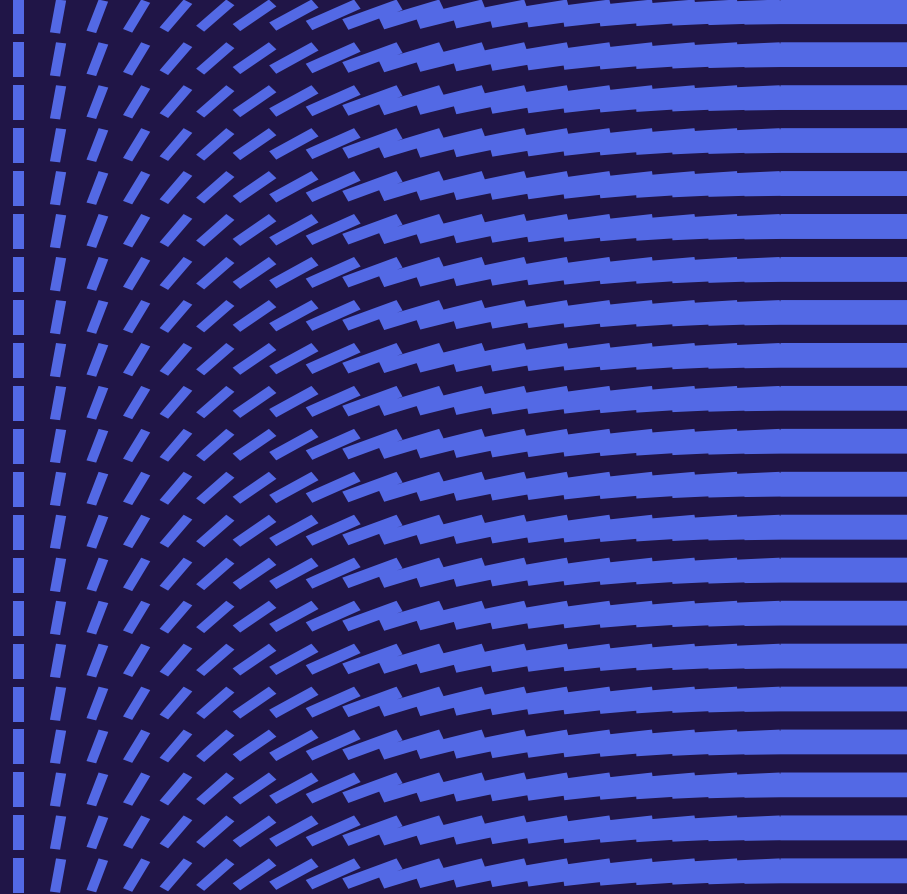




Hillrom™

ADVANCING CONNECTED CARE

**August 2, 2019
Third Quarter 2019 Financial Results**



Non-GAAP Financial Measures, Forward Looking Statements And ASC 606

This presentation contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995. All statements included herein that are not historical facts are forward-looking statements, including without limitation statements regarding Hill-Rom's ability to drive sustainable profitable growth and shareholder value, the timing and success of new product launches and portfolio expansion, the achievement of long-range financial objectives, the continuation of stable customer demand trends, a stable U.S. capital environment, the timing and success of M&A and business optimization initiatives, our ability to reduce debt, any change to the one-time impact from U.S. tax reform legislation, and all other statements concerning future strategy, plans, objectives, projections, expectations and intentions. Such forward-looking statements involve a number of risks and uncertainties and are subject to change at any time. In the event such risks or uncertainties materialize, Hill-Rom's results could be materially adversely affected. For a more in-depth discussion of factors that could cause actual results to differ from those contained in forward-looking statements, see the discussions under the heading "Risk Factors" in the company's previously filed most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q. Hill-Rom assumes no obligation to update or revise any forward-looking statements.

Certain financial figures presented herein have been presented on an adjusted basis (non-GAAP). Reconciliation between non-GAAP financial measures and reported GAAP financial measures are included in the appendices to this slide deck.

Hill-Rom's results contained herein reflect the new revenue recognition accounting standard, ASC 606, which Hill-Rom adopted on a modified retrospective basis beginning in the fiscal first quarter 2019. All comparisons contained herein will include the new standard for the current and prior year periods.

