Invacare Corporation

First Quarter 2020 Conference Call Webcast

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. Actual results may differ materially as a result of various risks and uncertainties, including those expressed in the cautionary statement in the company's earnings press release for the first quarter 2020 posted on www.invacare.com/investorrelations, as well as 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 March 31, 2020, unless otherwise noted.

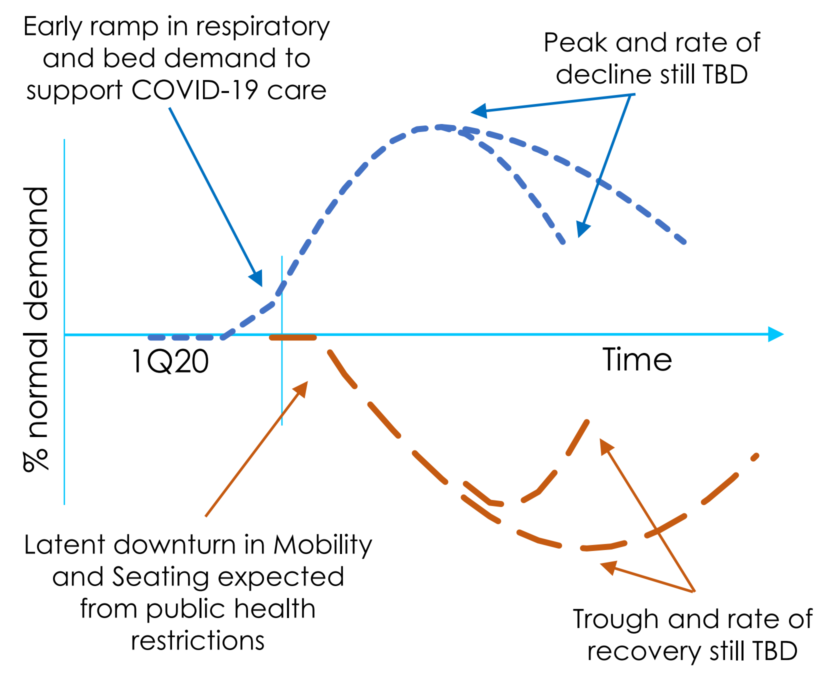
COVID-19: Impact in 1Q20

- The safety of our associates is our first priority. We have instituted public health measures and safe work practices in our facilities and have maximized working remotely by our associates to keep work sites safe.
- Invacare is proud to have vital products that can help with COVID-19 response, enable patients to transition to lower acuity care facilities and to their homes, and help people with non-acute needs to remain out of acute care facilities.
- Our global medical device production facilities have remained operational.
- 1Q20 results were largely ahead of the impact of COVID-19 on the business, with more change expected in 2Q20.

COVD-19: Business Dynamics

Driving Two Patterns of Demand; Phasing of Peak and Return with Recovery

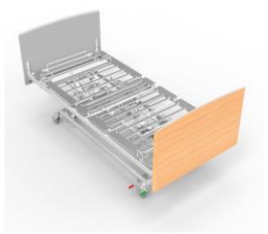
Anatomy of Impact



For illustrative purposes only; not drawn to scale

Respiratory and Lifestyles/Beds
(8% and 46% of TTM sales as of 3/31/20, respectively)

- Strong demand for high-flow stationary oxygen concentrators for COVID-19 response
- Similar strong demand for care bed systems for expanded medical facilities and post-discharge home care
- Production is limited by extensive pandemic-related supply chain challenges at suppliers, driving additional costs
- Expect incremental demand for recovering COVID-19 cases
- Timing of peak and subsequent rate of decline TBD
- Only small impact by near end of 1Q20



Mobility and Seating *(43% of TTM sales as of 3/31/20)*

- Good momentum in 1Q20 driven by power mobility products with sales of new products and improved commercial effectiveness
- Limited access to clinicians in late1Q20 for custom fittings began affecting quote volumes by mid-March
- Order volume expected to decline until access to clinicians enables return of fittings and deliveries
- Timing, depth and duration of trough TBD; expected to recover with resumption of elective care

