2Q19 Earnings Conference

August 21, 2019

Alcon

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Legal Disclaimers

Forward-Looking Statements

This document contains "forward-looking statements" within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as: "anticipate," "intend," "commitment," "look forward," "maintain," "plan," "goal," "seek," "believe," "project," "estimate," "expect," "strategy," "future," "likely," "may," "should," "will" and similar references to future periods. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on Alcon's current beliefs, expectations and assumptions regarding the future of its business, future plans and strategies, and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties and risks that are difficult to predict. Such forward-looking statements are subject to various risks and uncertainties facing Alcon, including: the commercial success of its products and its ability to maintain and strengthen its position in its markets; the success of its research and development efforts; uncertainties regarding the success of Alcon's separation and spin-off from Novartis; pricing pressure from changes in third party payor coverage and reimbursement methodologies; global economic, financial, legal, tax, political, and social change; ongoing industry consolidation; its ability to maintain relationships in the healthcare industry; changes in inventory levels or buying patterns of its customers; its reliance on sole or limited sources of supply; its reliance on outsourcing key business functions; its ability to protect its intellectual property; the impact on unauthorized importation of its products from countries with lower prices to countries with higher prices; its success in completing and integrating strategic acquisitions; the effects of litigation, including product liability lawsuits; its ability to comply with all laws to which it may be subject; effect of product recalls or voluntary market withdrawals, including CyPass; data breaches; the implementation of its enterprise resource planning system; its ability to attract and retain qualified personnel; the sufficiency of its insurance coverage; the accuracy of its accounting estimates and assumptions, including pension plan obligations and the carrying value of intangible assets; the ability to obtain regulatory clearance and approval of its products as well as compliance with any post-approval obligations; legislative and regulatory reform; the ability of Alcon Pharmaceuticals Ltd. to comply with its investment tax incentive agreement with the Swiss State Secretariat for Economic Affairs in Switzerland and the Canton of Fribourg, Switzerland; ability to service its debt obligations; the need for additional financing; its ability to operate as a stand-alone company; whether the transitional services Novartis has agreed to provide Alcon are sufficient; the impact of the spin-off from Novartis on Alcon's shareholder base; the ability to declare and pay dividends; and the effect of maintaining or losing its foreign private issuer status under U.S. securities laws. Additional factors are discussed in Alcon's filings with the United States Securities and Exchange Commission, including its Form 20-F. Should one or more of these uncertainties or risks materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated. Therefore, you should not rely on any of these forward-looking statements. Forward-looking statements speak only as of the date of its filing, and Alcon assumes no obligation to update forward-looking statements as a result of new information, future events or otherwise.

Intellectual property

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Non-IFRS measures

Alcon uses certain non-IFRS metrics when measuring performance, including when measuring current period results against prior periods, including core results, percentage changes measured in constant currencies, and free cash flow. Because of their non-standardized definitions, the non-IFRS measures (unlike IFRS measures) may not be comparable to the calculation of similar measures of other companies. These non-IFRS measures are presented solely to permit investors to more fully understand how Alcon management assesses underlying performance. These non-IFRS measures are not, and should not be viewed as, a substitute for IFRS measures.

Agenda

- Highlights
- 2Q19 financial results
- 2019 guidance

Highlights

Top 3 Priorities 2019

1. Stand up New Alcon

Establishing new corporate functions

Implementing SAP

Separating IT systems

Ensuring supply

2. Drive revenues with key growth platforms

3. Transform culture

Ownership

Accountability

Speed

Simplicity

Customer centricity

Launching new SiHy contact lens in the fast growing daily disposable market

LONGER LASTING PERFORMANCE
UNWAVERING COMFORT
CONVENIENCE

5X more wearers prefer *PRECISION1* than the leading brand

Strengthening our contact lens portfolio to address unique patient needs

SMART VALUE

DAILY AQUA COMFORT PLUS (DACP)