Table of Contents



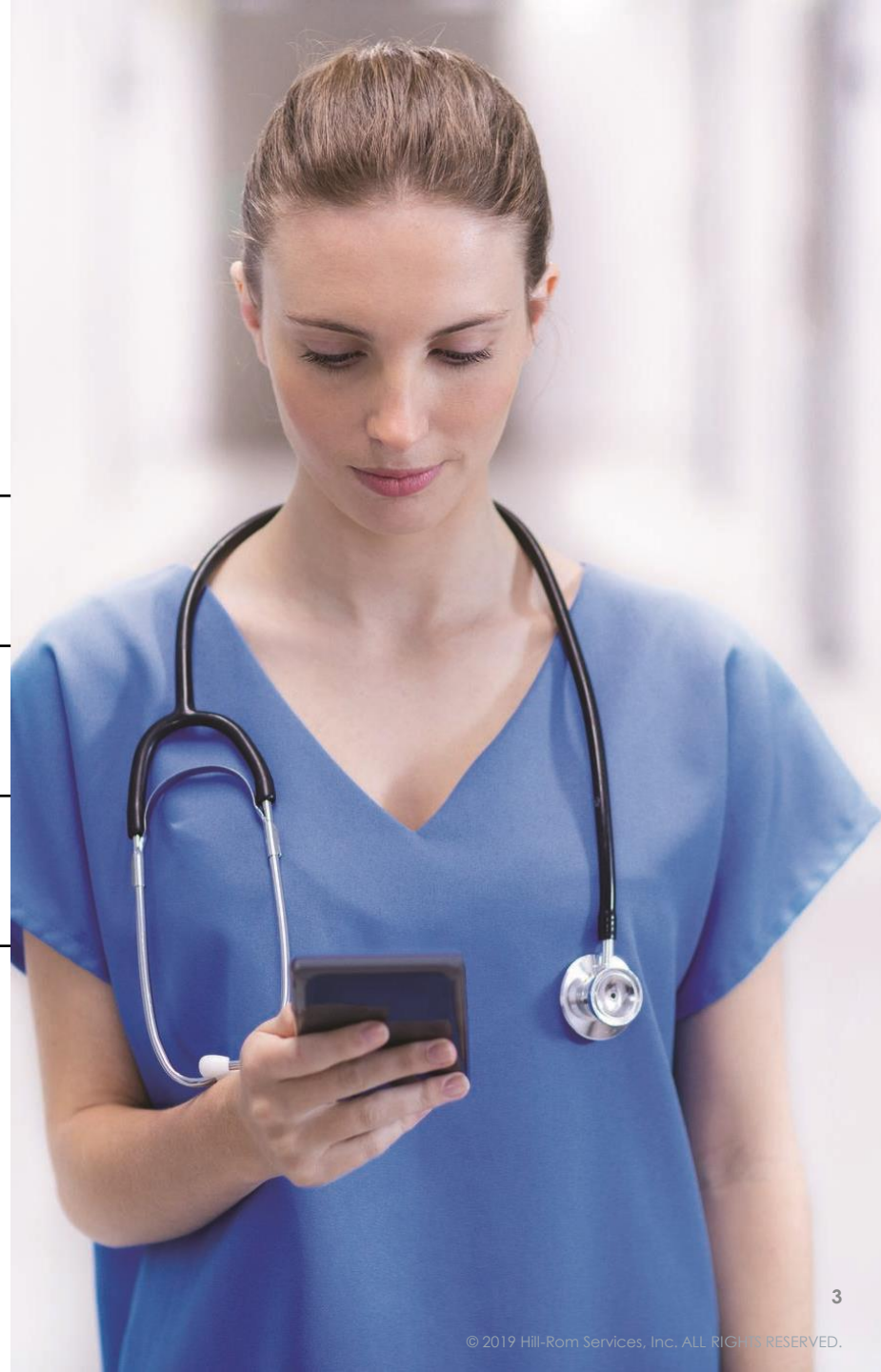
1 Q3 2019 Highlights

2 Q3 2019 Financial Summary

3 2019 Financial Outlook

4 ASC 606 Supplemental Schedules

5 Appendix





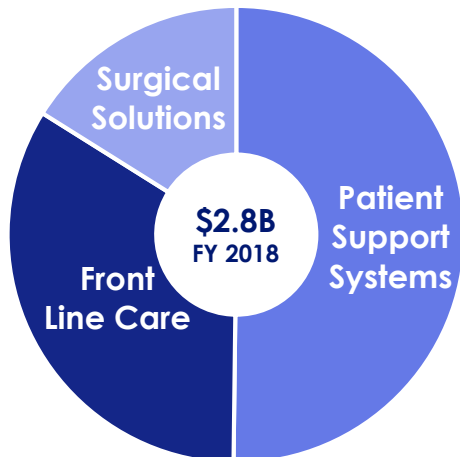
Q3 2019 Highlights

Hillrom: Trusted Medical Technology Innovator

Leadership

Global medical technology leader with a diversified portfolio

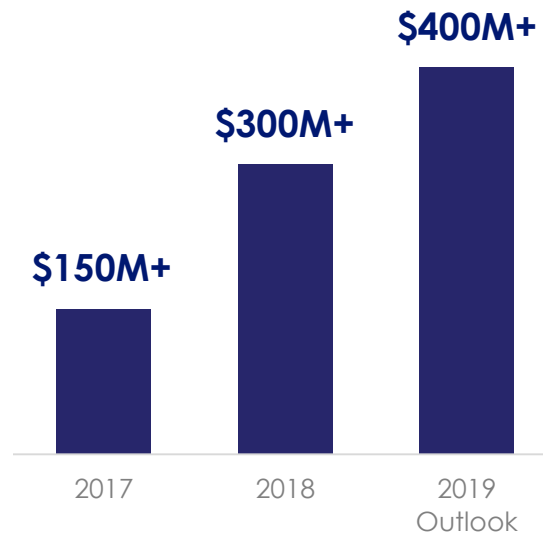
2018 Revenue by Business
US\$ Billions



Innovation

Advancing category leadership with healthcare solutions

New Product Revenue
US\$ Millions



Value

Transforming to drive sustainable profitable growth and shareholder value

Key Valuation Metrics
As of 6/30/2019

\$7.0B

Market Capitalization

\$8.8B

Enterprise Value

+21%

LTM Total Shareholder Return

\$121M

Fiscal YTD 2019 Returned to Shareholders*

Hillrom: Strategic Priorities



Advancing category leadership with differentiated solutions and innovation

- Achieving more than \$300M in new product revenue through Q3 2019 YTD
- Launching next-generation Welch Allyn® RetinaVue® 700 Imager to enhance vision care portfolio



Expanding internationally and penetrating emerging markets

- Delivering Q3 mid-single digit growth in Latin America and APAC; decline reflects headwinds in EMEA
- Investing in emerging markets to drive sustainable long term top-line growth



Transforming the portfolio with select M&A and optimization initiatives

- Expanding respiratory care portfolio with pending acquisition of Breathe Technologies, an exciting growth platform for differentiated and disruptive technology addressing new disease states
- Closing the Voalte acquisition and surgical consumables divestiture



Driving operational execution and strong financial performance

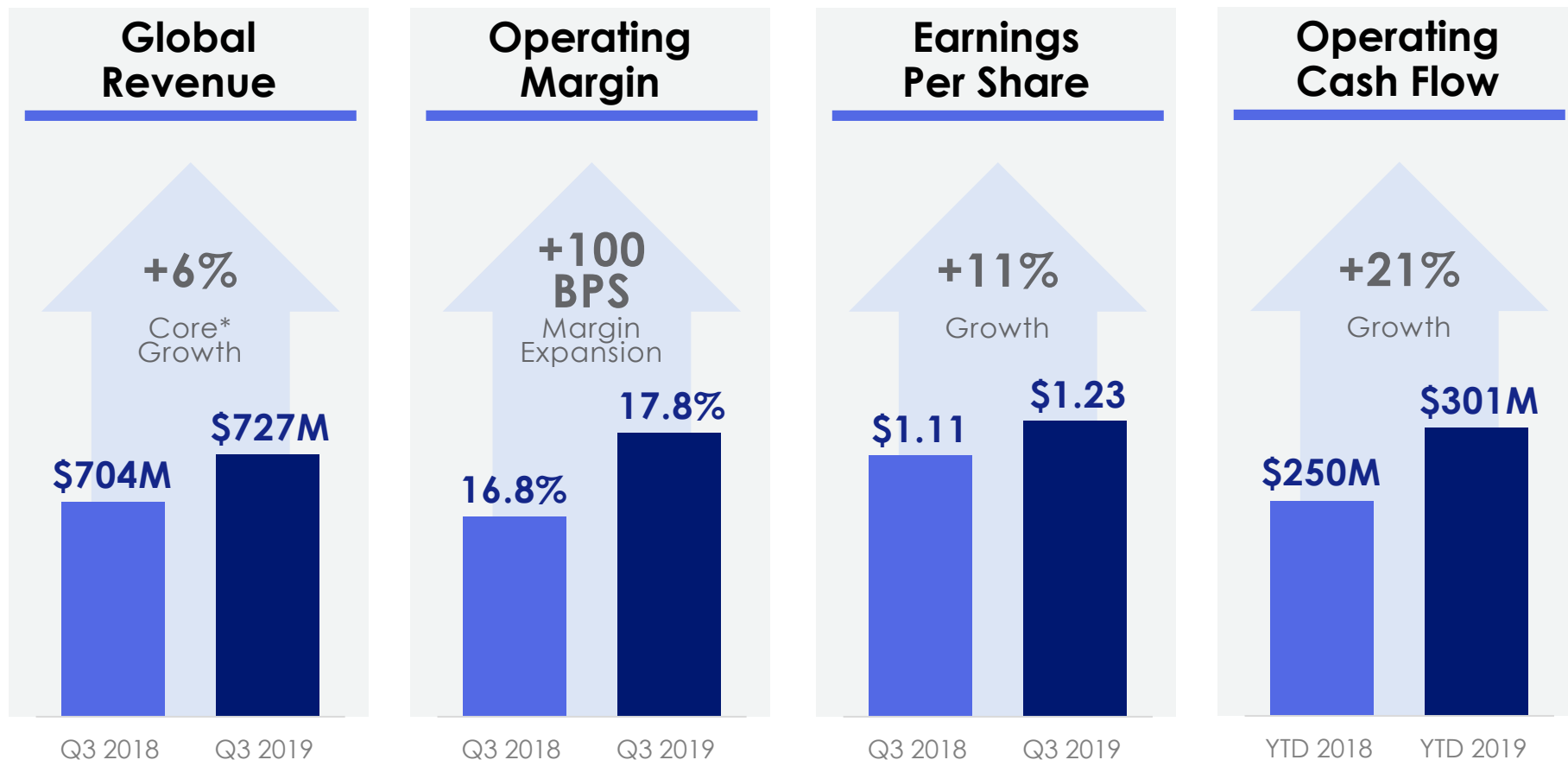
- Exceeding Q3 guidance with +6% core revenue* growth and adjusted EPS of \$1.23 (growth of +11%)
- Raising FY core revenue* growth to +6% and reaffirming adjusted EPS of \$5.03-\$5.05 per diluted share; offsetting M&A dilution of ~\$0.05 per diluted share, primarily from surgical consumables divestiture