How We Have Responded

Company-Wide Actions

Customer Engagement & Product Management

- Extra staffing on high demand products to combat supply chain issues as suppliers deal with local output issues
- Focusing on efficient product configurations so factories can increase volume output
- Virtually connecting commercial teams and customers for education, product training and client support
- Monitoring early signals of demand shifts and potential rebalancing of peaks and troughs of demand
- Centralizing customer resources via our COVID-19 resource hub at http://offers.invacare.com/covid-19

Cost & Cash Management

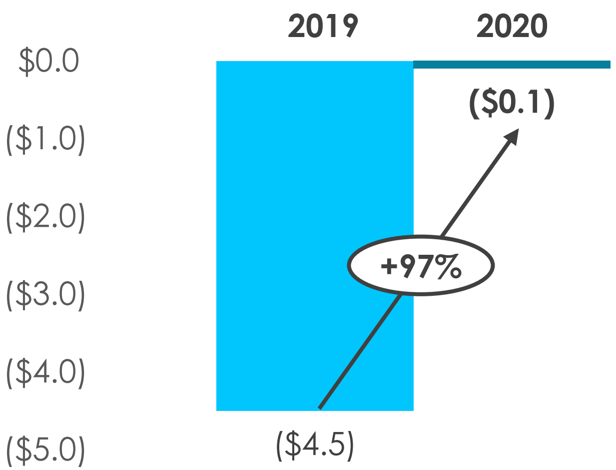
- Reducing spending and staffing as demand patterns shift; optimizing cash and capacity to quickly recover
- Continuing major transformation initiatives to drive operating efficiencies and customer engagement
- Proactively borrowing on bank credit facility and other facilities to increase financial flexibility
- Temporarily deferring payment of direct and indirect taxes under available government programs
- Reprioritizing capital expenditures to near-term projects

First Quarter 2020 Financial Highlights

Operating Loss
(excludes gain from sale of Dynamic Controls)

Improved $4.3 million due to:

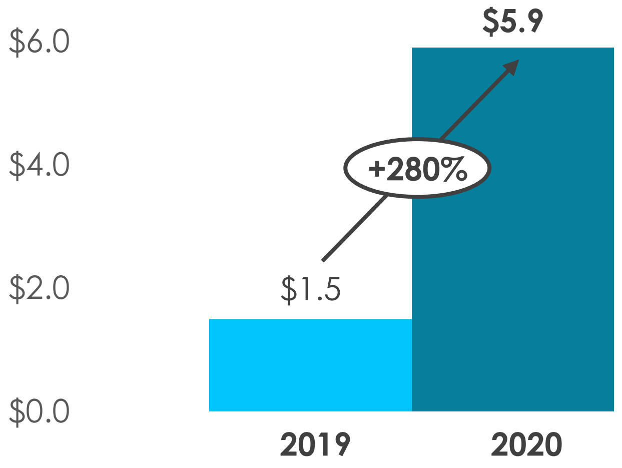
- reduced SG&A expense
- higher gross profit of 130 basis points partially offset by higher restructuring costs
- 53% improvement in North America performance



Adjusted EBITDA

Improved $4.3 million driven by:

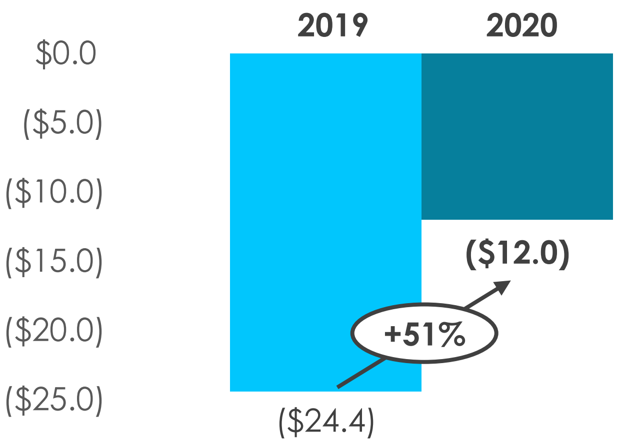
- Improved operating results attributable to $2.9 million reduction in constant currency SG&A expenses and improved gross profit



Free Cash Flow

Improved by $12.4 million due to:

- higher profitability
- reduced working capital
- results are in-line with the historic seasonality of the business