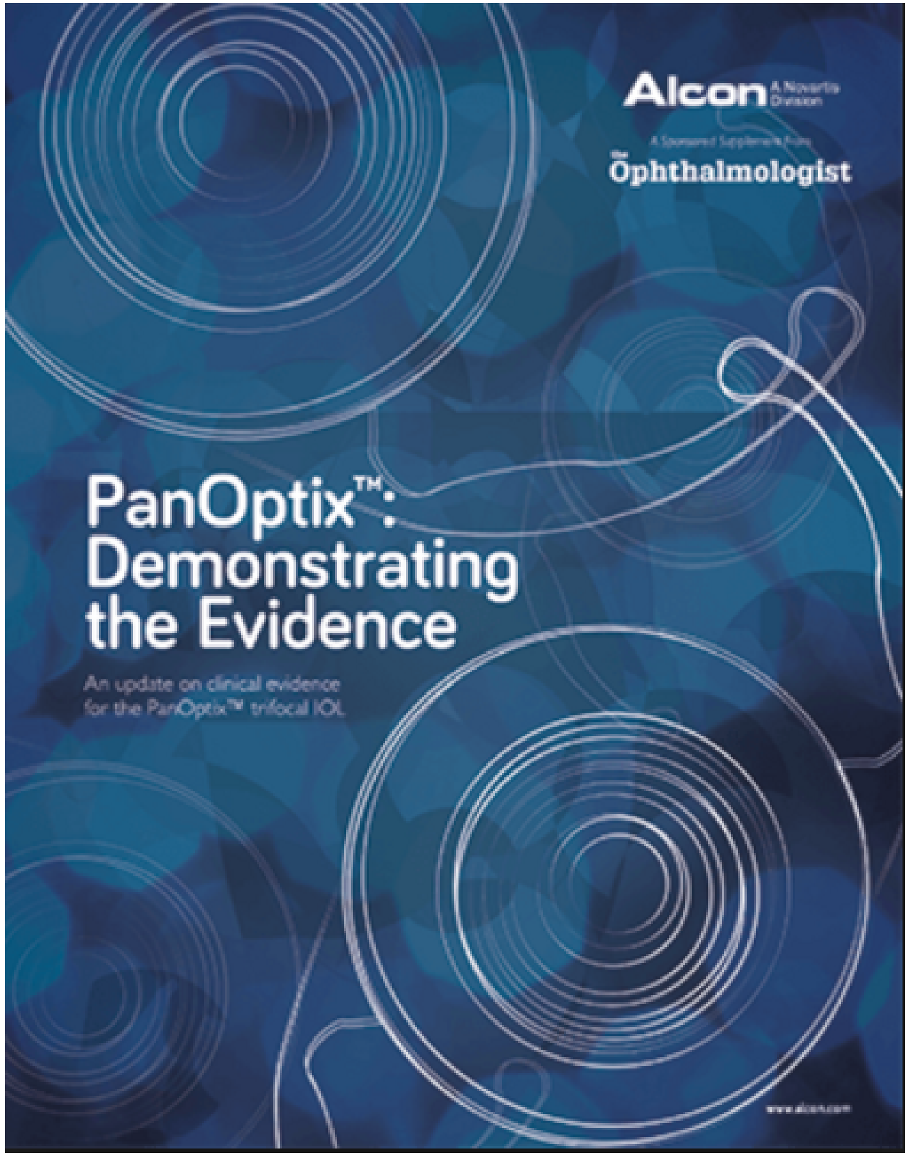
LASTING PERFORMANCE

PRECISION1

ULTIMATE COMFORT

DAILIES TOTAL1

Driving IOL innovation with *PANOPTIX*



Likely to be the first tri-focal in the United States

Pending FDA approval

Spectacle independence for 80%-85% of patients

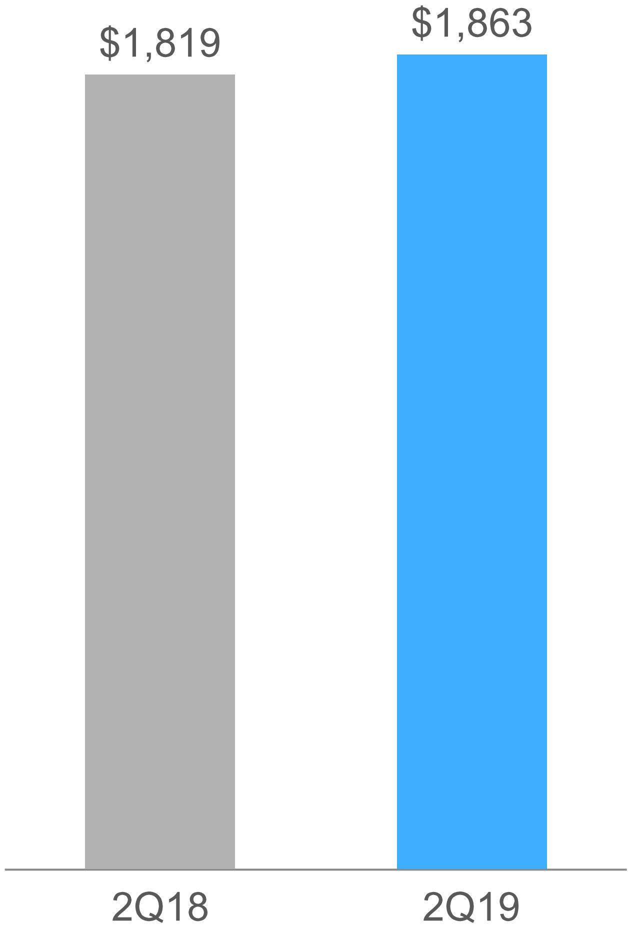
Compared to monofocals (7%-12%)

Sources: Zvornicanin and Zvornicanin, Journal of Current Ophthalmology (2018)

Second quarter and first half 2019 results

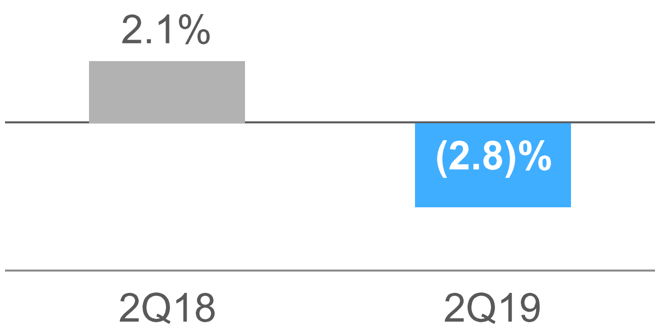
Second Quarter 2019 Results

Worldwide Net Sales

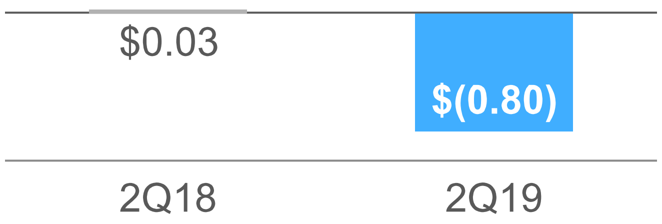


+2%, +5%cc (1)

Operating Margin

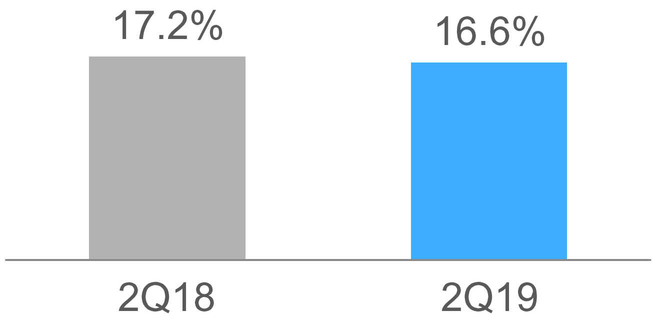


EPS



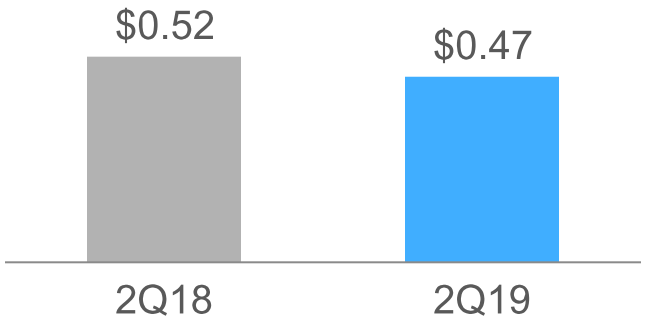
2Q19 includes separation costs, Swiss tax reform impact, interest expense