Enhancing Shareholder Value By Executing Our Strategy



Q3 2019 Financial Summary

Q3 2019 Financial Results



Delivering Financial Results That Exceeded Top And Bottom Line Guidance



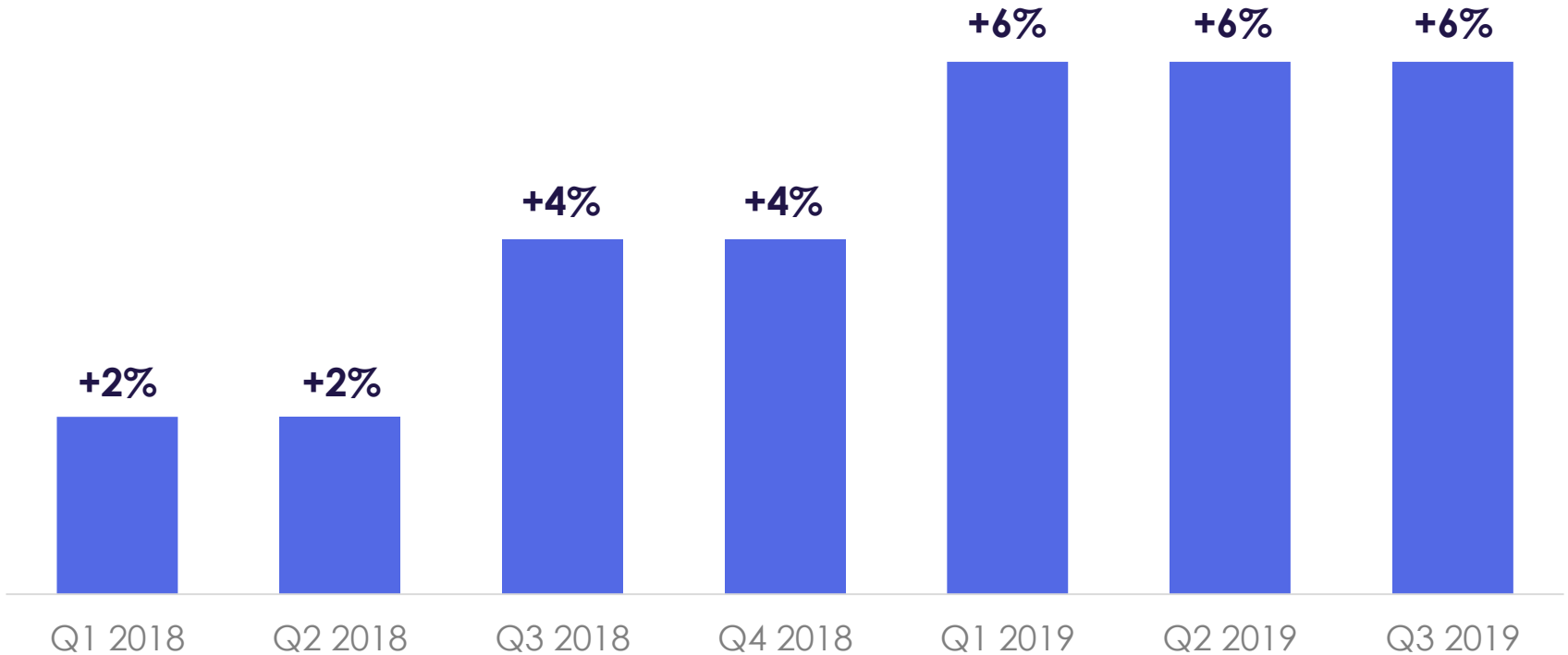
Q3 2019 Financial Results

Adjusted P&L	Fiscal Third Quarter		
	2018	2019	YOY Change
Revenue	\$704M	\$727M	+5% <i>constant currency</i> +6% <i>core* growth</i>
Gross Margin	48.9%	50.3%	+140 bps
Operating Margin	16.8%	17.8%	+100 bps
Adjusted EPS	\$1.11	\$1.23	+11%

**Achieving 16th Consecutive Quarter Of
Double-Digit Adjusted EPS Growth**



Core Revenue Growth*



**Accelerating Core Revenue With
5th Consecutive Quarter Of Mid-Single Digit Growth**



Q3 2019 Revenue By Business

Patient Support Systems

+7%
+8% Core*
Q3 2019

+5%
+8% Core*
YTD 2019



Double-digit U.S. core growth across diverse and differentiated portfolio



Benefiting from solid U.S. Med-Surg bed system growth, orders and backlog



Exceeding expectations for Voalte: DD growth, record orders and growing backlog



Absorbing OUS decline driven by EMEA capital projects timing

Front Line Care

+3%
+3% Core*
Q3 2019

+4%
+4% Core*
YTD 2019



Driving sustainable growth with new products



Sustaining double-digit growth in Respiratory and Vision Care portfolios



Delivering solid growth in physical assessment and diagnostic tools



Offsetting EMEA challenging comparisons with solid U.S. performance

Surgical Solutions

flat
+4% Core*
Q3 2019

-1%
+2% Core*
YTD 2019



Driving strong U.S. OR tables and equipment growth



Achieving record Integrated Table Motion placements



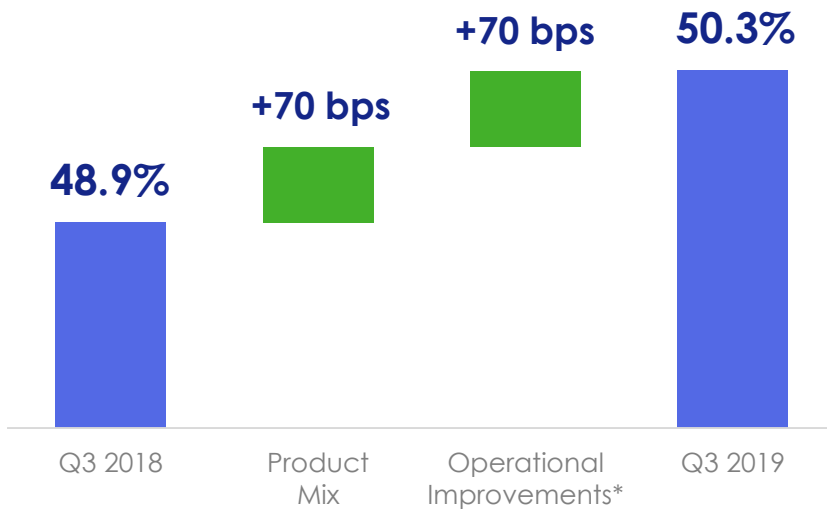
Absorbing challenging EMEA prior-year comparisons



Divesting surgical consumables to refocus resources and capital

Q3 2019 Margin Expansion

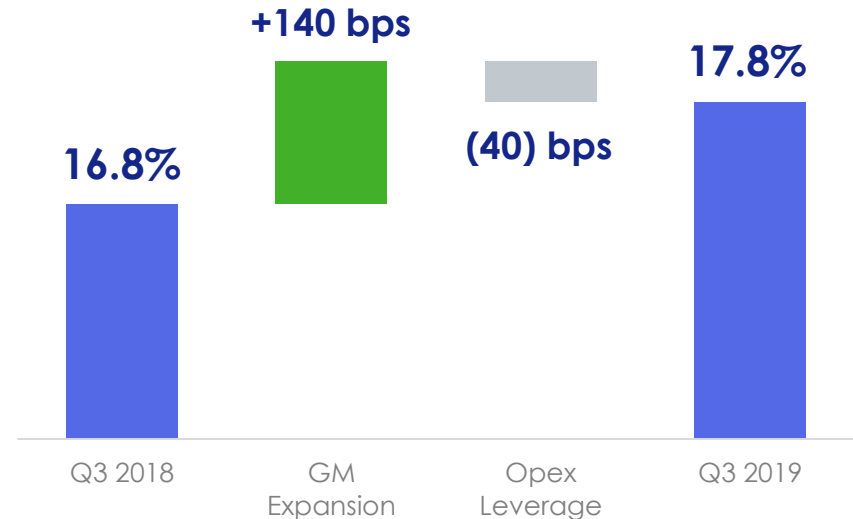
Adjusted Gross Margin



+140 bps
Gross Margin Expansion

*Includes tariff and related impact

Adjusted Operating Margin



+100 bps
Operating Margin Expansion

Achieving Record Level With Adjusted Gross Margin Of 50%+



Q3 2019 Adjusted Earnings Per Diluted Share

- Delivering core revenue* growth of +6% including positive contribution from new products and portfolio diversification
- Expanding margins while offsetting impact from tariffs and inflation
- Investing in strategic initiatives to drive future growth
- Absorbing stock-based compensation (SBC) tax benefit of \$0.02 in Q3 2018

