



# Investor Presentation (NYSE: IVC)

April 12, 2021

# Forward Looking Statements

This presentation contains forward-looking statements within the meaning of the “Safe Harbor” provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are those that describe future outcomes or expectations that are usually identified by words such as “will,” “should,” “could,” “plan,” “intend,” “expect,” “continue,” “forecast,” “believe,” and “anticipate” and include, for example, any statement made regarding the company's future results, financial condition and the impact of COVID-19. Actual results may differ materially as a result of various risks and uncertainties, including those expressed in the cautionary statements and Risk Factors sections in the company's annual reports on Form 10-K, quarterly reports on Form 10-Q and other filings with the Securities and Exchange Commission. The company may not be able to predict and may have little or no control over many factors or events that may influence its future results and, except as required by law, shall have no obligation to update any forward-looking statements.

Financial results presented are as of December 31, 2020, unless otherwise noted. Forward-looking information reported on a specified date is provided herein as of such date and is not updated or reaffirmed as of a later date hereby.

## Non-GAAP Measures

This presentation will reference certain non-GAAP financial information, including, but not limited to, Adjusted EBITDA, constant currency net sales and free cash flow. For a description and reconciliation of non-GAAP measures presented in this document, please see the Appendix attached to this presentation. Any non-GAAP financial information is not a substitute for, and should be read in conjunction with, GAAP financial information.



Making Life's  
Experiences Possible



## ABOUT US

Headquartered in Elyria, OH (outside of Cleveland), Invacare is proudly celebrating over 40 years of providing clinically complex medical devices and solutions which Make Life's Experiences Possible

The company had 2020 revenue of \$851M and 3,400 associates worldwide as of December 31, 2020

The company primarily targets western-based reimbursement geographies in Europe, North America and Asia Pacific



## WHAT WE DO

Invacare is a leading manufacturer and distributor in its markets for medical equipment used in non-acute care settings

The company's durable medical devices and solutions are designed for congenital, acquired, degenerative, conditions and help people to move, breathe, rest and perform essential hygiene for 24-hours of care

Invacare sells its products to private and government medical equipment providers and residential care providers

# Solutions Across The Continuum Of Care

Providing essential clinical solutions for broad range of conditions

## Solution Areas (24-Hours of Care)



Move

### Custom power and manual wheelchairs and custom seating

- Alternative drive controls and touch-screen technology
- Informatics



Rest

### Home care and long-term care beds and therapeutic support surfaces

- Pressure relief for wound healing and prevention
- Continued pressure monitoring



Breathe

### Respiratory therapy products

- Stationary and portable oxygen concentrators
- HomeFill® Oxygen systems



Hygiene

### Safe patient handling and hygiene

- Patient transfer and bathing equipment ensures resident and caregiver safety
- Daily hygiene products

## Conditions

### Congenital

Cerebral Palsy  
Muscular Dystrophy  
Spina Bifida

### Acquired

Stroke  
Spinal Cord Injury  
Traumatic Brain Injury  
Post Acute Recovery  
Pressure Ulcers

### Degenerative

Multiple Sclerosis  
ALS  
COPD  
Bariatric  
Age Related

## Settings

High Acuity



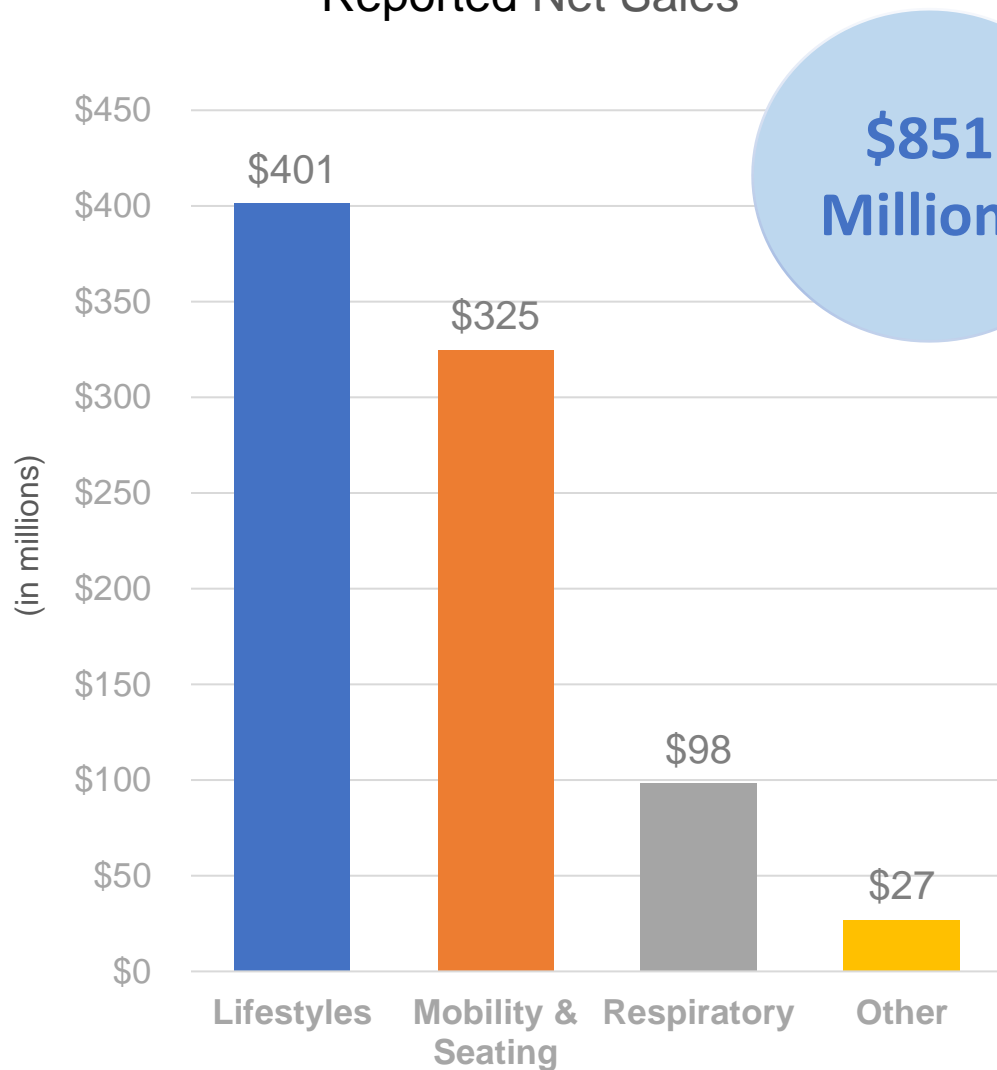
Invacare provides solutions outside high acuity settings



Low Acuity



## Reported Net Sales \*



\* TTM sales as of December 31, 2020

## Broad Product Line with High Clinical Value

### Lifestyles

Globally focused on home healthcare and post-acute care, including aids for daily living, walking aids, lifts, wheelchairs, beds and surfaces

### Mobility & Seating

Custom power and custom manual wheelchairs, seating and positioning, and power add-ons

### Respiratory

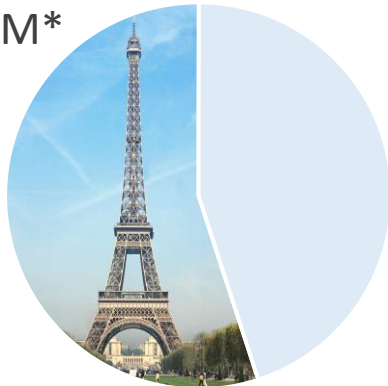
Stationary concentrators and ambulatory oxygen such as portable concentrators and refilling devices for portable tanks

### Other

Services and rentals

# Strong Global Presence

\$468M\*



## Europe (55%)\*

Primarily single payor reimbursement systems which appreciate durable medical equipment and total lowest cost of ownership

Key markets focused on Western Europe: France, Germany, UK, Benelux and the Nordic countries with a smaller presence in southern Europe