Continued improved results from new products and transformation steps

Transformation Plan Highlights

Sales & Product Innovation

NEW PRODUCT LAUNCHES

- ✓ Mobility & Seating
  - AVIVA power wheelchairs in North America and Europe
  - Maxx Mobility standing wheelchair on FWD platform
  - Kuschall manual wheelchair launching in mid-2020
- ✓ Lifestyles – New beds, therapeutic support surfaces, lifts and slings in North America
- ✓ Respiratory – Completely redesigned 5-liter stationary oxygen concentrator in mid-2020

ENHANCED COMMERCIALIZATION

- ✓ Augmented the salesforce, increased demonstration units, and improved coordination of training

RESULTS

- ✓ Achieved 16% growth in powered mobility, driven primarily by new products, leading to overall growth of 4% in North America mobility and seating

Business Optimization & Process Improvements

PROGRESS ON TRANSFORMATION INITIATIVES

- ✓ German plant consolidation remains on track
- ✓ IT modernization scheduled for 2020 go-live in North America

BUSINESS OPTIMIZATION INITIATIVES

- ✓ Completed Dynamic Controls divestiture to a leading electromotive company, which is expected to accelerate advances in power wheelchair propulsion technology

RESULTS

- ✓ Expanded consolidated gross profit by 130 basis points
  - Europe increased 90 basis points as the benefit from the French plant consolidation was fully realized
  - North America increased 150 basis points driven by continuous improvement initiatives and favorable product mix
- ✓ Achieved lower constant currency SG&A expenses

Financial Results

Key Metrics – Consolidated

Compared to 1Q19

(in millions USD)	1Q20	1Q19	$ Change Fav/(Unfav)	% Change Fav/(Unfav)
Net Sales	**$218.4**	$223.4	($5.0)	(2.2%)
Constant Currency Net Sales	**$222.4**	$222.1	$0.3	0.1%
Gross Profit % of Net Sales	**28.8%**	27.5%		130 bps
Gross Profit	**$63.0**	$61.5	$1.5	2.4%
Reported SG&A	**$61.7**	$65.2	$3.5	5.4%
Constant Currency SG&A	**$62.0**	$65.0	$2.9	4.5%
Operating Income (Loss)	**$9.4**	($4.5)	$13.9	--
Operating Loss excluding gain from sale of business	**($0.1)**	($4.5)	$4.3	96.8%
Free Cash Flow	**($12.0)**	($24.4)	$12.4	51.0%
Adjusted EBITDA	**$5.9**	$1.5	$4.3	279.8%

- Constant currency net sales increased 0.1%
  - Primarily driven by growth in respiratory and mobility and seating products
- Gross profit increased 130 bps to 28.8%
  - Due to lower material and freight cost
  - Partially offset by unfavorable foreign exchange
- Constant currency SG&A decreased 4.5%, or by $2.9 million
  - Driven by reduced employment costs
  - Favorable foreign exchange transactions
- Operating loss excluding gain on sale of business improved by $4.3 million
  - Driven by reduced SG&A expenses
  - Increased gross profit
  - Partially offset by higher restructuring costs
- Adjusted EBITDA improved 280%, or by $4.3 million
  - Driven by reduced SG&A expenses
- Free Cash Flow usage improved by $12.4 million
  - Due to higher profitability
  - Reduced working capital

Traction from transformation initiatives drove improved Adjusted EBITDA and Free Cash Flow

Segment Performance – Europe

Compared to 1Q19

(in millions USD)	1Q20	1Q19	$ Change Fav/(Unfav)	% Change Fav/(Unfav)
Reported Sales	**$121.0**	$124.8	$3.9	(3.1%)
Mobility & Seating	**$52.8**	$53.7	($1.0)	(1.8%)
Lifestyles	**$58.3**	$61.8	($3.5)	(5.7%)
Respiratory	**$4.9**	$4.5	$0.4	9.3%
Other	**$5.0**	$4.8	$0.2	3.9%
Operating Income	**$6.9**	$5.8	$1.1	18.5%

- Constant currency net sales decreased 0.6%
  - Increases in respiratory and mobility and seating products more than offset by decreases in lifestyle products
  - Lifestyles continued to be impacted by a delay in the timing of a government tender
- Gross profit increased 90 bps
  - Driven by favorable freight and R&D costs
  - Includes benefit of plant consolidation in France
- Operating income increased $1.1 million
  - Due to reduced SG&A expenses and improved gross profit
  - Offset by lower net sales and unfavorable foreign exchange translation of $0.5 million