\$1.23

Adjusted Earnings Per Diluted Share

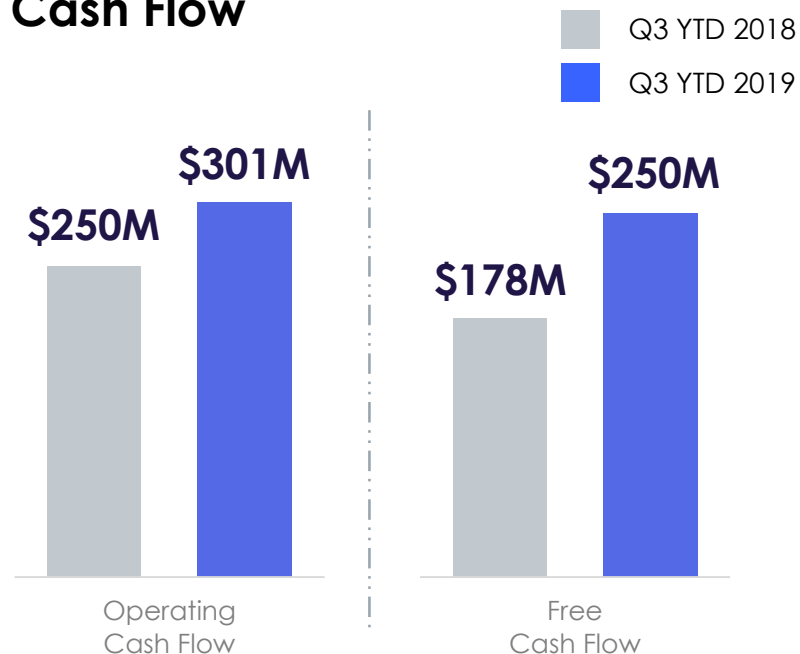
Adjusted EPS Growth US\$



Exceeding Guidance With +11% Adjusted EPS Growth

Q3 2019 Cash Flow

Cash Flow



+21%
Operating Cash
Flow Growth

+41%
Free Cash
Flow Growth

Balanced Capital Allocation

- Improving ability to deploy capital with disciplined M&A strategy
 - ✓ Accelerating growth with diversified revenue streams; driving attractive financial returns
 - ✓ Strengthening clinical and economic value with customers
 - ✓ Adding experienced business resources
- Reducing debt levels in absence of M&A
- Offsetting share count dilution with buybacks
- Sustaining quarterly dividend

~4.5x → **~3.3x**
Peak Leverage Q3 2019 Leverage

Generating Strong Operating And Free Cash Flow



2019 Financial Outlook

2019 Financial Outlook

	2019 Prior Outlook	2019 Current Outlook*
Adjusted P&L		
Revenue Growth (reported)	2% - 3%	~2%
Gross Margin	+50 - 70 bps	+80 bps
Operating Margin	+80 - 100 bps	+80 - 100 bps
Adjusted EPS	\$5.02 - \$5.06	\$5.03 - \$5.05
Operating Cash Flow	~\$420M	~\$410M
Capital Expenditures	~\$90M	~\$80M

~6%
Core Revenue** Growth

+80 - 100 bps
Operating Margin
Expansion

8% - 9%
Adjusted EPS Growth

13% - 14%
Adjusted EPS Growth
Excluding SBC

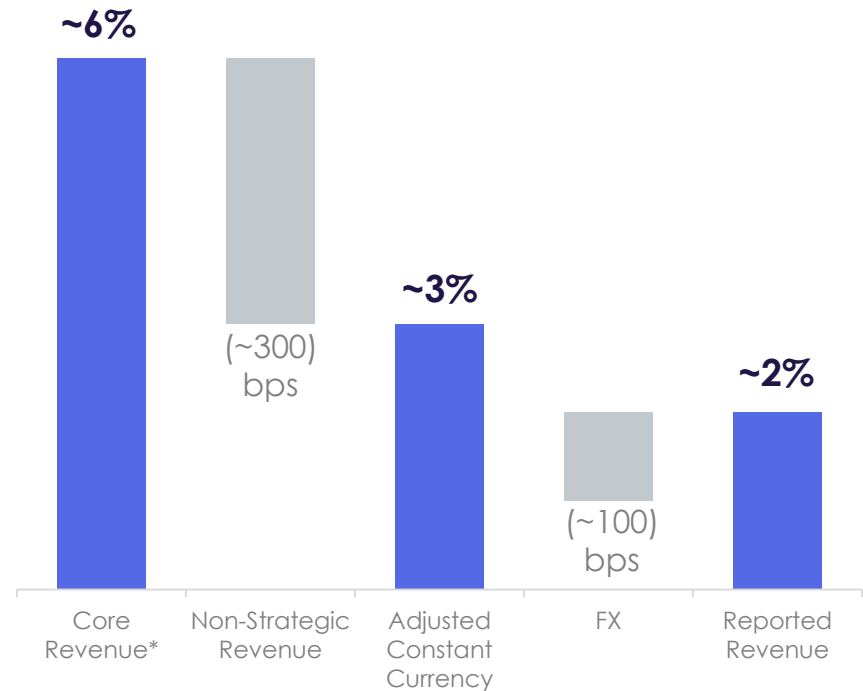
**Raising Core Revenue Guidance; Reaffirming
Adjusted EPS Guidance**



2019 Revenue Growth Outlook

	2019 Revenue Growth Outlook*	
	Constant	Core**
Patient Support Systems	5%+	8%+
Front Line Care	2% - 3%	
Surgical Solutions	(~3%)	~4%
Total Hillrom	~3%	~6%

2019 Revenue Growth



Raising FY 2019 Core Revenue Growth Guidance Of ~6%



Q4 2019 Financial Outlook

<i>Adjusted P&L</i>	Q4 2019 Outlook	
Revenue Growth	flat Reported	
Revenue Growth	~1% Constant	~5% Core*
Adjusted EPS	\$1.64 - \$1.66	

Outlook Reflects:

- Sustaining core business momentum and benefiting from new products
- Impact of surgical consumables divestiture
- Investing in key strategic initiatives to drive future growth
- Offsetting ~\$0.05 dilution from recent M&A activity
- Headwind of \$0.15 per diluted share from Q4 2018 SBC

Driving Core Revenue Growth While Offsetting Recent M&A Dilution

2019 & 2018 Non-Core Revenue Including Surgical Consumables

(\$ in millions)	Patient Support Systems			Surgical Solutions			Total Non-Core		
	U.S.	OUS	Total	U.S.	OUS	Total	U.S.	OUS	Total
Q1 2019	\$2.3	\$0.4	\$2.7	\$21.6	\$16.1	\$37.6	\$23.8	\$16.5	\$40.3
Q2 2019	\$2.2	\$0.3	\$2.5	\$21.0	\$15.4	\$36.4	\$23.2	\$15.6	\$38.9
Q3 2019	\$8.0	\$0.0	\$8.0	\$23.3	\$14.2	\$37.4	\$31.3	\$14.2	\$45.5
Q1 2018	\$15.0	\$1.8	\$16.8	\$21.4	\$16.5	\$37.9	\$36.4	\$18.3	\$54.7
Q2 2018	\$14.7	\$0.6	\$15.3	\$23.1	\$17.3	\$40.4	\$37.8	\$17.9	\$55.7
Q3 2018	\$9.7	\$0.7	\$10.4	\$22.2	\$16.8	\$39.0	\$31.9	\$17.5	\$49.4
Q4 2018	\$10.0	\$0.5	\$10.5	\$21.9	\$17.1	\$39.1	\$31.9	\$17.6	\$49.5
Fiscal 2018	\$49.4	\$3.6	\$53.0	\$88.6	\$67.7	\$156.3	\$138.0	\$71.3	\$209.3