Manufacturing facilities in Germany, France, Portugal, UK and Sweden

\$348M\*

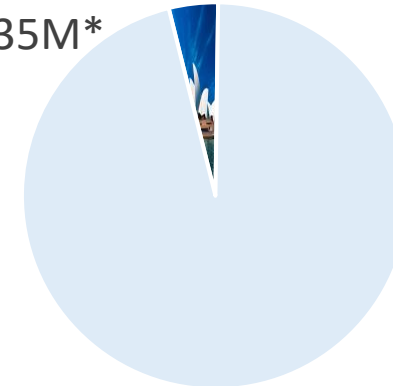


## North America (41%)\*

Primarily sell to durable medical equipment providers, equipment fleet owners, residential care facilities and Department of Veterans Affairs

Manufacturing facilities in the U.S., Mexico and Canada

\$35M\*



## Asia Pacific (4%)\*

Primarily target western-based reimbursement countries, such as Australia and New Zealand

Sales and distribution facilities in Australia, New Zealand and Thailand

\* TTM sales as of December 31, 2020



## Transformation Plan Highlights



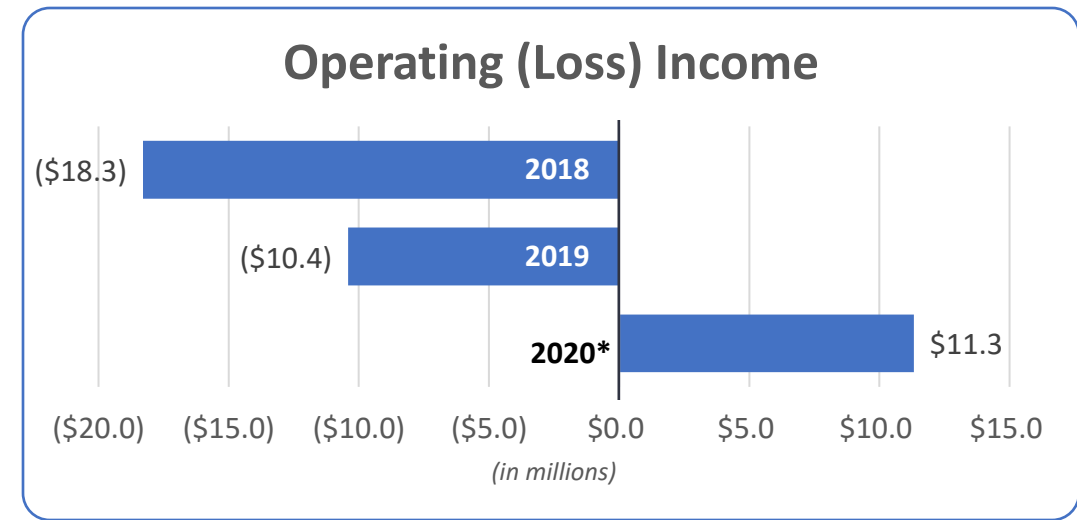
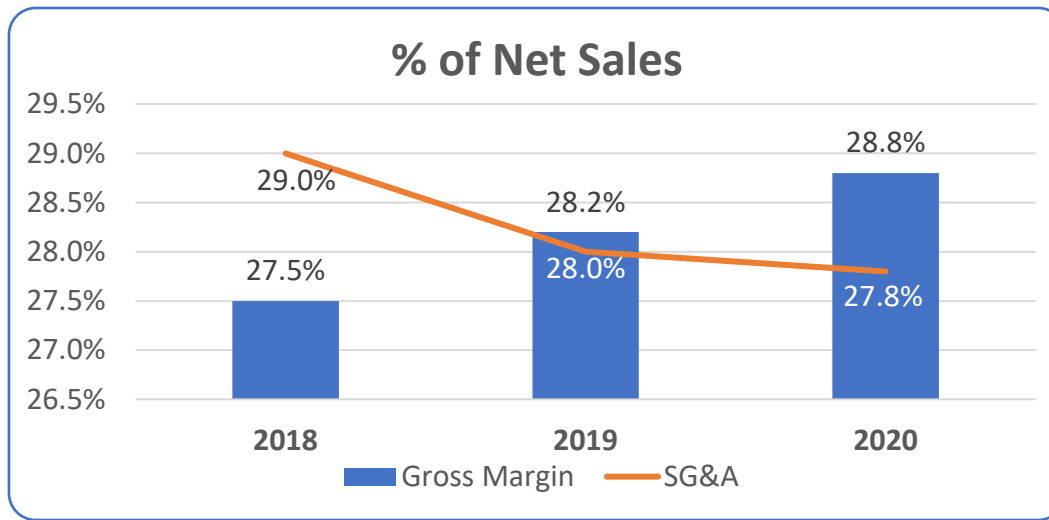
# Transformation Accomplishments Since 2017

Area	Accomplishment
Quality / Regulatory	Developed a culture of quality in all regions
Management	Diversified and refreshed Board of Directors with 50% less than 5-year tenure Hired CIO to drive modernization of IT systems and implementation of global ERP system Enhanced North American and EMEA leadership team
Cost Optimization	Executed footprint rationalization and restructuring activities for cost savings of \$39 million from 2017 to year-end 2020* Executed supply chain actions to mitigate substantial portion of U.S. tariffs
Product Portfolio	Continue to introduce innovative new products which offer compelling clinical value Strategically exited low-margin products, which right-sized revenues to significantly reduced operating loss Divested non-core business units and redeployed proceeds into growing the business
Financial Performance	Adjusted EBITDA and Free Cash Flow significantly improved

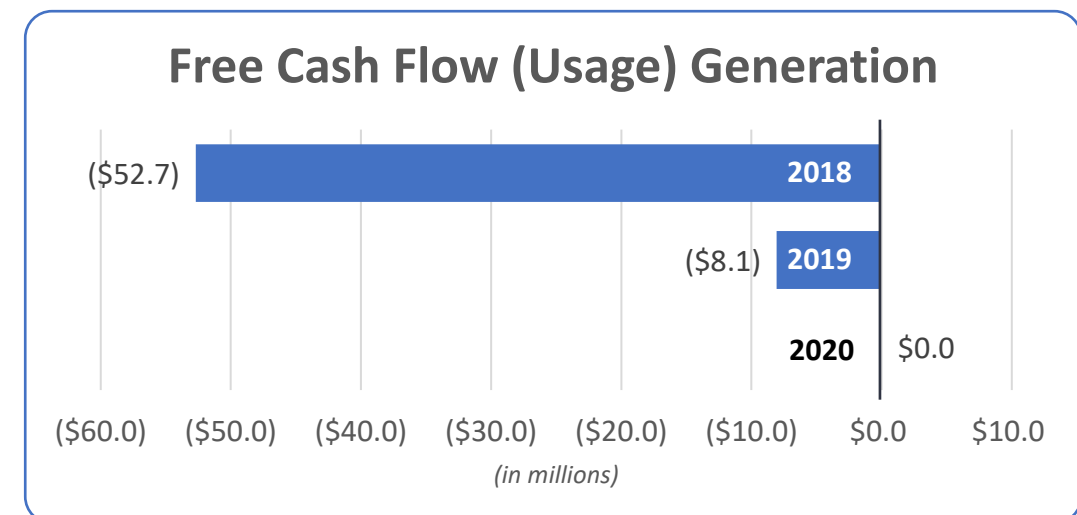
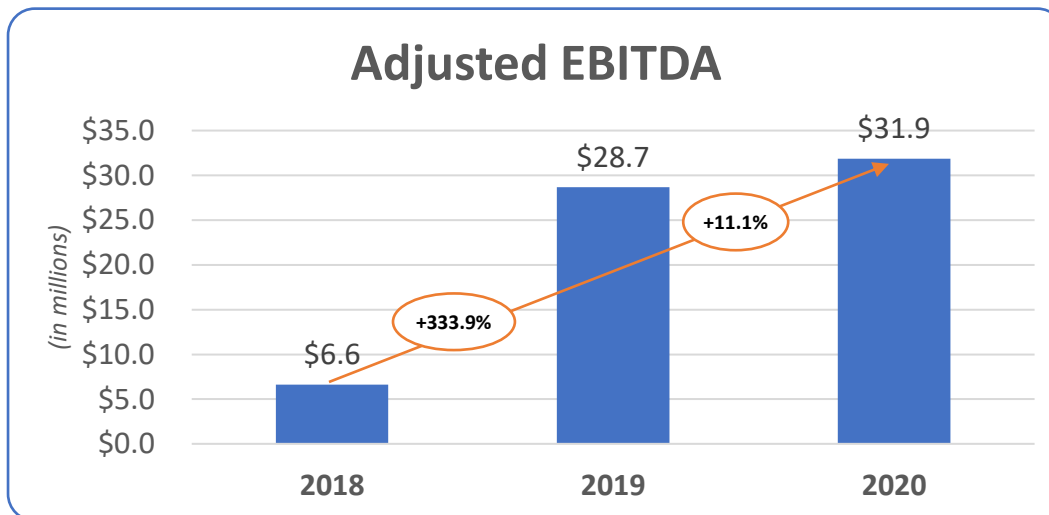
**Successfully executed multiple transformative actions to reshape the business with more to come**

