has:**

- **~50% market share** in Redness Reliever Category<sup>1</sup>
- **#1 Physician-recommended** product in the Redness Reliever category<sup>2</sup>
- Geo-expansion ongoing:  
**Global expansion with 6 countries, including successful Canadian launch in 2022**  
**Recently acquired rights for 18 additional countries**

Expansion Opportunity: LUMIFY® Eye Illuminations



# Creating a Full Offering with our Daily SiHy



**+32%**  
reported revenue  
growth YTD<sup>1</sup>

**>70%**  
of INFUSE® switch  
fits are sourced from  
competitive lenses<sup>2</sup>

## Upcoming Expansion

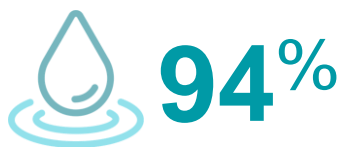
Launched SVS<sup>4</sup> into  
**~25** countries and  
additional ones to come

Multi-focal and toric launch  
coming **2023-2024**



**ProBalance  
Technology™**

Infused with osmoprotectants,  
electrolytes, and moisturizers  
that are released throughout  
the day



of patients agree Bausch +  
Lomb INFUSE® contact  
lenses do not feel dry<sup>3</sup>



of patients can comfortably  
wear Bausch + Lomb INFUSE®  
contact lenses all day<sup>3</sup>



of patients agree Bausch +  
Lomb INFUSE® contact  
lenses provide crisp, clear  
vision throughout the day<sup>3</sup>

1. YTD is Q122-Q322.

2. Gfk US Contact Lens FITS Tracking, September-November 2022. Switch-in is a user who was previously in another brand of lens while new wearer is a user who is new to contacts (or a lapsed wearer) within the last 15 months. U.S. only comment.

3. Results of an online survey with patients who completed an evaluation program for Bausch + Lomb INFUSE™ contact lenses and wore their trial lenses for ≥7 days (n=777). Survey results include patients who strongly agreed, agreed, or slightly agreed (on a 6-point agreement scale) with the surveyed statement, with a margin of error ±1.7%.

4. Single Vision Spherical.

## Pivotal Phase 3 trial GOBI Data on NOV03 Now Published in *Ophthalmology*

**Investigational first in class treatment** for Dry Eye Disease (DED) associated with Meibomian Gland Dysfunction (MGD)

Consistent **statistically significant efficacy, safety and tolerability** have now been demonstrated in two Phase 3 studies of NOV03<sup>1</sup> and one Phase 2 study

**Statistically significant difference of sign and symptom was noted at day 15 and 57 in both Phase 3 studies**

### U.S. Prescription Dry Eye Market Growth



~24% CAGR  
2016-2021<sup>4</sup>



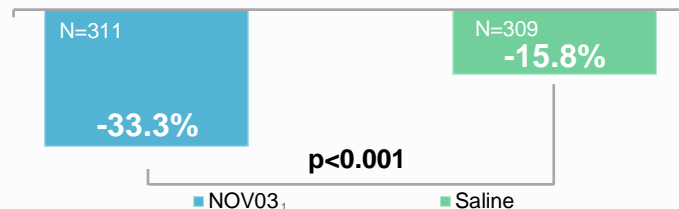
Expect Double  
Digit Growth  
2021-2027<sup>5,6</sup>

### Second Phase 3 (MOJAVE) Efficacy Endpoints:

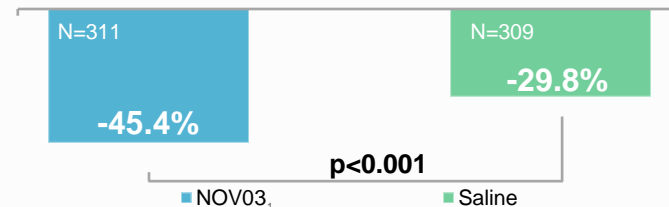
## Total Corneal Staining (sign) and Ocular Dryness (symptom) at Day 57

Decrease from Baseline (%)