**FY 2019 Revenue Guidance Reflects Non-Core Decline
From ~\$210M In 2018 To ~\$150M In 2019**



Supplemental Schedules: ASC 606

Q3 2019 Financial Results: ASC 606

Q3 Adjusted P&L Under ASC 606

(\$ in millions)	Q3 2018	Q3 2019	Growth
	ASC 606	ASC 606	vs. PY
Revenue	\$703.5	\$726.8	3.3%
Gross Profit	\$343.7	\$365.5	6.3%
<i>% of Sales</i>	48.9%	50.3%	140 bps
Research & Dev	\$33.6	\$34.1	1.5%
<i>% of Sales</i>	4.8%	4.7%	
Sales, Gen & Admin	\$191.7	\$201.9	5.3%
<i>% of Sales</i>	27.3%	27.8%	
Operating Income	\$118.4	\$129.5	9.3%
<i>% of Sales</i>	16.8%	17.8%	100 bps
Interest	\$23.1	\$24.2	5.0%
Pretax	\$95.4	\$105.3	10.4%
Tax Expense	\$20.5	\$21.9	7.0%
<i>Tax Rate</i>	21.5%	20.8%	
Net Income	\$74.9	\$83.4	11.3%
Diluted Shares	67.6	67.4	
EPS	\$1.11	\$1.23	10.8%

2019 Revenue Tables

ASC 606 Total	Q1 2019			Q1 2018			% Growth @ Actual Rates			% Growth @ Constant Rates		
	United States	International	Total	United States	International	Total	United States	International	Total	United States	International	Total
Patient Support Systems	\$ 248.1	\$ 92.9	\$ 341.0	\$ 241.8	\$ 90.2	\$ 332.0	2.6%	3.0%	2.7%	2.6%	6.4%	3.7%
Front Line Care	166.5	66.9	233.4	156.4	66.4	222.8	6.5%	0.8%	4.8%	6.5%	3.3%	5.5%
Surgical Solutions	53.9	55.2	109.1	50.9	59.8	110.7	5.9%	-7.7%	-1.4%	5.9%	-5.0%	0.0%
Total Hill-Rom	\$ 468.5	\$ 215.0	\$ 683.5	\$ 449.1	\$ 216.4	\$ 665.5	4.3%	-0.6%	2.7%	4.3%	2.3%	3.7%

ASC 606 Total	Q2 2019			Q2 2018			% Growth @ Actual Rates			% Growth @ Constant Rates		
	United States	International	Total	United States	International	Total	United States	International	Total	United States	International	Total
Patient Support Systems	\$ 267.2	\$ 92.4	\$ 359.6	\$ 243.6	\$ 106.2	\$ 349.8	9.7%	-13.0%	2.8%	9.7%	-7.2%	4.6%
Front Line Care	170.2	72.9	243.1	163.1	75.0	238.1	4.4%	-2.8%	2.1%	4.4%	2.7%	3.8%
Surgical Solutions	55.6	55.9	111.5	54.4	63.2	117.6	2.2%	-11.6%	-5.2%	2.2%	-5.2%	-1.8%
Total Hill-Rom	\$ 493.0	\$ 221.2	\$ 714.2	\$ 461.1	\$ 244.4	\$ 705.5	6.9%	-9.5%	1.2%	6.9%	-3.6%	3.3%

ASC 606 Total	Q3 2019			Q3 2018			% Growth @ Actual Rates			% Growth @ Constant Rates		
	United States	International	Total	United States	International	Total	United States	International	Total	United States	International	Total
Patient Support Systems	\$ 290.8	\$ 83.7	\$ 374.5	\$ 262.1	\$ 91.2	\$ 353.3	11.0%	-8.2%	6.0%	11.0%	-4.1%	7.1%
Front Line Care	178.4	66.0	244.4	170.8	69.5	240.3	4.4%	-5.0%	1.7%	4.4%	-1.4%	2.7%
Surgical Solutions	60.2	47.7	107.9	55.6	54.3	109.9	8.3%	-12.2%	-1.8%	8.3%	-8.1%	0.2%
Total Hill-Rom	\$ 529.4	\$ 197.4	\$ 726.8	\$ 488.5	\$ 215.0	\$ 703.5	8.4%	-8.2%	3.3%	8.4%	-4.2%	4.5%

ASC 606 Total	YTD 2019			YTD 2018			% Growth @ Actual Rates			% Growth @ Constant Rates		
	United States	International	Total	United States	International	Total	United States	International	Total	United States	International	Total
Patient Support Systems	\$ 806.1	\$ 269.0	\$ 1,075.1	\$ 747.5	\$ 287.6	\$ 1,035.1	7.8%	-6.5%	3.9%	7.8%	-1.9%	5.1%
Front Line Care	515.1	205.8	720.9	490.3	210.9	701.2	5.1%	-2.4%	2.8%	5.1%	1.5%	4.0%
Surgical Solutions	169.7	158.8	328.5	160.9	177.3	338.2	5.5%	-10.4%	-2.9%	5.5%	-6.0%	-0.6%
Total Hill-Rom	\$ 1,490.9	\$ 633.6	\$ 2,124.5	\$ 1,398.7	\$ 675.8	\$ 2,074.5	6.6%	-6.2%	2.4%	6.6%	-1.9%	3.8%

2017 & 2018: ASC 606 GAAP Quarterly P&L

(\$ in millions)

	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
	17 Act	17 Act	17 Act	17 Act	17 Act	18 Act	18 Act	18 Act	18 Act	18 Act
Revenue	\$635.8	\$682.7	\$686.8	\$731.0	\$2,736.3	\$665.5	\$705.5	\$703.5	\$759.2	\$2,833.7
Gross Profit	\$302.0	\$328.6	\$330.3	\$357.7	\$1,318.7	\$316.6	\$346.9	\$343.7	\$376.9	\$1,384.2
<i>% of Sales</i>	47.5%	48.1%	48.1%	48.9%	48.2%	47.6%	49.2%	48.9%	49.6%	48.8%
Research & Dev	\$32.0	\$35.3	\$34.9	\$31.5	\$133.7	\$32.3	\$34.7	\$33.6	\$35.0	\$135.6
<i>% of Sales</i>	5.0%	5.2%	5.1%	4.3%	4.9%	4.9%	4.9%	4.8%	4.6%	4.8%
Sales, Gen & Admin	\$214.7	\$225.6	\$255.9	\$218.3	\$914.4	\$235.3	\$269.4	\$235.8	\$228.9	\$969.4
<i>% of Sales</i>	33.8%	33.0%	37.3%	29.9%	33.4%	35.4%	38.2%	33.5%	30.2%	34.2%
Operating Income	\$55.3	\$67.8	\$39.6	\$107.9	\$270.6	\$49.0	\$42.9	\$74.3	\$113.0	\$279.2
<i>% of Sales</i>	8.7%	9.9%	5.8%	14.8%	9.9%	7.4%	6.1%	10.6%	14.9%	9.9%
Interest	\$20.7	\$22.3	\$24.3	\$23.1	\$90.4	\$21.3	\$24.6	\$23.1	\$23.3	\$92.3
Pretax	\$34.6	\$45.5	\$15.3	\$84.8	\$180.2	\$27.7	\$18.3	\$51.3	\$89.7	\$186.9
Tax Expense	\$11.4	\$8.0	\$9.9	\$19.4	\$48.7	(\$57.9)	(\$7.9)	\$9.2	(\$1.6)	(\$58.2)
<i>Tax Rate</i>	32.9%	17.5%	64.9%	22.9%	27.0%	208.9%	43.3%	17.9%	1.8%	31.1%
Net Income	\$23.2	\$37.5	\$5.4	\$65.4	\$131.5	\$85.6	\$26.2	\$42.1	\$91.3	\$245.1
Non-Controlling Interests	(\$0.3)	(\$0.4)	(\$0.3)	(\$0.3)	(\$1.3)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Net Income - Attributed to HRC	\$23.5	\$37.9	\$5.7	\$65.7	\$132.8	\$85.6	\$26.2	\$42.1	\$91.3	\$245.1
Diluted Shares	66.9	67.1	67.7	67.4	67.2	67.4	67.6	67.6	67.8	67.6
EPS	\$0.35	\$0.56	\$0.08	\$0.98	\$1.98	\$1.27	\$0.39	\$0.62	\$1.35	\$3.63