Core Operating Margin(1)



2Q19 includes -90 bps from foreign currency

Core EPS(1)



2Q19 includes $0.06 of interest expense from debt related to the spin-off

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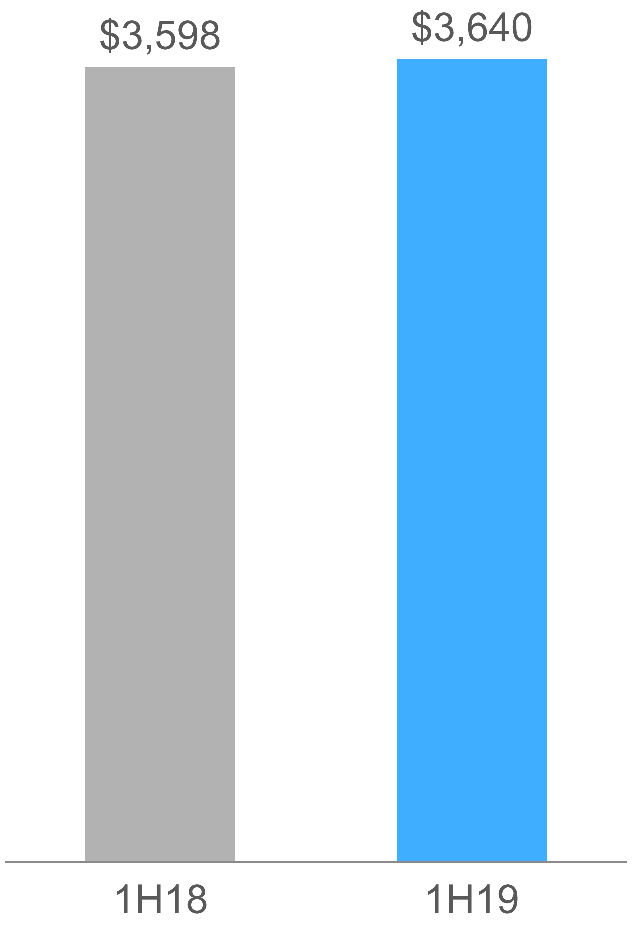
(1) Constant currency sales growth (cc), core operating margin, and core EPS are non-IFRS measures. Growth in constant currency (cc) is calculated by translating the current year's foreign currency items into US dollars using average exchange rates from the prior year and comparing them to prior year values in US dollars. An explanation of non-IFRS measures can be found in the Appendix.

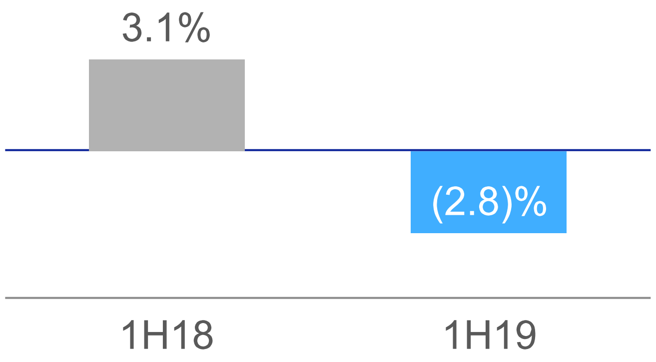
First Half 2019 Results

Worldwide Net Sales

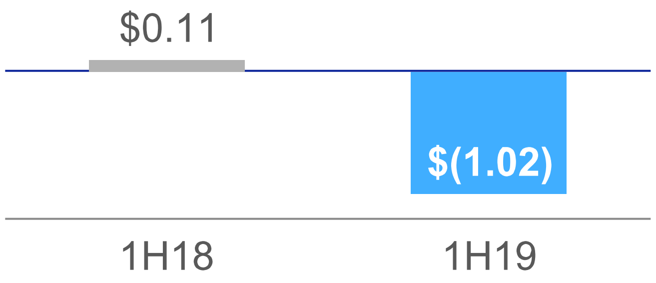


+1% +5%cc (1)

Operating Margin

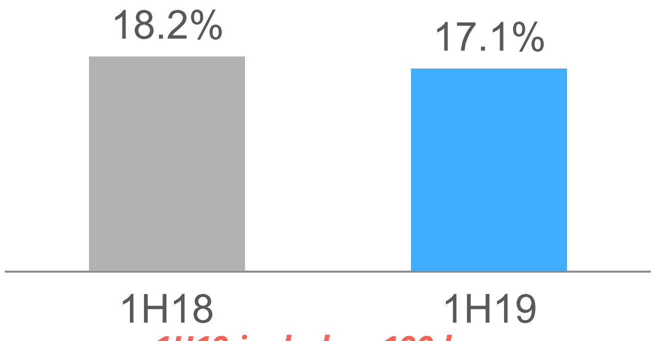


EPS



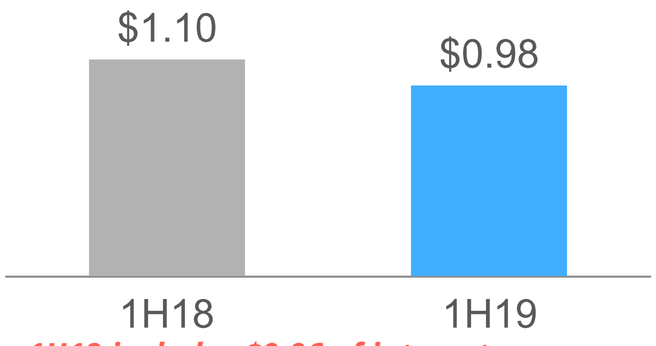
1H19 includes separation costs, spin-readiness, Swiss tax reform impact, interest expense

Core Operating Margin(1)



1H19 includes -100 bps from foreign currency

Core EPS(1)