Expanded gross profit and lower SG&A expenses drove strong growth in operating income

Segment Performance – North America

Compared to 1Q19

(in millions USD)	1Q20	1Q19	$ Change Fav/(Unfav)	% Change Fav/(Unfav)
Reported Sales	**$87.0**	$86.2	$0.7	0.8%
Mobility & Seating	**$29.5**	$28.5	$1.1	3.9%
Lifestyles	**$42.5**	$43.0	($0.5)	(1.1%)
Respiratory	**$14.6**	$14.4	$0.2	1.7%
Other	**$0.2**	$0.4	($0.2)	(43.9%)
Operating Loss	**($2.0)**	($4.4)	$2.3	53.3%

- Constant currency net sales increased 1.0%
  - Driven by growth in mobility and seating and respiratory products, offset by decrease in lifestyles products
  - Constant currency growth in mobility and seating of 4% driven by a 16% growth in power wheelchairs, offset by declines in manual mobility products
- Gross profit increased 150 bps
  - Driven by favorable material and freight costs and favorable sales mix
- Operating loss improved by $2.3 million
  - Improved gross profit
  - Lower SG&A expenses in employment costs
  - Net sales growth

Constant currency net sales growth driven by strong mobility and seating performance

Segment Performance – All Other*

Compared to 1Q19

(in millions USD)	1Q20	1Q19	$ Change Fav/(Unfav)	% Change Fav/(Unfav)
Reported Sales	**$10.5**	$12.3	($1.8)	(14.8%)
Mobility & Seating	**$5.4**	$7.9	($2.5)	(31.1%)
Lifestyles	**$3.1**	$2.7	$0.4	15.7%
Respiratory	**$0.5**	$0.2	$0.4	209.9%
Other	**$1.4**	$1.6	($0.2)	(10.4%)
Operating Loss*	**($3.6)**	($5.2)	$1.6	31.5%

* *Includes Asia Pacific, unallocated corporate SG&A and intersegment eliminations.*

- Constant currency net sales increased 2.4%
  - Driven by lifestyle and respiratory products
  - Partially offset by decrease in mobility and seating products
- Gross profit increased 270 bps
  - Due to reduced warranty and R&D expense partially offset by higher material costs
- Operating loss improved by $1.6 million
  - Driven by an improvement in the Asia Pacific businesses' operating profit with lower SG&A expense
  - Unallocated SG&A expenses and intercompany eliminations were flat

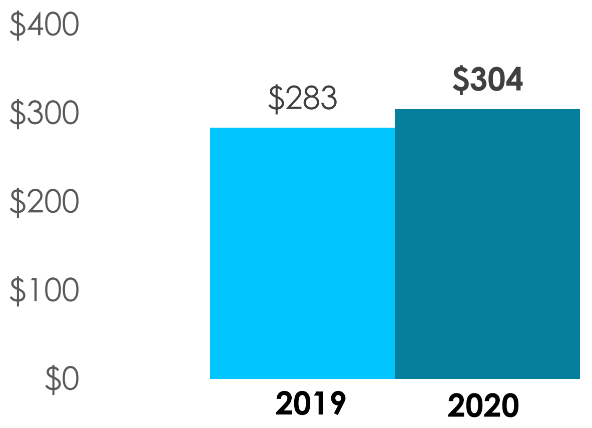
Constant currency net sales growth and improved profitability in Asia Pacific

Proactive Balance Sheet Management to Support Transformation

Debt *

Total Debt of $304 million

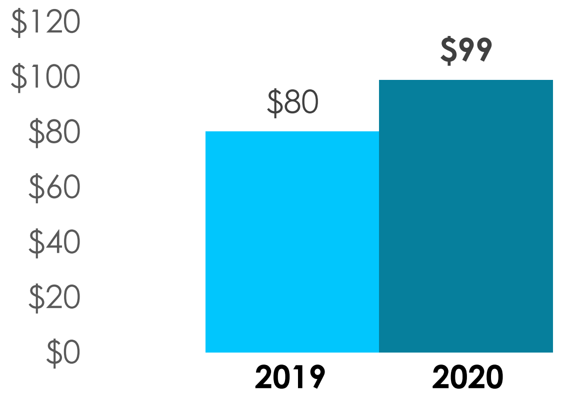
- $22 million drawn proactively on the ABL credit facility to increase financial flexibility
- $254 million in convertible debt
- $28 million of other debt, primarily financing leases