Note: Totals may not add due to rounding

2017 & 2018: ASC 606 Adjusted Quarterly P&L

(\$ in millions)	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
	17 Act	17 Act	17 Act	17 Act	17 Act	18 Act	18 Act	18 Act	18 Act	18 Act
Revenue	\$635.8	\$682.7	\$686.8	\$731.0	\$2,736.3	\$665.5	\$705.5	\$703.5	\$759.2	\$2,833.7
Gross Profit	\$302.2	\$330.0	\$332.1	\$359.3	\$1,323.5	\$316.6	\$346.9	\$343.7	\$376.9	\$1,384.2
<i>% of Sales</i>	47.5%	48.3%	48.3%	49.1%	48.4%	47.6%	49.2%	48.9%	49.6%	48.8%
Research & Dev	\$32.0	\$35.3	\$34.9	\$31.5	\$133.7	\$32.3	\$34.7	\$33.6	\$35.0	\$135.6
<i>% of Sales</i>	5.0%	5.2%	5.1%	4.3%	4.9%	4.9%	4.9%	4.8%	4.6%	4.8%
Sales, Gen & Admin	\$177.5	\$188.7	\$187.2	\$190.9	\$744.4	\$188.7	\$200.3	\$191.7	\$185.8	\$766.5
<i>% of Sales</i>	27.9%	27.6%	27.3%	26.1%	27.2%	28.4%	28.4%	27.3%	24.5%	27.0%
Operating Income	\$92.7	\$106.0	\$109.9	\$136.9	\$445.5	\$95.6	\$112.0	\$118.4	\$156.1	\$482.1
<i>% of Sales</i>	14.6%	15.5%	16.0%	18.7%	16.3%	14.4%	15.9%	16.8%	20.6%	17.0%
Interest	\$21.7	\$22.3	\$24.3	\$23.1	\$91.4	\$22.3	\$24.6	\$23.1	\$23.4	\$93.3
Pretax	\$71.0	\$83.7	\$85.6	\$113.8	\$354.0	\$73.3	\$87.4	\$95.4	\$132.7	\$388.9
Tax Expense	\$21.2	\$21.4	\$25.1	\$29.0	\$96.7	\$14.2	\$18.5	\$20.5	\$21.6	\$74.8
<i>Tax Rate</i>	29.8%	25.6%	29.3%	25.4%	27.3%	19.3%	21.1%	21.5%	16.3%	19.2%
Net Income	\$49.8	\$62.2	\$60.6	\$84.9	\$257.3	\$59.2	\$68.9	\$74.9	\$111.1	\$314.1
Non-Controlling Interests	(\$0.3)	(\$0.4)	(\$0.3)	(\$0.3)	(\$1.3)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Net Income - Attributed to HRC	\$50.1	\$62.6	\$60.9	\$85.1	\$258.6	\$59.2	\$68.9	\$74.9	\$111.1	\$314.1
Diluted Shares	66.9	67.1	67.7	67.4	67.2	67.4	67.6	67.6	67.8	67.6
EPS	\$0.75	\$0.93	\$0.90	\$1.26	\$3.85	\$0.88	\$1.02	\$1.11	\$1.64	\$4.65



2018 Reconciliation: ASC 605 to ASC 606

Q1 & Q2 2018 Reconciliation: ASC 605 To ASC 606

Q1 2018 Adjusted P&L - Reconciliation

(\$ in millions)	Q1 2018 ASC 605	ASC 606 Impact	Q1 2018 ASC 606
Revenue	\$669.7	(\$4.2)	\$665.5
Gross Profit <i>% of Sales</i>	\$319.6 47.7%	(\$3.0)	\$316.6 47.6%
Research & Dev <i>% of Sales</i>	\$32.3 4.8%	\$0.0	\$32.3 4.9%
Sales, Gen & Admin <i>% of Sales</i>	\$188.6 28.2%	\$0.1	\$188.7 28.4%
Operating Income <i>% of Sales</i>	\$98.7 14.7%	(\$3.1)	\$95.6 14.4%
Interest	\$22.3	\$0.0	\$22.3
Pretax	\$76.4	(\$3.1)	\$73.3
Tax Expense <i>Tax Rate</i>	\$14.6 19.1%	(\$0.4)	\$14.2 19.3%
Net Income	\$61.8	(\$2.7)	\$59.2
Diluted Shares	67.4		67.4
EPS	\$0.92	(\$0.04)	\$0.88

Q2 2018 Adjusted P&L - Reconciliation

(\$ in millions)	Q2 2018 ASC 605	ASC 606 Impact	Q2 2018 ASC 606
Revenue	\$710.5	(\$5.0)	\$705.5
Gross Profit <i>% of Sales</i>	\$350.4 49.3%	(\$3.5)	\$346.9 49.2%
Research & Dev <i>% of Sales</i>	\$34.7 4.9%	\$0.0	\$34.7 4.9%
Sales, Gen & Admin <i>% of Sales</i>	\$200.5 28.2%	(\$0.2)	\$200.3 28.4%
Operating Income <i>% of Sales</i>	\$115.2 16.2%	(\$3.2)	\$112.0 15.9%
Interest	\$24.6	\$0.0	\$24.6
Pretax	\$90.6	(\$3.2)	\$87.4
Tax Expense <i>Tax Rate</i>	\$19.4 21.4%	(\$0.9)	\$18.5 21.1%
Net Income	\$71.2	(\$2.3)	\$68.9
Diluted Shares	67.6		67.6
EPS	\$1.05	(\$0.03)	\$1.02

Q3 & Q4 2018 Reconciliation: ASC 605 To ASC 606

Q3 2018 Adjusted P&L - Reconciliation

(\$ in millions)	Q3 2018 ASC 605	ASC 606 Impact	Q3 2018 ASC 606
Revenue	\$708.6	(\$5.1)	\$703.5
Gross Profit	\$348.0	(\$4.3)	\$343.7
<i>% of Sales</i>	49.1%		48.9%
Research & Dev	\$33.6	\$0.0	\$33.6
<i>% of Sales</i>	4.7%		4.8%
Sales, Gen & Admin	\$191.8	(\$0.1)	\$191.7
<i>% of Sales</i>	27.1%		27.3%
Operating Income	\$122.6	(\$4.2)	\$118.4
<i>% of Sales</i>	17.3%		16.8%
Interest	\$23.1	\$0.0	\$23.1
Pretax	\$99.6	(\$4.2)	\$95.4
Tax Expense	\$21.6	(\$1.1)	\$20.5
<i>Tax Rate</i>	21.7%		21.5%
Net Income	\$78.0	(\$3.1)	\$74.9
Diluted Shares	67.6		67.6
EPS	\$1.15	(\$0.04)	\$1.11