1H19 includes $0.06 of interest expense, primarily from debt related to spin-off

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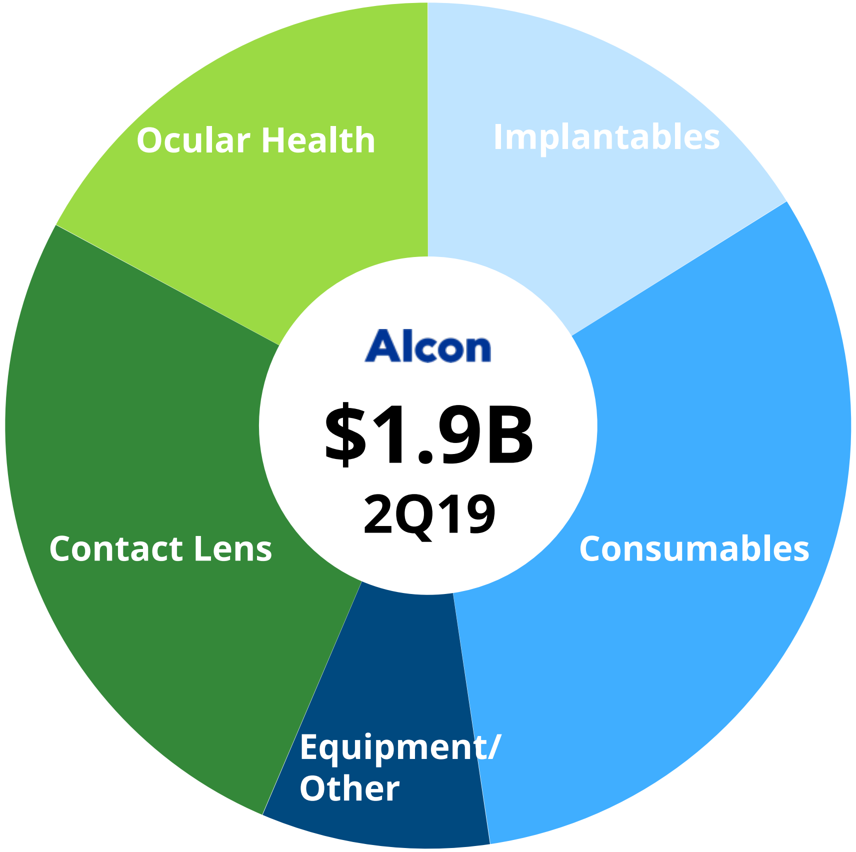
(1) Constant currency sales growth (cc), core operating margin, and core EPS are non-IFRS measures. An explanation of non-IFRS measures can be found in the Appendix.

Mix of Vision Care and Surgical Products

Vision Care $0.8B (45%)

Ocular Health (40%)
- Dry eye products
- Contact lens solution

Contact Lenses (60%)
- Daily lenses
- Reusable lenses
- Cosmetic lenses



Surgical $1.1B (55%)

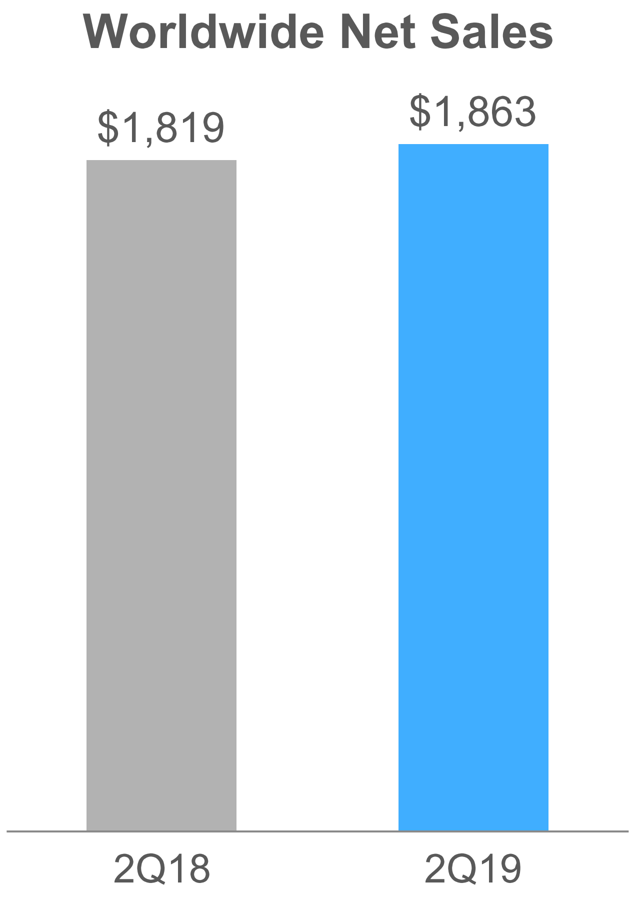
Implantables (30%)
- Monofocal Intra-ocular lenses
- Advanced technology IOLs

Consumables (55%)
- Dedicated consumables
- Custom surgical packs
- Procedural products

Equipment/Other (15%)
- Cataract equipment (Centurion)
- Retinal equipment (Constellation)
- Refractive Lasik equipment
- Diagnostic and visualization
- Equipment service

Numbers are rounded for presentation purposes.

2Q19 net sales at a glance



- **2%** growth; **5%** constant-currency growth(1)
- Mid-single digit growth across all product categories in constant currency(1)
- New innovation driving growth