### Total Corneal Staining<sup>2</sup> (ITT<sup>3</sup>)



### Ocular Dryness<sup>2</sup> (ITT<sup>3</sup>)





# Upcoming Premium Intraocular Lens Launches<sup>1</sup>

## Lux Premium IOL



(EU Countries)

LuxSmart (EDOF)

**EU launch began 2020**

*Launched in 19 countries; ~10 additional countries expected in 2023*

LuxLife (Trifocal)

**EU 2024**

## enVista Envy™ (enVista® Trifocal IOL)



(EU Countries)

Canada

**2023**

U.S., EU

**2024**

Additional geo-expansion  
including China

## enVista Aspire™ (enVista® Extended Range Monofocal IOL)



(EU Countries)

Canada, U.S.

**2023**

EU

**2024**

Additional geo-expansion  
including China

## enVista Dynamic™ (enVista® Extended Depth of Focus IOL)



(EU Countries)

U.S., EU, Canada, China

**2025/2026**

# 3D Microscope: Fully-digital Surgical Visualization Platform



- + **Exceptional image quality** with unique Diagnostics that allows surgeons to tackle complicated surgical cases with confidence and ease
- + **Ergonomics with multiple digital display** options that allow surgeons to operate ergonomically
- + **Integrated workflow and user interface** provides an intuitive interface with comprehensive settings
- + **Teaching tool** transforms the surgical experience in and outside the OR by allowing participation in the surgical procedure in an immersive way
- + **eyeTelligence® integration**