*\* \$39 million cost savings does not include expected cost savings from Germany plant consolidation completed in December 2020*

# Demonstrated Improvement in Financial Performance



\* Includes \$9.8 million gain on divestiture of Dynamic Controls



# Initiatives Accelerating Our Transformation



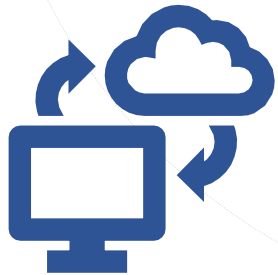
## Award winning clinical solutions and full product pipeline:

- ✓ Launched center-wheel and front-wheel drive standing positioning system with clinical and social benefits of vertical positioning, including pediatric standing system
- ✓ First wirelessly remote-controlled portable oxygen concentrator
- ✓ First with hydroforming technology that allows production of manual wheelchairs with significantly higher performance without increased weight
- ✓ Invacare Ampla Action bariatric wheelchair – winner of the Red Dot Award: Product Design 2019, Platinum A'Design Award, and German Design Award 2020



## Operational improvements to expand margins and accelerate profitability:

- ✓ Benefit of expanded gross profit from plant consolidations to France from Switzerland to Sweden
- ✓ Completed plant consolidation of German facilities
- ✓ Achieved significant improvement in material and freight costs through proactive supply chain actions



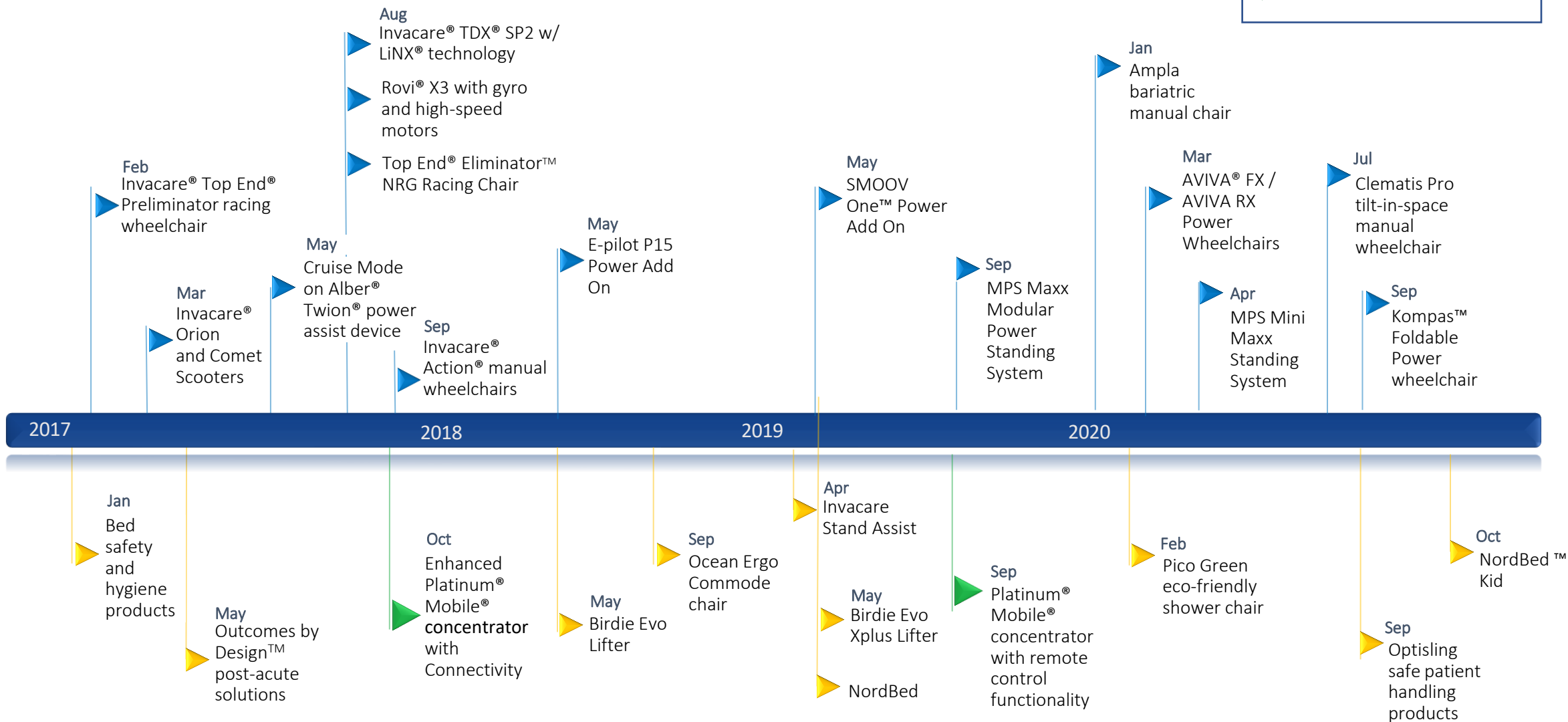
## Partnership with Birlasoft Solutions to modernize business with flexible IT systems to:

- ✓ Drive operational efficiencies
- ✓ Improve our customers' experience
- ✓ Generate substantial cost savings over time

# Innovation Pipeline

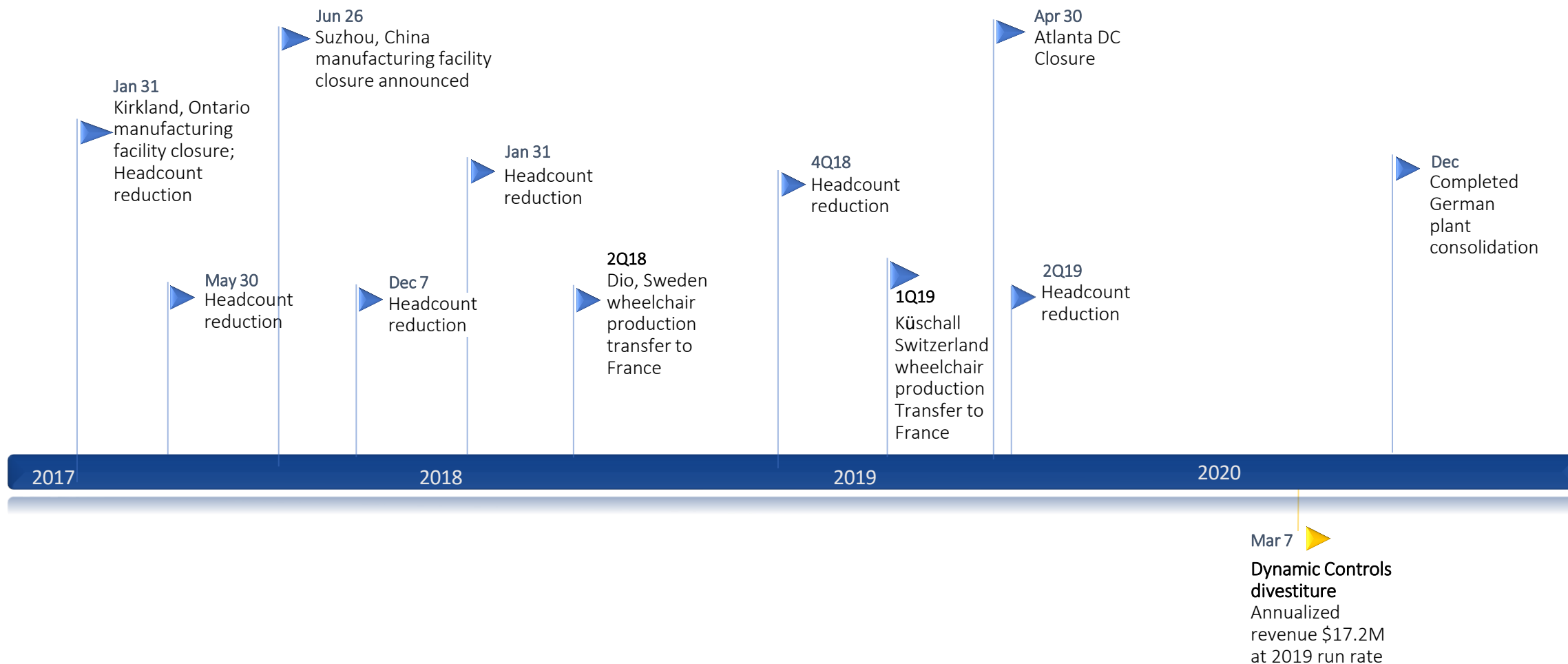
Supporting sales growth with frequent introduction of clinically innovative solutions