Cash

Total Cash Increased to $99 million

- Primarily the result of proactively drawing on the company's credit facility
- Net proceeds received from the sale of Dynamic Controls
- Partially offset by cash used to fund operations



** Excludes $15.5 million in operating lease obligations capitalized on the balance sheet*

The company will access government programs to bolster short-term liquidity including the temporary delay of direct and indirect tax payments

The company has a U.S. Federal tax loss carryforward in excess of $376 million as of December 31, 2019

The company continues to believe that generation of Adjusted EBITDA driven by operational performance, cash balances on hand, and expected free cash flow will support the company's ongoing transformation plans and enable it to address future debt maturities

COVID- 19: Financial & Operating Assumptions

Revenues

- ❑ Increased uncertainty compared to 1Q20 with full impact from pandemic yet to be felt
- ❑ Elevated demand for respiratory and bed systems to be more than offset by declining sales of mobility and seating products
- ❑ Mobility and seating expected to begin recovery with the resumption of elective care, while respiratory and beds will revert to historical sales trajectory when the pandemic subsides

Expenses & Margins

- ❑ Product mix expected to negatively impact margins
- ❑ Operational and cost management actions implemented to mitigate margin dilution:
  - ✓ Limiting the number of product models being sold to improve manufacturing efficiency
  - ✓ Implemented salary reductions for senior executives and the Board of Directors
  - ✓ Instituted partial work schedules at select facilities, including limited associate furloughs
  - ✓ Added temporary surcharges on certain orders to mitigate increase from expediting materials
  - ✓ Reducing discretionary spending

Balance Sheet & Cash

- ❑ Preemptively borrowed under the bank credit facility
- ❑ Accessing government-based loans and other programs which bolster short-term liquidity, including loans and temporary delays of direct and indirect tax payments

Thank you for your time

Q&A

Reconciliation of Non-GAAP Performance Metrics to GAAP Financial Measures

(Dollars in millions)	1Q19	1Q20
Net Earnings (Loss)	(13.9)	0.7
Income Taxes	1.9	2.1
Income (Loss) Before Taxes	(11.9)	2.8
Interest Expense *	7.3	6.7
Interest Income	(0.1)	(0.1)
Net Loss on Convertible Debt Derivatives	0.3	-
Operating Income (Loss)	(4.5)	9.4
Depreciation and Amortization	3.9	3.4
Gain on Sale of Business	-	(9.6)
EBITDA	(0.6)	3.3
Restructuring Charges	0.7	1.4
Stock Compensation	1.4	1.2
Adjusted EBITDA	1.5	5.9
Net Cash Used by Operating Activities	(22.6)	(9.8)
Less: Purchases of Property and Equipment	(1.8)	(2.1)
Free Cash Flow	(24.4)	(12.0)
Reported Net Sales % Change	-5.8%	-2.2%
Less: Foreign Exchange Impact	-4.4%	-1.7%
Less: Impact of Divested Entities	0.0%	-0.6%
Constant Currency Sales % Change	-1.4%	0.1%
Reported SG&A % Change	-8.5%	-5.4%
Less: Foreign Exchange Impact	-3.3%	-0.5%
Less: Impact of Divested Entities	0.0%	-0.4%
Constant Currency SG&A % Change	-5.2%	-4.5%

** Includes loss on debt extinguishment including fin charges & fees*

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 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 Appendix A. The company uses non-GAAP financial measures including the following:

- "Adjusted EBITDA", which is EBITDA plus equity compensation and charges related to restructuring activities.
- "Adjusted net loss", which is defined as net earnings (loss) before income taxes net of adjusted income taxes.
- "Constant currency net sales", which is net sales excluding the impact of foreign currency translation and divestiture.
- "Constant currency SG&A", which is SG&A excluding the impact of foreign currency translation and divestiture.
- "EBITDA", which is 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", which is net cash provided (used) by operating activities less purchases of property and equipment plus proceeds, including the advances from sales of property and equipment.