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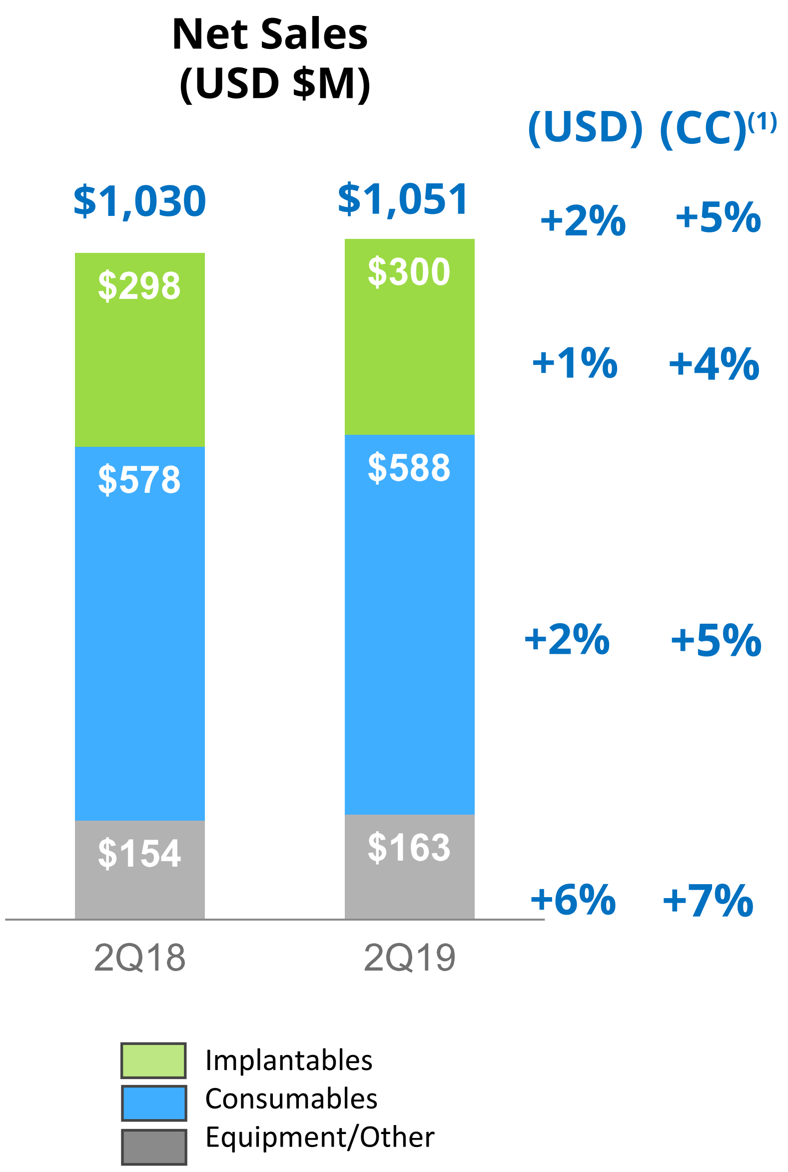
(1) Constant currency growth (cc) is a non-IFRS measure. An explanation of non-IFRS measures can be found in the Appendix.

Surgical growth continues

- Double digit growth in AT-IOLs
- Solid international demand from CLAREON

- Consumable pull-through from equipment
- Innovation in smaller gauge instruments

- Demand for cataract equipment
- Continued strength in service revenue



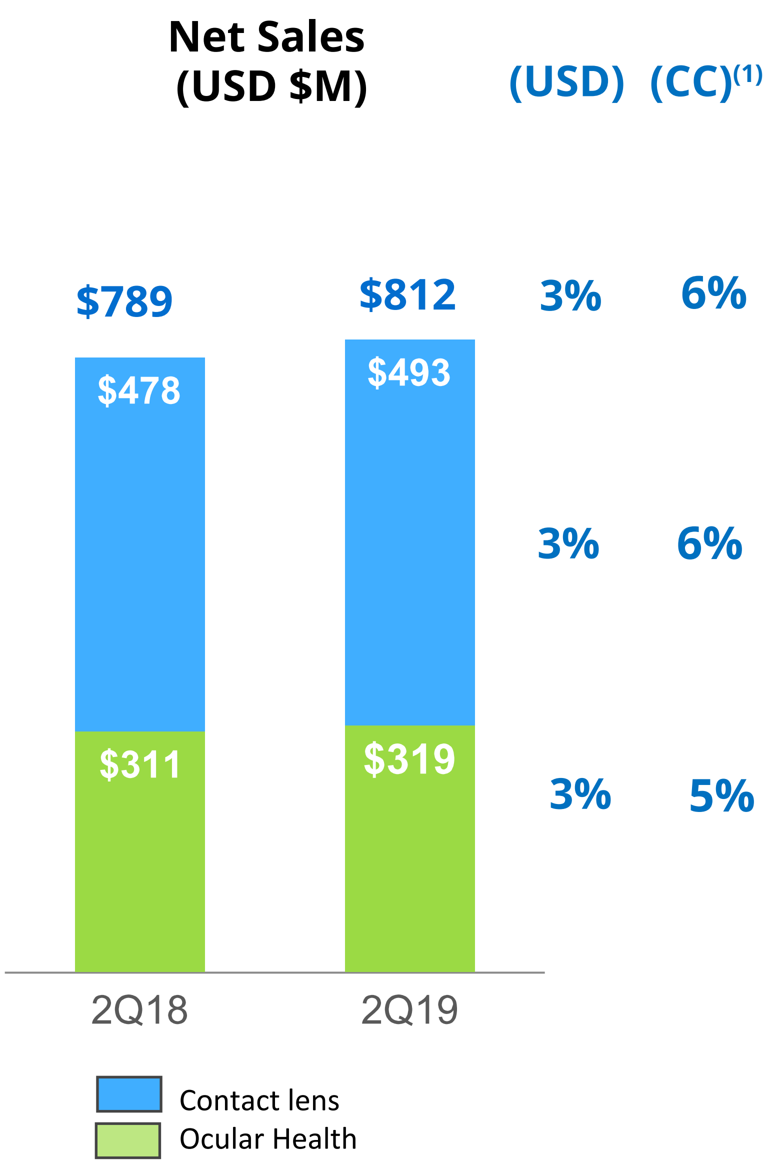
(1) Constant currency growth (cc) is a non-IFRS measure. An explanation of non-IFRS measures can be found in the Appendix.