- ▶ Rehab (Mobility and Seating)
- ▶ Post Acute Care (Lifestyle)
- ▶ Respiratory



# Track Record of Optimization

Aligning footprint with new commercial strategy and sales level



**\$39 million in cost optimization actions executed from 2017 to year-end 2020\***

*\* \$39 million cost savings does not include expected cost savings from Germany plant consolidation in December 2020*



# Business Improvement Highlights





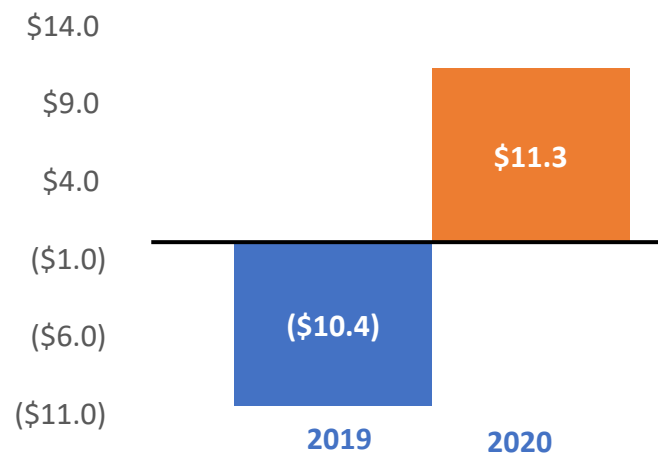
## Financial Performance

## 2020 Financial Highlights\*

### Operating Income

↑ \$21.7 million driven by:

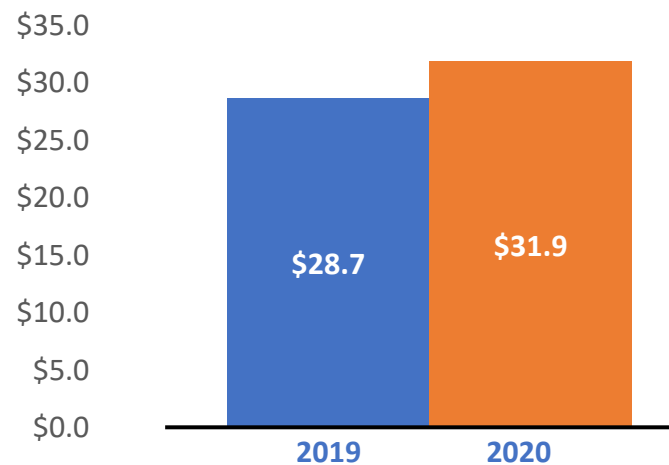
- Lower SG&A and restructuring expenses
- Gain from divestiture
- Offset by decreased gross profit dollars on lower sales



### Adjusted EBITDA

↑ \$3.2 million driven by:

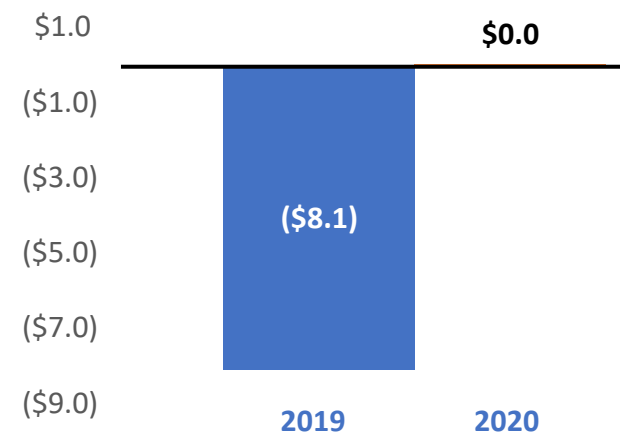
- Lower SG&A expenses
- Partially offset by decreased gross profit dollars on lower net sales



### Free Cash Flow

↑ \$8.1 million driven by:

- Higher operating income
- Reduced working capital

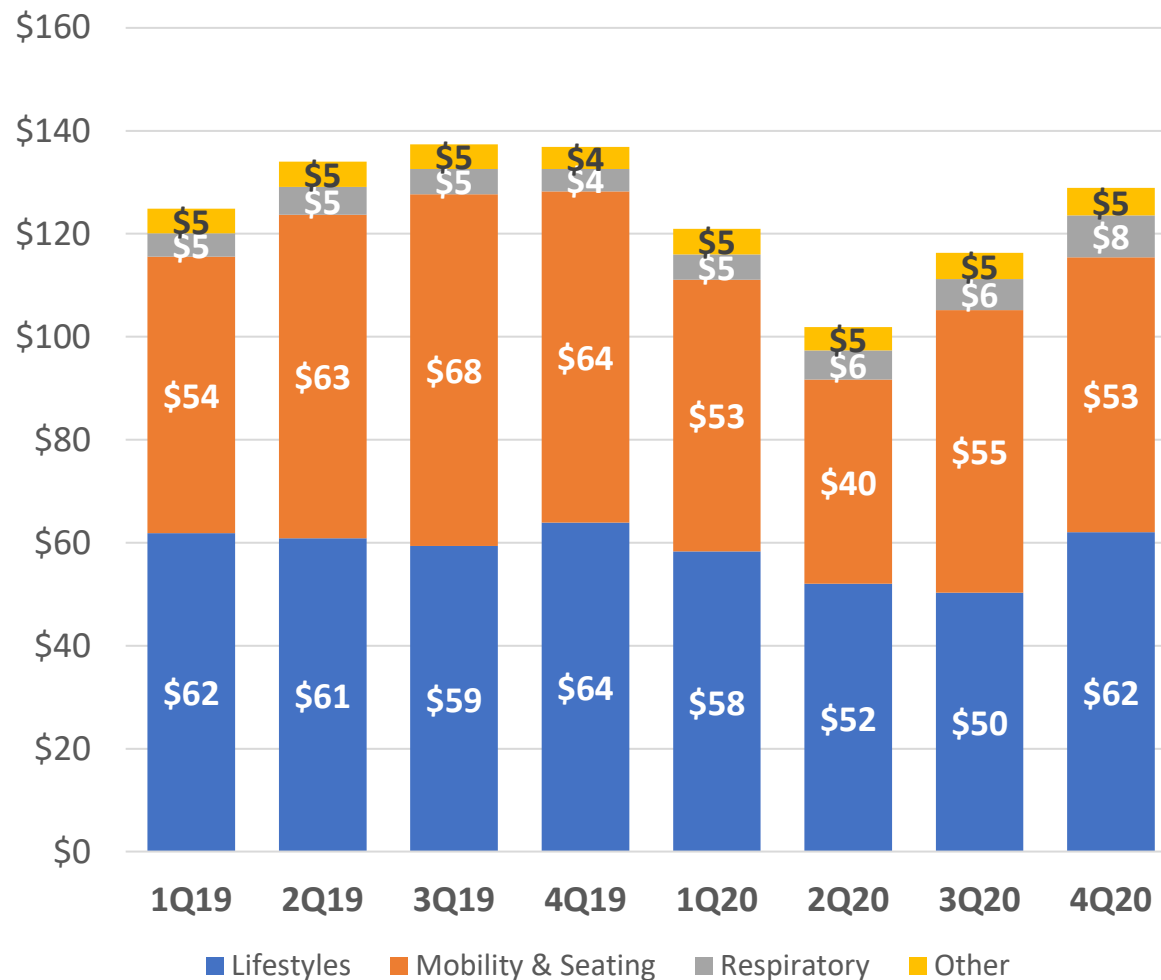


Significant improvement in key metrics despite the pandemic

\* For a description of non-GAAP measures and a reconciliation of GAAP to non-GAAP measures, see Appendix