**Global  
Market  
Size**

**\$0.4B Market<sup>1</sup>**

**6.0% CAGR<sup>2</sup>**

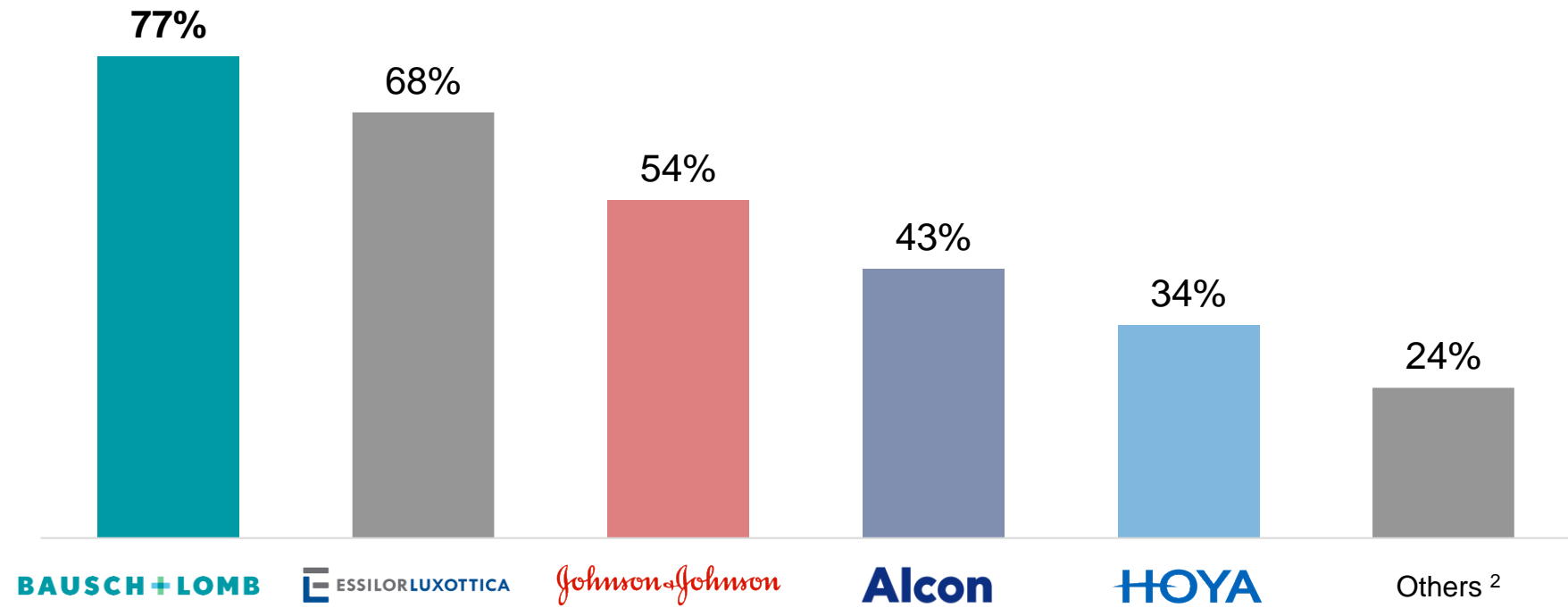


# Integrated platform uniquely positions B+L to serve eye care needs



# Appendix

# Highest Brand Awareness Among Peers<sup>1</sup>



1. Source: TechSci Research, May 2021, Survey of 200 respondents across the globe.  
2. Others include Menicon Co., Ltd., CooperVision, Inc., Carl Zeiss Meditec AG, Novartis AG, Pfizer, Inc., etc.



# Reconciliation of Reported Revenue to Organic Revenue<sup>1,2</sup> and Organic Revenue Growth<sup>1,2</sup> (\$M) (Quarter-to-Date and Year-to-Date)

	Calculation of Bausch + Lomb Organic Revenue						Change in Reported Revenue		Change in Organic Revenue <sup>1,2</sup>		
	Revenue as Reported	Changes in Exchange Rates <sup>3</sup>	Organic Revenue (Non-GAAP) <sup>1,2</sup>		Revenue as Reported	Divestitures and Discontinuations	Organic Revenue (Non-GAAP) <sup>1,2</sup>	Amount	Pct.	Amount	Pct.
Nine Months Ended	Nine Months Ended										
September 30, 2022	2,772	130	2,902	September 30, 2021	2,764	(7)	2,757	8	0%	145	5%
Three Months Ended	Three Months Ended										
September 30, 2022	942	55	997	September 30, 2021	949	(1)	948	(7)	-1%	49	5%
June 30, 2022	941	46	987	June 30, 2021	934	(3)	931	7	1%	56	6%
March 31, 2022	889	29	918	March 31, 2021	881	(3)	878	8	1%	40	5%
December 31, 2021	1,001	11	1,012	December 31, 2020	944	(2)	942	57	6%	70	7%
September 30, 2021	949	(10)	939	September 30, 2020	916	(4)	912	33	4%	27	3%
June 30, 2021	934	(33)	901	June 30, 2020	677	(2)	675	257	38%	226	33%

# Non-GAAP Appendix

## Description of Non-GAAP Financial Measures

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 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 similar non-GAAP measures and ratios of 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.

## Organic Revenue Growth

Organic revenue growth, a non-GAAP ratio, is defined as a change on a period-over-period basis in revenues on a constant currency basis (if applicable) excluding the impact of recent acquisitions, divestitures and discontinuations (if applicable). Organic revenue growth is a change in GAAP Revenue (its most directly comparable GAAP financial measure) adjusted for certain items, as further described below, of businesses that have been owned for one or more years. Similarly, organic revenue, a non-GAAP measure, is GAAP revenue (its most directly comparable GAAP financial measure) adjusted for these same items. Organic revenue growth 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 growth and organic revenue to assess the performance of its reportable segments, and the Company in total, without the impact of foreign currency exchange fluctuations and recent acquisitions, divestitures and product discontinuations. The Company believes that such measures are useful to investors as they provide a supplemental period-to-period comparison.

Organic revenue growth and organic revenue reflect adjustments for: (i) the impact of period-over-period changes in foreign currency exchange rates on revenues and (ii) the revenues associated with acquisitions, divestitures and discontinuations of businesses divested and/or discontinued. These adjustments are determined 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 organic growth/change 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 organic growth/change exclude from the prior period, all revenues attributable to each divestiture or 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.