Vision Care shows steady growth

- Double digit global growth for DAILIES TOTAL1
- Launched toric in AIROPTIX HYDRAGLYDE
- Expanded parameters for DAILY AQUA COMFORT PLUS

- Strong momentum for SYSTANE

- Decline in other eye drops
- Contact lens care declining with market



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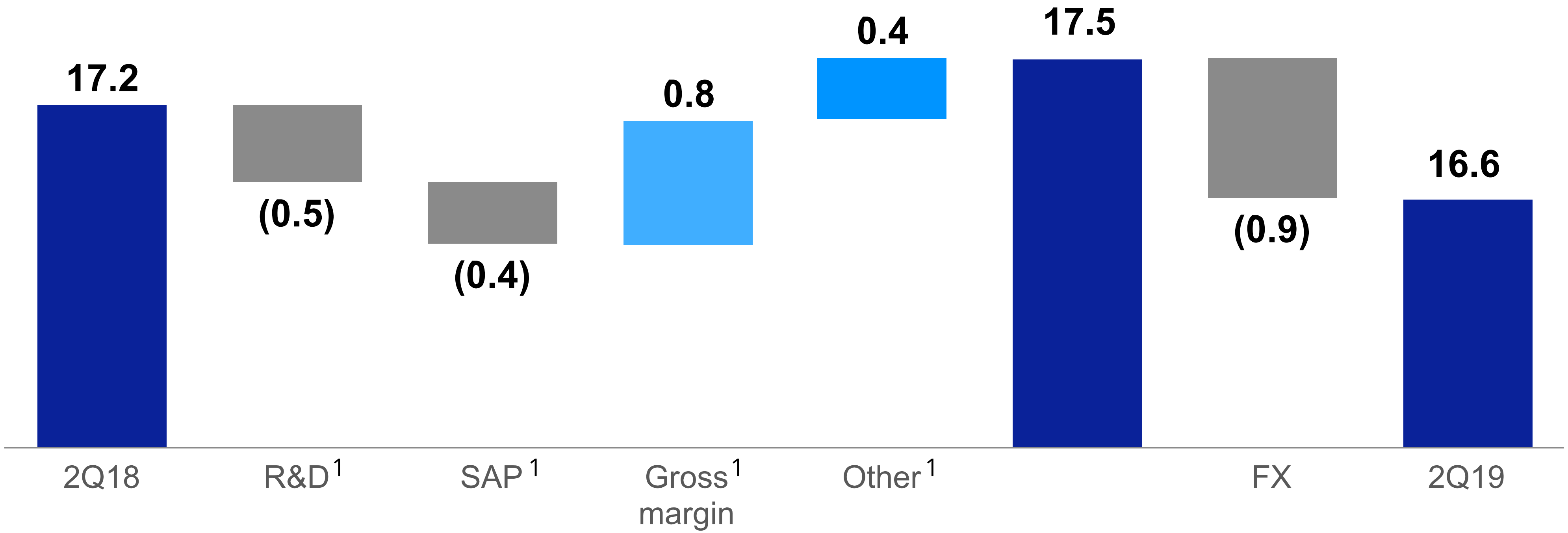
(1) Constant currency growth (cc) is a non-IFRS measure. An explanation of non-IFRS measures can be found in the Appendix.

Core operating margin(1) bridge

2Q19 vs 2Q18 (% of sales)



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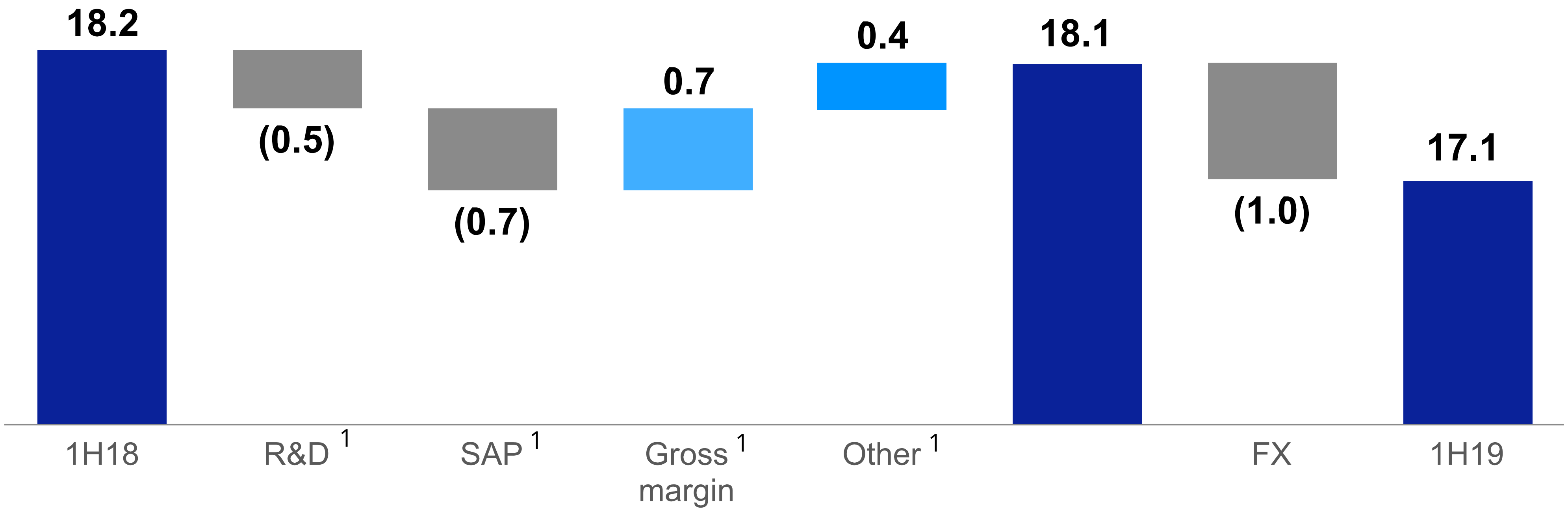
(1) Core operating margin and constant currencies are non-IFRS measures. Refer to the Appendix for definitions of IFRS measures and reconciliations to the most directly comparable measures presented in accordance with IFRS.

Core operating margin(1) bridge

1H19 vs 1H18 (% of sales)



Alcon

(1) Core operating margin and constant currencies are non-IFRS measures. Refer to the Appendix for definitions of IFRS measures and reconciliations to the most directly comparable measures presented in accordance with IFRS.

Managing capital allocation

Debt

$3.5 billion

Refinancing to extend average maturity

Cash and cash equivalents

$721 million

YTD cash flows from operations $301 million
YTD free cash flow[1] $95 million

Capex

$206 million

Investing in new VC manufacturing lines

1 Free cash flow is a non-IFRS measure. Refer to the appendix for additional information, including a reconciliation to the most directly comparable measure presented in accordance with IFRS.