Q4 2018 Adjusted P&L - Reconciliation

(\$ in millions)	Q4 2018 ASC 605	ASC 606 Impact	Q4 2018 ASC 606
Revenue	\$759.2	\$0.0	\$759.2
Gross Profit	\$376.2	\$0.7	\$376.9
<i>% of Sales</i>	49.6%		49.6%
Research & Dev	\$35.0	\$0.0	\$35.0
<i>% of Sales</i>	4.6%		4.6%
Sales, Gen & Admin	\$185.3	\$0.5	\$185.8
<i>% of Sales</i>	24.4%		24.5%
Operating Income	\$155.9	\$0.2	\$156.1
<i>% of Sales</i>	20.5%		20.6%
Interest	\$23.4	\$0.0	\$23.4
Pretax	\$132.5	\$0.2	\$132.7
Tax Expense	\$22.2	(\$0.6)	\$21.6
<i>Tax Rate</i>	16.7%		16.3%
Net Income	\$110.3	\$0.8	\$111.1
Diluted Shares	67.8		67.8
EPS	\$1.63	\$0.01	\$1.64

FY 2018 Reconciliation: ASC 605 To ASC 606

FY 2018 Adjusted P&L - Reconciliation

(\$ in millions)	FY 2018 ASC 605	ASC 606 Impact	FY 2018 ASC 606
Revenue	\$2,848.0	(\$14.3)	\$2,833.7
Gross Profit <i>% of Sales</i>	\$1,394.2 49.0%	(\$10.0)	\$1,384.2 48.8%
Research & Dev <i>% of Sales</i>	\$135.6 4.8%	\$0.0	\$135.6 4.8%
Sales, Gen & Admin <i>% of Sales</i>	\$766.1 26.9%	\$0.3	\$766.4 27.0%
Operating Income <i>% of Sales</i>	\$492.5 17.3%	(\$10.3)	\$482.1 17.0%
Interest	\$93.3	\$0.0	\$93.3
Pretax	\$399.2	(\$10.3)	\$388.9
Tax Expense <i>Tax Rate</i>	\$77.8 19.5%	(\$3.0)	\$74.8 19.2%
Net Income	\$321.4	(\$7.3)	\$314.1
Diluted Shares	67.6		67.6
EPS	\$4.75	(\$0.10)	\$4.65

Note: Adjusted gross margin, operating margin and EPS are non-GAAP measures. See reconciliation of non-GAAP disclosures in the appendix to this presentation



Appendix: Reconciliation Of Non-GAAP Disclosures

Reconciliation: Gross Margin, Operating Margin And Earnings Per Share

	Quarter Ended June 30, 2019					Quarter Ended June 30, 2018				
	Gross Margin	Operating Margin	Income Before Income Taxes	Income Tax Expense	Diluted EPS	Gross Margin	Operating Margin	Income Before Income Taxes	Income Tax Expense	Diluted EPS
GAAP Basis	49.0%	9.6%	\$ 45.7	\$ 13.1	\$ 0.48	49.1%	11.1%	\$ 55.5	\$ 10.3	0.67
Adjustments:										
Acquisition and integration costs	0.5%	1.9%	13.9	2.8	0.16	-	0.4%	2.7	0.7	0.03
Acquisition-related intangible asset amortization	-	4.0%	29.3	7.4	0.33	-	3.7%	26.8	7.4	0.28
Field corrective actions	0.8%	0.8%	5.6	1.4	0.06	-	0.0%	-	-	-
Regulatory compliance costs	-	0.6%	4.6	1.1	0.05	-	0.1%	0.6	0.2	0.01
Litigation expenses	-	0.0%	-	-	-	-	0.0%	-	-	-
Special charges	-	0.9%	6.2	1.5	0.07	-	2.0%	14.0	4.1	0.15
Tax law and method changes	-	0.0%	-	(5.4)	0.08	-	0.0%	0.1	(1.1)	0.02
Gain on disposition	-	0.0%	-	-	-	-	-	-	-	-
Adjusted Basis	<u>50.3%</u>	<u>17.8%</u>	<u>\$ 105.3</u>	<u>\$ 21.9</u>	<u>\$ 1.23</u>	<u>49.1%</u>	<u>17.3%</u>	<u>\$ 99.7</u>	<u>\$ 21.6</u>	<u>\$ 1.15</u>

	Year to Date Ended June 30, 2019					Year to Date Ended June 30, 2018				
	Gross Margin	Operating Margin	Income Before Income Taxes	Income Tax Expense	Diluted EPS	Gross Margin	Operating Margin ¹	Income Before Income Taxes	Income Tax Expense	Diluted EPS
GAAP Basis	48.9%	10.5%	\$ 156.0	\$ 31.7	\$ 1.84	48.7%	8.5%	\$ 107.8	\$ (54.2)	2.40
Adjustments:										
Acquisition and integration costs	0.1%	0.7%	15.7	3.2	0.19	-	0.3%	7.3	1.9	0.08
Acquisition-related intangible asset amortization	-	3.9%	82.3	19.7	0.93	-	3.8%	80.5	20.9	0.88
Field corrective actions	0.3%	0.3%	5.6	1.4	0.06	-	-	-	-	-
Regulatory compliance costs	-	0.5%	10.7	2.7	0.12	-	0.1%	1.8	0.5	0.02
Litigation expenses	-	0.0%	-	-	-	-	0.3%	5.8	1.5	0.06
Special charges	-	0.8%	17.7	4.3	0.20	-	3.1%	64.4	17.3	0.70
Tax law and method changes	-	0.0%	-	(4.4)	0.06	-	0.0%	0.1	67.7	(1.00)
Gain on disposition	-	0.0%	-	-	-	-	-	(1.0)	-	(0.01)
Adjusted Basis	<u>49.3%</u>	<u>16.7%</u>	<u>\$ 288.0</u>	<u>\$ 58.6</u>	<u>\$ 3.40</u>	<u>48.7%</u>	<u>16.1%</u>	<u>\$ 266.7</u>	<u>\$ 55.6</u>	<u>\$ 3.13</u>

Reconciliation: Gross Margin, Operating Margin And Earnings Per Share (ASC 606)

	Quarter Ended December 31, 2017					Quarter Ended December 31, 2016				
	Gross Margin	Operating Margin ¹	Income Before Income Taxes	Income Tax Expense	Diluted EPS ¹	Gross Margin	Operating Margin	Income Before Income Taxes ¹	Income Tax Expense	Diluted EPS ¹
GAAP Basis	47.7%	7.9%	\$ 30.8	\$ (57.5)	\$ 1.31	47.5%	8.8%	\$ 35.3	\$ 11.8	\$ 0.36
Adjustments:										
Acquisition and integration costs	-	0.4%	2.4	0.6	0.03	-	0.9%	6.0	2.2	0.06
Acquisition-related intangible asset amortization	-	4.0%	26.7	6.6	0.30	-	4.0%	25.5	8.3	0.26
Litigation settlements and expenses	-	0.6%	4.0	1.1	0.04	-	-	-	-	-
Special charges	-	2.0%	13.5	3.5	0.15	-	0.9%	5.8	1.9	0.06
Tax law changes	-	-	-	60.3	(0.89)	-	-	-	(2.2)	0.03
Gain on disposition	-	-	(1.0)	-	(0.01)	-	-	(1.0)	(0.4)	(0.01)
Adjusted Basis	<u>47.7%</u>	<u>14.7%</u>	<u>\$ 76.4</u>	<u>\$ 14.6</u>	<u>\$ 0.92</u>	<u>47.5%</u>	<u>14.6%</u>	<u>\$ 71.6</u>	<u>\$ 21.6</u>	<u>\$ 0.75</u>
Impacts of ASC 606 Adoption ²	-0.1%	-0.3%	\$ (3.1)	\$ (0.4)	\$ (0.04)	-	-	\$ (0.7)	\$ (0.4)	\$ -
Adjusted Basis - ASC 606	<u>47.6%</u>	<u>14.4%</u>	<u>\$ 73.3</u>	<u>\$ 14.2</u>	<u>\$ 0.88</u>	<u>47.5%</u>	<u>14.6%</u>	<u>\$ 71.0</u>	<u>\$ 21.2</u>	<u>\$ 0.75</u>

¹ Total does not add due to rounding.

² The Company adopted ASC 606 as of October 1, 2018. This adjustment is to present our adjusted diluted EPS in earlier periods on the same basis as the new Accounting Standard, ASC 606.