## Reported Net Sales

(in millions)

PERFORMANCE BY  
SEGMENT –  
EuropeSegment Highlights

55% of total reported net sales on a TTM basis as of 12/31/20

Grow profitable sales from introduction of new products in all categories

Gross profit expansion from plant consolidations in France and Germany

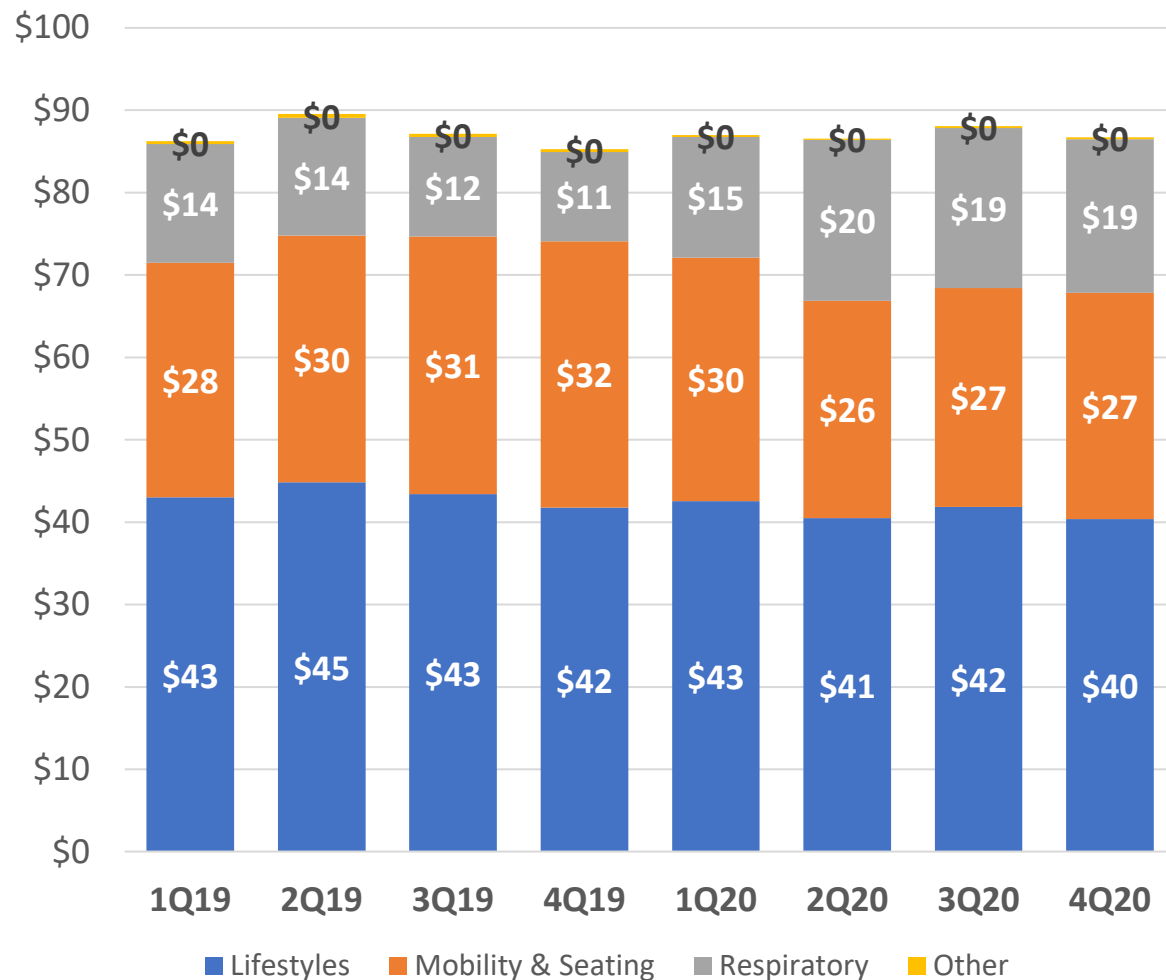
Leverage supply chain capabilities and reduce the cost and complexity of the legal entity structure

Realized benefits of cost reduction actions executed mid-2019

2020 financial performance significantly impacted by the pandemic with limited access to end users primarily impacting mobility and seating revenues

## Reported Net Sales

(in millions)

PERFORMANCE BY  
SEGMENT – North  
AmericaSegment Highlights

41% of total reported net sales on a TTM basis as of 12/31/20 and segment returns to profitability

Continue to improve market share in Mobility & Seating driven by new product introductions and improved commercial effectiveness

Respiratory sales and margins improving with favorable mix and higher demand due to COVID-19

Gross profit expansion including leveraging supply chain capabilities and portfolio rationalization

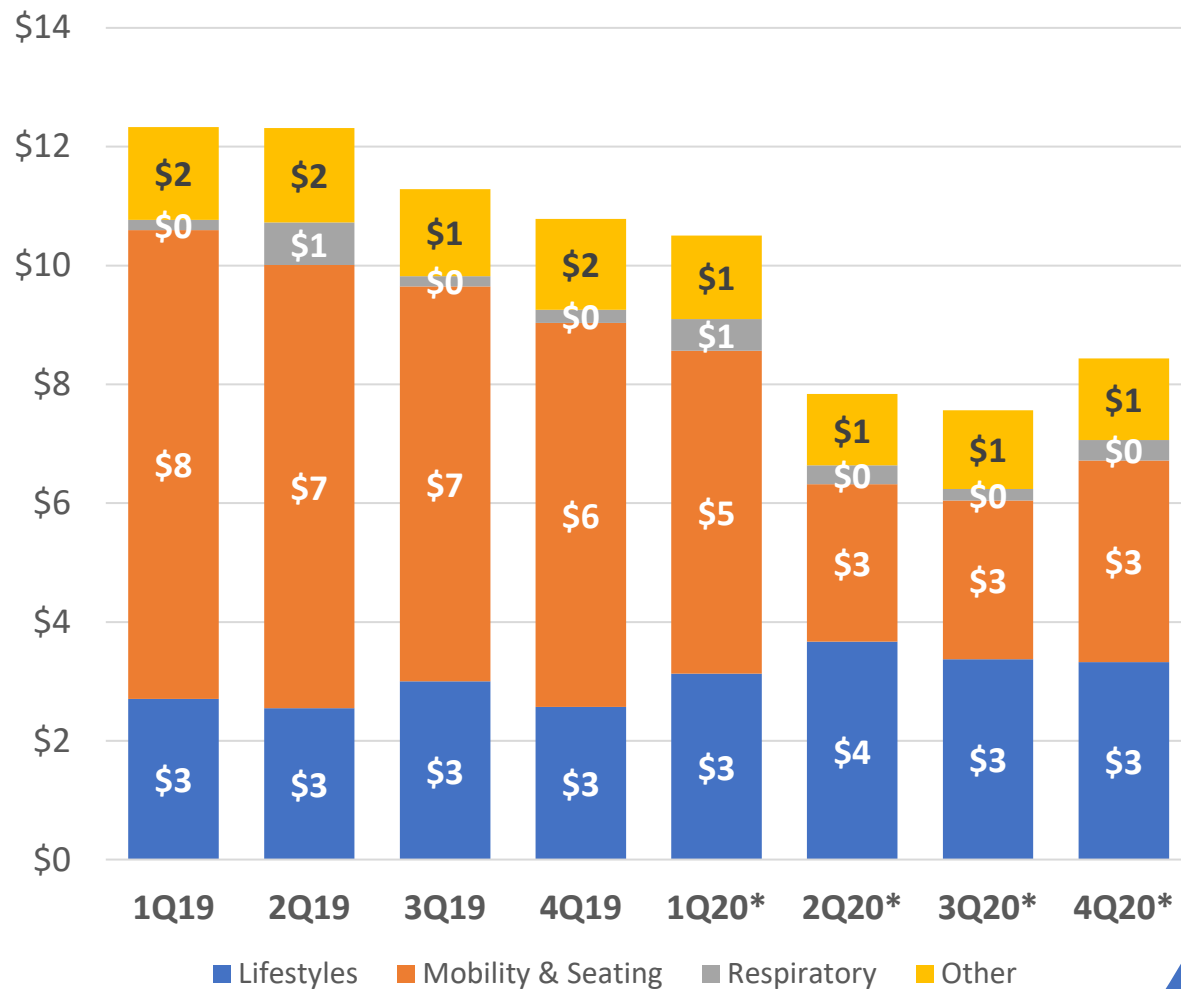
SG&A leverage including benefit of cost reductions