2019 Guidance

On track towards full-year 2019 guidance

	1H19	FY19 Outlook
Sales growth (1)	5.0%	3% – 5%
Core operating margin (2)	17.1%	17% - 18%
Core effective tax rate (3)	15.2%	17% - 19%

(1) Constant currency sales growth (cc) is a non-IFRS measure. Growth in constant currency (cc) is calculated by translating the current year's foreign currency items into US dollars using average exchange rates from the prior year and comparing them to prior year values in US dollars. An explanation of non-IFRS measures can be found in appendix.
(2) Core operating margin is a non-IFRS measure. Refer to the appendix for additional information, including a reconciliation for such core results to the most directly comparable measures presented in accordance with IFRS.
(3) Core effective tax rate, a non-IFRS measure, is the applicable annual tax rate on core taxable income.

Standing up New Alcon

Innovating new product pipeline

Helping patients see brilliantly

Appendix

Appendix: Non-IFRS measures as defined by the Company

Alcon uses certain non-IFRS metrics when measuring performance, including when measuring current period results against prior periods, including core results, percentage changes measured in constant currencies, and free cash flow. Because of their non-standardized definitions, the non-IFRS measures (unlike IFRS measures) may not be comparable to the calculation of similar measures of other companies. These non-IFRS measures are presented solely to permit investors to more fully understand how Alcon management assesses underlying performance. These non-IFRS measures are not, and should not be viewed as, a substitute for IFRS measures.

Core results

Alcon core results, including core operating income and core net income, exclude all amortization and impairment charges of intangible assets, excluding software, net gains and losses on fund investments and equity securities valued at fair value through profit and loss, and certain acquisition related items. The following items that exceed a threshold of $10 million and are deemed exceptional are also excluded from core results: integration and divestment related income and expenses, divestment gains and losses, restructuring charges/releases and related items, legal related items, impairments of property, plant and equipment and financial assets, as well as income and expense items that management deems exceptional and that are or are expected to accumulate within the year to be over a $10 million threshold.

Taxes on the adjustments between IFRS and core results take into account, for each individual item included in the adjustment, the tax rate that will finally be applicable to the item based on the jurisdiction where the adjustment will finally have a tax impact. Generally, this results in amortization and impairment of intangible assets and acquisition-related restructuring and integration items having a full tax impact. There is usually a tax impact on other items, although this is not always the case for items arising from legal settlements in certain jurisdictions.

Alcon believes that investor understanding of its performance is enhanced by disclosing core measures of performance because, since they exclude items that can vary significantly from period to period, the core measures enable a helpful comparison of business performance across periods. For this same reason, Alcon uses these core measures in addition to IFRS and other measures as important factors in assessing its performance. A limitation of the core measures is that they provide a view of Alcon operations without including all events during a period, such as the effects of an acquisition, divestment, or amortization/impairments of purchased intangible assets and restructurings.

Constant currencies

Changes in the relative values of non-US currencies to the US dollar can affect Alcon financial results and financial position. To provide additional information that may be useful to investors, including changes in sales volume, we present information about changes in our net sales and various values relating to operating and net income that are adjusted for such foreign currency effects. Constant currency calculations have the goal of eliminating two exchange rate effects so that an estimate can be made of underlying changes in the consolidated income statement excluding (1) the impact of translating the income statements of consolidated entities from their non-US dollar functional currencies to the US dollar and (ii) the impact of exchange rate movements on the major transactions of consolidated entities performed in currencies other than their functional currency. Alcon calculates constant currency measures by translating the current year's foreign currency values for sales and other income statement items into US dollars, using the average exchange rates from the prior year and comparing them to the prior year values in US dollars.

Free cash flow

Alcon defines free cash flow as net cash flows from operating activities less cash flow associated with the purchase or sale of property, plant and equipment. Free cash flow is presented as additional information because Alcon management believes it is a useful supplemental indicator of Alcon's ability to operate without reliance on additional borrowing or use of existing cash. Free cash flow is not intended to be a substitute measure for net cash flows from operating activities as determined under IFRS.

Reconciliation of guidance of forward-looking non-IFRS measures

The forward-looking guidance included in this presentation cannot be reconciled to the comparable IFRS measures without unreasonable efforts, because Alcon is not able to predict with reasonable certainty the ultimate amount or nature of exceptional items in the fiscal year. These items are uncertain, depend on many factors and could have a material impact on its IFRS results for the guidance period.

Reconciliation of IFRS to Core Results

Three months ended June 30, 2019

($ millions except (loss)/earnings per share)	IFRS Results	Amortization of certain intangible assets(1)	Separation costs(2)	Other items(3)	Core Results
Gross profit	**947**	**252**	**3**	**2**	**1,204**
Selling, general & administration	(760)		13	2	(745)
Research & development	(167)	6	2	13	(146)
Other income	6			2	8
Other expense	(79)		60	8	(11)
Operating (loss)/income	**(53)**	**258**	**78**	**27**	**310**
(Loss)/income before taxes	**(96)**	**258**	**78**	**27**	267
Taxes(4)	(294)	(36)	(18)	312	(36)
Net (loss)/income	**(390)**	**222**	**60**	**339**	**231**
Basic (loss)/earnings per share(5)	(0.80)				0.47
Diluted (loss)/earnings per share(5)	(0.80)				0.47

(1) Includes recurring amortization for all intangible assets other than software.

(2) Separation costs are expected to be incurred over the two to three-year period following the completion of the Company's Spin-Off from Novartis and primarily include costs related to IT and third party consulting fees.

(3) Gross profit includes manufacturing sites consolidation activities. Selling, general & administration includes expenses for integration of recent acquisitions. Research & development includes $16 million primarily for the amortization of option rights and expenses for integration of recent acquisitions, partially offset by a $3 million fair value adjustment of a contingent consideration liability. Other income and expense include $10 million for fair value adjustments of a financial asset and other items.

(4) Total tax adjustments of $258 million included tax associated with operating income core adjustments and discrete tax items. Tax associated with operating income core adjustments of $363 million totaled $58 million with an average tax rate of 16.0%.

Core tax adjustments for discrete items totaled $316 million, including a $301 million non-cash tax expense for re-measurement of deferred tax balances as a result of Swiss tax reform, changes in uncertain tax positions and other items.

(5) Core basic earnings per share is calculated using the 488.2 million weighted-average shares of common stock outstanding during the period following the Spin-Off.