Continue to invest in systems to accelerate growth in e-commerce and cost savings from improved operating efficiencies



## Reported Net Sales

(in millions)



\* Excludes sales from Dynamic Controls as of March 7, 2020

PERFORMANCE BY  
SEGMENT – All Other  
(Asia Pacific)Segment Highlights

4% of total reported net sales on a TTM basis as of 12/31/20

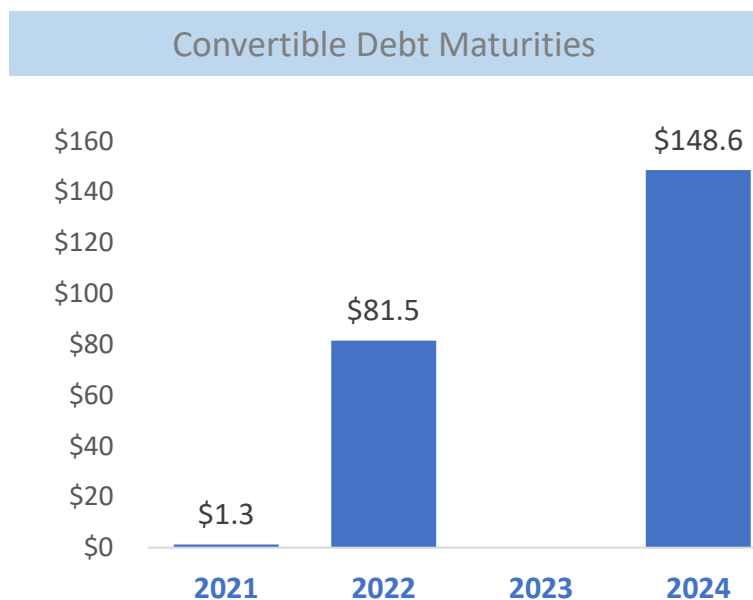
Historically, this segment included the Asia Pacific distribution businesses based in Australia, New Zealand and Thailand, and Dynamic Controls, a designer and manufacturer of control systems for power mobility products.

Effective 1Q20, the Company sold its Dynamic Controls business which represented revenues of \$17.2M for the full year 2019 (included in Mobility & Seating)

# Balance Sheet Supports Strategic Growth Plans

## As of December 31, 2020

Total debt\* of \$273 million including Convertible debt of \$231 million and ABL borrowing of \$31.5 million

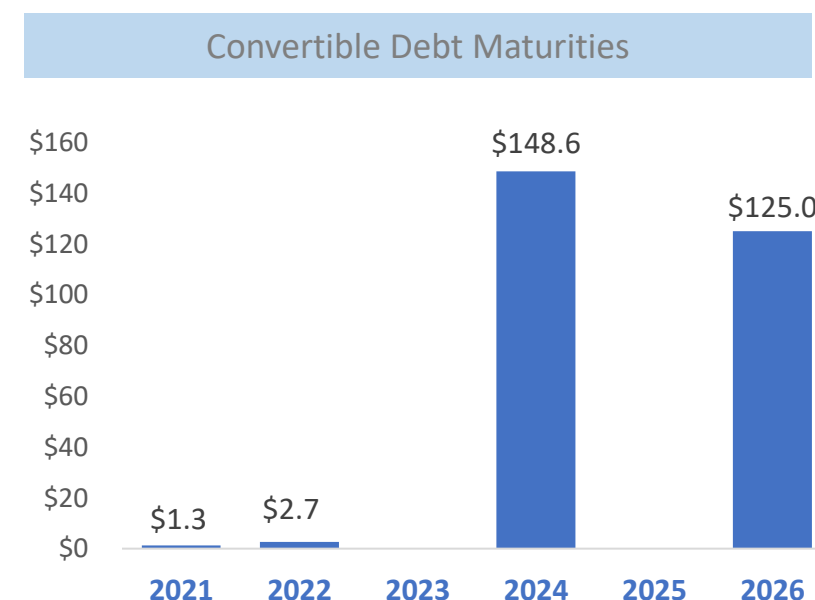


\$125 million convertible debt issuance and simultaneous repurchase of 2022 notes



## Proforma Debt \*\*

Total debt\* of \$319 million including Convertible debt of \$276 million and ABL borrowing of \$31.5 million



\* Excludes \$81.6 million in financing and operating lease obligations as of 12/31/20

\*\* Proforma debt adjusted only for the issuance of \$125.0 million of 2026 convertible notes and the simultaneous repurchase of 2022 notes

# Financial and Operating Assumptions

## Revenue



- ❑ Europe expected to recover more slowly than the U.S. due to more stringent public healthcare restrictions related to the pandemic
- ❑ Mobility & seating impacted by limited access to healthcare facilities, expected to begin recovery with the resumption of elective care
- ❑ Elevated demand for respiratory products related to the pandemic
- ❑ Supply chain disruptions hampering revenue in the short-term but anticipated to be timing for the year

## Expenses & Margins



- ❑ Gross margins expected to be impacted as product mix returns to more normalized levels
- ❑ Inefficiencies associated with supply chain disruptions anticipated to negatively impact gross margins in the short-term
- ❑ Operational and cost management actions implemented to mitigate margin dilution:
  - ✓ Limiting the number of product models being sold to improve manufacturing efficiency
  - ✓ Reducing discretionary spending

## Balance Sheet & Cash

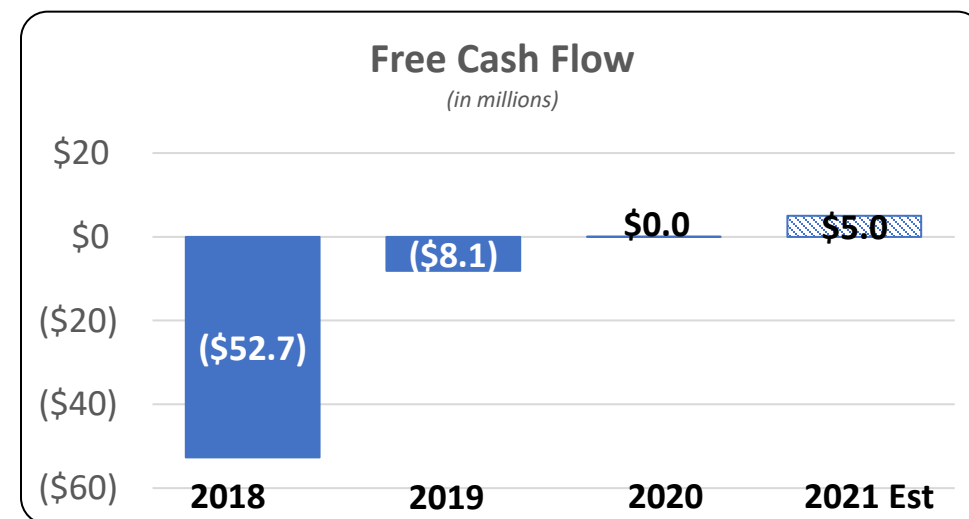
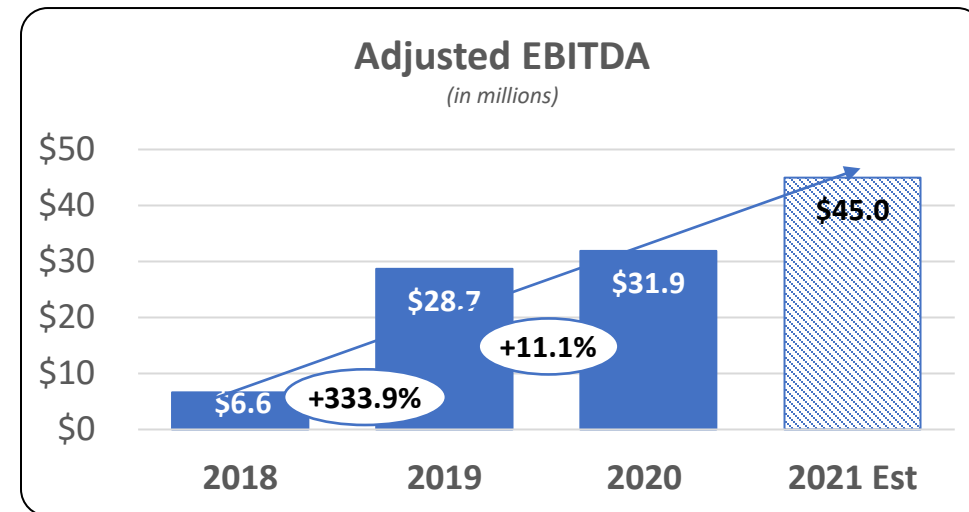


- ❑ Retired the remaining convertible debt maturing in 2021
- ❑ Extended a significant portion of convertible debt maturing in 2022 to 2026
- ❑ Accessed government-based loans and other programs which bolster short-term liquidity, including loans and temporary delays of direct and indirect tax payments

# Full Year 2021 Guidance

Based on expectations of continued progress of the company's performance, increased visibility into the path of recovery for its customers, expected improvements to healthcare access, improvements to global pandemic-related supply chain disruptions, and pent-up demand from the prior year, the company expects operating results for the full year 2021 consisting of:

- ❑ Constant currency net sales growth in the range of 4% to 7%;
- ❑ Adjusted EBITDA improvement of 41%, to \$45 million; and,
- ❑ Free cash flow of \$5 million.





## Our Products



# Mobility & Seating – Custom Power and Manual



## MPS Maxx Modular Power Standing System and Mini Maxx

- Innovative center-wheel drive powerchair with clinical and social benefits of vertical positioning
- Fits fully within Group 3 reimbursement in the U.S.



## AVIVA® FX (U.S.) and AVIVA RX (Europe)

- Advanced seating and positioning systems
- Unique suspension systems resulting in a smooth stable ride
- Standing capabilities on FWD platform



## Kuschall® Custom Manual

- Unique hydroforming technology resulting in a stiffer frame without added weight

# Mobility & Seating – Electromotive Power Add-On Technology

Applying power add-on technology to new products, including recreational mobility devices and extension apps

 **neodrives**  
E-Bike Drive Systems



- Dynamic market growth
- Superior driving performance (silent, dynamic, highly efficient state-of-the art hub motor technology)
- *Note: Invacare sells the motor, not the complete e-bike*

**E-PILOT**  
Power Handbike



- First power handbike with fully integrated Lithium-Ion battery
- Easy and fast coupling workflow
- Integration of neodrives drive system
- 12.4 mph top speed
- Connectivity app

**E-MOTION®**  
Power Assist



- Electric motors equipped with leading-edge digital electronics provide consumer with extra power for every propelling movement
- Assists with speed up to 5.3 mph and has a range of up to 15.5 miles
- Lightweight and quiet
- Option of Smartphone connectivity with Bluetooth interface

**SMOOV**  
Power Assist



- Easy mounting to manual wheelchairs
- Small, lightweight, easy to travel with
- 6.2 mph top speed, range of 12.4 miles and supports body weight up to 309 lbs.
- Ergonomic user interface
- Connectivity app

Learn more about these products at: <https://alber-usa.com>

# Mobility & Seating – Sports and Recreation



Daniel Romanchuk, in a Top End<sup>®</sup>  
Eliminator<sup>™</sup> NRG Racing  
Wheelchair

Winner (Push rim division):

2018, 2019 New York Marathon

2018, 2019 Chicago Marathon

2019 World Para Athletics world  
record (5000 meters)

2019 London Marathon

2019 Boston Marathon

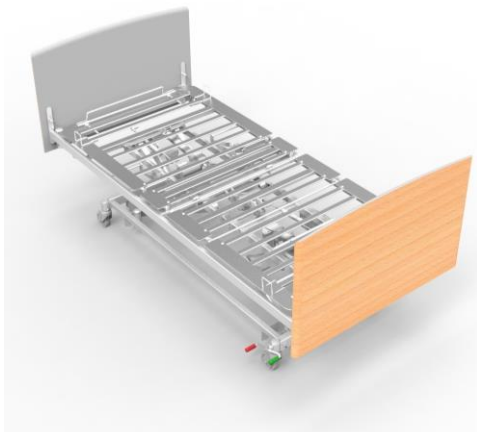


Learn more about Top End at: <https://topendwheelchair.invacare.com/>



# Lifestyles – Beds and Safe Patient Handling

For home healthcare and long-term care settings



## Nordbed

Single handed care and healthy working environment

### ErgoMove technology

Brings the patient to a comfortable active sitting position  
Reduces shear and pressure distribution optimized

### Up-and-Out

Ensures a safe height and mattress platform  
position for transferring into and out of bed

### Transport Kit

Compact, ergonomic and easy

### Weight

Less than 20 Kg per piece  
For easy disassembling

## ISA

Invacare Stand Assist



### Adjustable Lifting Arm

Adjustable depth for 150-195cm body height

### Ergonomic Leg Support

Easy one hand adjustment  
Swivel of leg support

## Birdie<sup>EVO XPLUS</sup>

The mobile floor lifter range.  
Designed with clients and carers in mind.

### New features

SMARTLOCK™ - Simplify and secure the locking  
New Hook design - Attach slings easily

Slow'R™ - Reduce the rocking

### Easy handling

Electrical or mechanical leg spread  
2 or 4 point spreader bar  
Foldable option



# Respiratory – Ambulatory Solutions\*

## HomeFill® Refilling Systems



### Benefits for Patients

- ☐ Unlimited refillable oxygen supply
- ☐ Easy to use and reliable
- ☐ Quiet, no heat, no vibrating\*\*

### Benefits for Providers

- ☐ Longer durability; requires little to no maintenance, fewer unplanned calls
- ☐ No battery or sieve bed replacements\*\*\*
- ☐ Continuous flow & pulse dose capable
- ☐ Lower total cost of ownership

**Industry's #1 durable, reliable, low total cost of ownership, preferred ambulatory product\*\*\*\***

\* Includes refilling devices, portable, transportable & stationary oxygen concentrators, oxygen cylinders & liquid oxygen

\*\* HomeFill cylinder while in use

\*\*\* Other than stationary concentrator requirements

\*\*\*\* Results based on Invacare's customer feedback of 125 respondents nationwide in an April 2019 survey



## Premium Platinum™ Mobile Features

- ☐ First truly hands free POC with app-enabled remote flow control
  - Enables flow control from up to 25ft from device, shows battery time remaining in hrs. and mins, comprehensive information hub for patient
  - Provider portal helps drive lower total cost of ownership
  - Integrated system drives value for both provider and patient
- ☐ Easy battery management system
  - Top-load feature: never remove bag to insert batteries
  - Hot-swap capable: never interrupt O2 supply to swap batteries















## Appendix

# Highly Engaged and Diversified Board of Directors

Governance, insight and strong industry experience to guide Invacare and represent shareholders' interests

	<b>C. Martin Harris, M.D. (Lead Director)</b>	<b>Susan H. Alexander</b>	<b>Julie A. Beck</b>	<b>Petra Danielsohn-Weil, Ph.D.</b>	<b>Stephanie L. Fehr</b>	<b>Diana S. Ferguson</b>	<b>Marc M. Gibeley</b>	<b>Matthew E. Monaghan</b>	<b>Clifford D. Nastas</b>	<b>Baiju R. Shah</b>
										