Core diluted earnings per share also contemplate dilutive shares of 1.8 million associated with unvested equity-based awards as described in Note 6 to the Condensed Consolidated Interim Financial Statements, yielding 490.0 million weighted-average diluted shares for the three months ended June 30, 2019.

Reconciliation of IFRS to Core Results

Three months ended June 30, 2018

($ millions except earnings per share)	IFRS Results	Amortization of certain intangible assets(1)	Impairments(2)	Restructuring items(3)	Legal items(4)	Other items(5)	Core Results
Gross profit	**878**	**251**	**39**				**1,168**
Selling, general & administration	(722)						(722)
Research & development	(152)	3				18	(131)
Other income	62			(1)	(1)	(49)	11
Other expense	(28)			3	10	1	(14)
Operating income	**38**	**254**	**39**	**2**	**9**	**(30)**	**312**
Income before taxes	**24**	**254**	**39**	**2**	**9**	**(30)**	**298**
Taxes(6)	(9)						(42)
Net income	**15**						**256**
Basic earnings per share(7)	0.03						0.52
Diluted earnings per share(7)	0.03						0.52

(1) Includes recurring amortization for all intangible assets other than software.

(2) Includes impairment charges related to intangible assets.

(3) Includes other restructuring income and charges and related items.

(4) Includes legal costs related to an investigation.

(5) Research and development includes amortization of option rights and a fair value adjustment of a contingent consideration liability. Other income and expense primarily include $49 million for fair value adjustments of a financial asset.

(6) Tax associated with operating income core adjustments of $274 million totaled $33 million. The core tax rate of 14.2% has been applied to core pre-tax income for the period.

(7) For periods prior to the Spin-Off, the denominator for both core basic and diluted earnings per share was calculated using the 488.2 million shares of common stock distributed in the Spin-Off.

Reconciliation of IFRS to Core Results

Six months ended June 30, 2019

($ millions except (loss)/earnings per share)	IFRS Results	Amortization of certain intangible assets(1)	Separation costs(2)	Legal items(3)	Other items(4)	Core Results
Gross profit	**1,799**	**502**	**3**		**10**	**2,314**
Selling, general & administration	(1,416)		13		9	(1,394)
Research & development	(313)	11	2		20	(280)
Other income	18				(1)	17
Other expense	(189)		60	32	64	(33)
Operating (loss)/income	**(101)**	**513**	**78**	**32**	**102**	**624**
(Loss)/income before taxes	**(161)**	**513**	**78**	**32**	**102**	**564**
Taxes(5)	(338)	(70)	(18)	(8)	348	(86)
Net (loss)/income	**(499)**	**443**	**60**	**24**	**450**	**478**
Basic (loss)/earnings per share(6)	(1.02)					0.98
Diluted (loss)/earnings per share(6)	(1.02)					0.98

(1) Includes recurring amortization for all intangible assets other than software.

(2) Separation costs are expected to be incurred over the two to three-year period following the completion of the Company's Spin-Off from Novartis and primarily include costs related to IT and third party consulting fees.

(3) Includes legal settlement costs and certain external legal fees.

(4) Gross Profit includes spin readiness costs and manufacturing sites consolidation activities. Selling, general & administration includes expenses for spin readiness and integration of recent acquisitions. Research & development includes $33 million primarily for the amortization of option rights and expenses for integration of recent acquisitions, partially offset by $13 million in fair value adjustments of a contingent consideration liability. Other income and expense primarily includes spin readiness costs.

(5) Total tax adjustments of $252 million included tax associated with operating income core adjustments and discrete tax items. Tax associated with operating income core adjustments of $725 million totaled $115 million with an average tax rate of 15.9%.

Core tax adjustments for discrete items totaled $367 million, including a $301 million non-cash tax expense for re-measurement of deferred tax balances as a result of Swiss tax reform and a $68 million tax expense related to rate changes in the US following the Spin-Off, offset by net changes in uncertain tax positions.

(6) Core basic earnings per share is calculated using the 488.2 million weighted-average shares of common stock outstanding during the period following the Spin-Off.

Core diluted earnings per share also contemplate dilutive shares of 0.9 million associated with unvested equity-based awards as described in Note 6 to the Condensed Consolidated Interim Financial Statements, yielding 489.1 million weighted-average diluted shares for the six months ended June 30, 2019.

Reconciliation of IFRS to Core Results

Six months ended June 30, 2018

($ millions except earnings per share)	IFRS Results	Amortization of certain intangible assets(1)	Impairments(2)	Restructuring items(3)	Legal items(4)	Other items(5)	Core Results
Gross profit	**1,745**	**502**	**39**				**2,286**
Selling, general & administration	(1,375)						(1,375)
Research & development	(289)	5				31	(253)
Other income	81			(1)	(1)	(59)	20
Other expense	(51)			3	19	5	(24)
Operating income	**111**	**507**	**39**	**2**	**18**	**(23)**	**654**
Income before taxes	**85**	**507**	**39**	**2**	**18**	**(23)**	**628**
Taxes(6)	(32)						(89)
Net income	**53**						**539**
Basic earnings per share(7)	0.11						1.10
Diluted earnings per share(7)	0.11						1.10

(1) Includes recurring amortization for all intangible assets other than software.

(2) Includes impairment charges related to intangible assets.

(3) Includes restructuring income and charges and related items.

(4) Includes legal costs related to an investigation.

(5) Research and development includes amortization of option rights and a fair value adjustment of a contingent consideration liability. Other income and expense primarily include fair value adjustments of a financial asset.

(6) Tax associated with operating income core adjustments of $543 million totaled $57 million. The core tax rate of 14.2% has been applied to core pre-tax income for the period.

(7) For periods prior to the Spin-Off, the denominator for both core basic and diluted earnings per share was calculated using the 488.2 million shares of common stock distributed in the Spin-Off.

Reconciliation of Free Cash Flow

The following is a summary of Alcon free cash flow for the six months ended June 30, 2019, together with a reconciliation to net cash flows from operating activities, the most directly comparable IFRS measure:

($ millions)	
Net cash flows from operating activities	**301**
Purchase of property, plant & equipment	(206)
Free cash flow	**95**

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