	Associate VP, Health Enterprise & Chief Business Officer, Dell Medical School at U. of Texas	Executive VP, Chief Legal Officer and Secretary, Biogen	CFO, NOVA Chemicals Corporation	Retired, former Regional President, Pfizer Essential Health - Europe	Executive VP and Chief Human Capital Officer, United Healthcare	Principal and Founder, Scarlett Investments LLC	CEO, Nutritional Medicinals, LLC	Chairman, President and CEO, Invacare Corporation	CEO & President, Tempel Steel	President, & CEO, Greater Cleveland Partnership
<b>CEO Experience</b>							X	X	X	X
<b>Healthcare</b>	X	X		X	X		X	X		X
<b>International</b>		X	X	X	X			X	X	
<b>Financial Turnaround</b>			X					X	X	
<b>0-5 year tenure*</b>		X	X	X	X	X				
<b>Diversity</b> (gender, racial, ethnic)	X	X	X	X	X	X				X
<b>Independent</b>	X	X	X	X	X	X	X		X	X

\* As of 4/12/21

# Experienced Management Team

Motivated team with years of international and healthcare industry experience

## Executive Management

### **Matt Monaghan**

*Chairman, President and Chief Executive Officer*

Tenure: 6 years

Experience: Healthcare, business turnaround, engineering, finance, private equity

### **Kathy Leneghan**

*SVP & Chief Financial Officer*

Tenure: 30 years

Experience: International finance, public audit

## Executive Management

### **Anthony LaPlaca**

*SVP, General Counsel, Chief Administrative Officer & Secretary*

Tenure: 12 years

Experience: Legal, risk management, corporate governance, intellectual property, human resources, corporate communications, national law firm

### **Angela Goodwin**

*Chief Information Technology Officer*

Tenure: 2 years

Experience: Global IT and ERP implementation

## Business Leaders

### **Ralf Ledda**

*SVP & GM, Europe*

Tenure: 23 years

Experience: Industrial engineering, electromotive technology, lean production system, medical device commercialization

### **Joost Beltman**

*SVP & GM, North America*

Tenure: 12 years

Experience: Sales, marketing, commercial leadership, customer service, post-merger integration, supply chain

### **Geoff Purtill**

*VP & GM, Asia Pacific*

Tenure: 9 years

Experience: Sales, marketing, customer service, supply chain, medical device commercialization

# Convertible Debt Summary

Terms	2022	2024 Series I	2024 Series II	2026	Total
Par Value <i>(as of April 9, 2021)</i>	\$2.7M	\$72.9M	\$73.9M	\$125.0M	\$274.4M
Maturity date	Jun 1, 2022	Nov 15, 2024	Nov 15, 2024	Mar 15, 2026	--
Interest rate	4.50%	5.00%	5.00%	4.25%	4.65%
Conversion price	\$16.23	\$14.78	\$14.78	\$10.57	--
Soft call price	--	\$19.21	\$19.21	\$13.74	--
Contingent conversion price *	\$21.10	--	--	\$16.58	--
Warrant strike price	\$21.44	--	--	--	--
Maximum debt accretion**	--	--	\$16.6M	--	\$16.6M
Convertible debt quote at 4/9/21	94.4	97.8	100.0	102.6	--
Potential share dilution (in millions)***:					
IVC stock at \$10	0.00	0.00	0.00	0.00	0.00
IVC stock at \$15	0.00	0.07	0.07	0.00	0.14
IVC stock at \$20	0.00	1.29	1.31	2.02	4.62

\*Price at which share dilution can occur

\*\* The additional accretion is only payable in cash by Invacare if bond holders do not convert at or prior to the maturity date

\*\*\* Based on 34.4 million shares outstanding as of 12/31/20 and assuming net share settlement

# Reconciliation of Non-GAAP Performance Metrics to GAAP Financial Measures

<i>(Dollars in millions)</i>	4Q19	FY19	3Q20	4Q20	FY20
Net Loss	(18.7)	(53.3)	(7.3)	(5.1)	(28.3)
Income Taxes	2.0	9.3	2.1	(1.1)	3.8
Loss Before Taxes	(16.7)	(44.0)	(5.2)	(6.2)	(24.4)
Interest Expense*	12.9	35.2	8.2	7.4	35.9
Interest Income	(0.1)	(0.4)	(0.0)	(0.0)	(0.1)
Net Gain on Convertible Debt Derivatives	-	(1.2)	-	-	-
Operating Income (Loss)	(3.8)	(10.4)	2.9	1.2	11.3
Operating Income (Loss)	(3.8)	(10.4)	2.9	1.2	11.3
Depreciation and Amortization**	4.4	16.2	3.7	4.0	14.3
Gain on Sale of Business	-	-	-	-	(9.8)
EBITDA	0.5	5.7	6.6	5.1	15.9
Restructuring Charges	8.2	11.8	1.6	2.7	7.4
Stock Compensation	5.2	11.1	1.6	1.7	8.6
Adjusted EBITDA	13.9	28.7	9.8	9.5	31.9
Net Cash Provided by Operating Activities	7.5	2.7	4.1	21.1	21.9
Plus: Sales of PPE, including advances	-	(0.1)	(0.0)	-	0.4
Less: Purchases of Property and Equipment	(3.7)	(10.9)	(5.9)	(5.5)	(22.3)
Free Cash Flow	3.8	(8.1)	(1.8)	15.6	0.0
Reported Net Sales % Change	-4.8%	-4.6%	-10.1%	-3.8%	-8.3%
Less: Foreign Exchange Impact	-2.7%	-3.7%	1.5%	3.6%	0.4%
Less: Impact of Divested Entities	0.0%	0.0%	-1.6%	-1.7%	-1.5%
Constant Currency Sales % Change	-2.1%	-0.9%	-10.0%	-5.7%	-7.2%
Reported SG&A % Change	-5.8%	-7.7%	-12.6%	-2.1%	-9.1%
Less: Foreign Exchange Impact	-1.7%	-2.5%	1.5%	3.4%	0.8%
Less: Impact of Divested Entities	0.0%	0.0%	-1.6%	-1.6%	-1.3%
Constant Currency SG&A % Change	-4.1%	-5.2%	-12.5%	-3.9%	-8.6%

\* Includes loss on debt extinguishment including financing charges & fees

\*\* 2019 includes asset write-off related to intangible assets

## Non-GAAP Financial Measures

Some of the information in this presentation is derived from the company's consolidated financial data but not presented in its financial statements prepared in accordance with U.S. generally accepted accounting principles (GAAP). Certain of these data points are considered "non-GAAP financial measures" under Securities and Exchange Commission rules. These non-GAAP financial measures supplement the company's GAAP disclosures and should not be considered an alternative to the GAAP measure. The reconciliations to their most directly comparable GAAP financial measures are included in the company's Form 10-K filing for fiscal year 2020, the accompanying tables, and the fourth quarter 2020 earnings release. The company uses non-GAAP financial measures including the following:

- ❑ "Adjusted EBITDA" – EBITDA plus stock compensation and charges related to restructuring activities.
- ❑ "Constant currency net sales" – net sales excluding the impact of foreign currency translation and divestiture.
- ❑ "Constant currency sequential net sales" – a given quarter's net sales compared to the most recent prior quarter's net sales with each quarter's net sales translated using the prior quarter's foreign exchange rates.
- ❑ "Constant currency SG&A" – SG&A excluding the impact of foreign currency translation and divestiture.
- ❑ "Constant currency sequential SG&A" – a given quarter's SG&A expense compared to the most recent prior quarter's SG&A expense with each quarter's SG&A expense translated using the prior quarter's foreign exchange rates.
- ❑ "EBITDA" – net earnings (loss) from continuing operations plus: income taxes, interest expense-net, net gain or loss on debt extinguishment including debt financing charges and fees, net gain or loss on convertible debt derivatives, gain/loss on sale of business, asset write-downs related to intangible assets, and depreciation and amortization.
- ❑ "Free cash flow" – net cash provided (used) by operating activities less purchases of property and equipment plus proceeds, including the advances from sales of property and equipment.