	Quarter Ended March 31, 2018					Quarter Ended March 31, 2017				
	Gross Margin	Operating Margin	Income Before Income Taxes	Income Tax Expense	Diluted EPS	Gross Margin	Operating Margin ¹	Income Before Income Taxes ¹	Income Tax Expense	Diluted EPS
GAAP Basis	49.3%	6.5%	\$ 21.5	\$ (7.0)	\$ 0.42	47.8%	9.4%	\$ 41.3	\$ 7.3	\$ 0.51
Adjustments:										
Acquisition and integration costs	-	0.4%	2.6	0.7	0.03	0.1%	1.1%	7.2	3.4	0.06
Acquisition-related intangible asset amortization	-	3.8%	27.0	6.9	0.30	-	3.9%	26.6	9.0	0.26
Field corrective actions	-	-	-	-	-	0.1%	0.1%	0.5	(0.1)	0.01
Litigation expenses	-	0.3%	1.8	0.4	0.02	0.0%	0.1%	0.9	0.3	0.01
Special charges	-	5.2%	36.9	9.7	0.40	-	0.5%	3.1	0.9	0.03
Tax method and law changes and related costs	-	-	0.8	8.7	(0.12)	0.0%	-	-	-	-
Adjusted Basis	<u>49.3%</u>	<u>16.2%</u>	<u>\$ 90.6</u>	<u>\$ 19.4</u>	<u>\$ 1.05</u>	<u>48.0%</u>	<u>15.0%</u>	<u>\$ 79.6</u>	<u>\$ 20.8</u>	<u>\$ 0.88</u>
Impacts of ASC 606 Adoption ²	-0.1%	-0.3%	\$ (3.2)	\$ (0.9)	\$ (0.03)	0.3%	0.5%	\$ 4.0	\$ 0.6	\$ 0.05
Adjusted Basis - ASC 606	<u>49.2%</u>	<u>15.9%</u>	<u>\$ 87.4</u>	<u>\$ 18.5</u>	<u>\$ 1.02</u>	<u>48.3%</u>	<u>15.5%</u>	<u>\$ 83.7</u>	<u>\$ 21.4</u>	<u>\$ 0.93</u>

¹ Total does not add due to rounding.

² The Company adopted ASC 606 as of October 1, 2018. This adjustment is to present our adjusted diluted EPS in earlier periods on the same basis as the new Accounting Standard, ASC 606.

Reconciliation: Gross Margin, Operating Margin And Earnings Per Share (ASC 606)

	Quarter Ended June 30, 2018					Quarter Ended June 30, 2017				
	Gross Margin	Operating Margin	Income Before Income Taxes	Income Tax Expense	Diluted EPS	Gross Margin	Operating Margin ¹	Income Before Income Taxes	Income Tax Expense	Diluted EPS
GAAP Basis	49.1%	11.1%	\$ 55.5	\$ 10.3	\$ 0.67	48.0%	5.9%	\$ 16.1	\$ 10.4	\$ 0.09
Adjustments:										
Acquisition and integration costs	-	0.4%	3.1	0.8	0.03	0.3%	0.9%	5.9	2.4	0.05
Acquisition-related intangible asset amortization	-	3.8%	26.8	7.4	0.28	-	4.1%	28.1	9.4	0.28
Field corrective actions	-	-	-	-	-	0.0%	0.0%	-	-	-
Litigation expenses	-	0.0%	-	-	-	0.0%	0.2%	1.6	0.6	0.02
Special charges	-	2.0%	14.0	4.1	0.15	-	5.1%	34.8	2.7	0.47
Tax method and law changes and related costs	-	-	0.3	(1.0)	0.02	0.0%	-	-	-	-
Gain on disposition	-	-	-	-	-	-	-	-	-	-
Adjusted Basis	49.1%	17.3%	\$ 99.7	\$ 21.6	\$ 1.15	48.3%	16.1%	\$ 86.5	\$ 25.5	\$ 0.91
Impacts of ASC 606 Adoption ²	-0.2%	-0.5%	\$ (4.3)	\$ (1.1)	\$ (0.04)	-	-0.1%	\$ (0.9)	\$ (0.4)	\$ (0.01)
Adjusted Basis - ASC 606	48.9%	16.8%	\$ 95.4	\$ 20.5	\$ 1.11	48.3%	16.0%	\$ 85.6	\$ 25.1	\$ 0.90

¹ Total does not add due to rounding.

² The Company adopted ASC 606 as of October 1, 2018. This adjustment is to present our adjusted diluted EPS in earlier periods on the same basis as the new Accounting Standard, ASC 606.

	Quarter Ended September 30, 2018					Quarter Ended September 30, 2017				
	Gross Margin	Operating Margin ¹	Income Before Income Taxes	Income Tax Expense	Diluted EPS	Gross Margin	Operating Margin ¹	Income Before Income Taxes	Income Tax Expense	Diluted EPS
GAAP Basis	49.6%	14.8%	\$ 89.4	\$ (1.0)	\$ 1.33	49.1%	15.4%	\$ 90.3	\$ 21.2	\$ 1.03
Adjustments:										
Acquisition and integration costs	-	0.4%	3.0	0.9	0.03	0.3%	0.6%	4.4	1.7	0.04
Acquisition-related intangible asset amortization	-	3.5%	26.4	7.3	0.28	-	3.8%	28.2	7.5	0.31
Field corrective actions	-	-	-	-	-	-0.1%	-0.1%	(0.5)	(0.1)	(0.01)
Litigation expenses	-	0.0%	-	-	-	0.0%	-1.6%	3.2	1.2	0.03
Special charges	-	1.7%	13.2	3.8	0.14	-	1.2%	(6.3)	(0.7)	(0.08)
Supplemental stock compensation charge	-	-	-	-	0.14	-	-	-	-	-
Tax method and law changes and related costs	-	-	0.5	11.2	(0.15)	0.0%	-	-	-	-
Adjusted Basis	49.6%	20.5%	\$ 132.5	\$ 22.2	\$ 1.63	49.3%	19.3%	\$ 119.3	\$ 30.8	\$ 1.32
Impacts of ASC 606 Adoption ²	-	0.1%	\$ 0.2	\$ (0.6)	\$ 0.01	-0.2%	-0.6%	\$ (5.5)	\$ (1.8)	\$ (0.06)
Adjusted Basis - ASC 606	49.6%	20.6%	\$ 132.7	\$ 21.6	\$ 1.64	49.1%	18.7%	\$ 113.8	\$ 29.0	\$ 1.26

¹ Total does not add due to rounding.

² The Company adopted ASC 606 as of October 1, 2018. This adjustment is to present our adjusted diluted EPS in earlier periods on the same basis as the new Accounting Standard, ASC 606.

Reconciliation: Gross Margin, Operating Margin And Earnings Per Share (ASC 606)

	Year Ended September 30, 2018					Year Ended September 30, 2017				
	Gross Margin	Operating Margin	Income Before Income Taxes ¹	Income Tax Expense	Diluted EPS	Gross Margin	Operating Margin ¹	Income Before Income Taxes ¹	Income Tax Expense	Diluted EPS
GAAP Basis	49.0%	10.2%	\$ 197.2	\$ (55.2)	\$ 3.73	48.1%	10.0%	\$ 183.0	\$ 50.7	\$ 1.99
Adjustments:										
Acquisition and integration costs	-	0.4%	11.1	3.0	0.12	0.2%	0.9%	23.5	9.7	0.21
Acquisition-related intangible asset amortization	-	3.8%	106.9	28.2	1.16	-	4.0%	108.4	34.2	1.10
Field corrective actions	-	-	-	-	-	-	-	-	(0.2)	-
Litigation expenses	-	0.2%	5.8	1.5	0.06	-	-0.3%	5.7	2.1	0.05
Special charges	-	2.7%	77.6	21.1	0.84	-	1.9%	37.4	4.8	0.49
Tax method and law changes and related costs	-	-	1.6	79.2	(1.15)	-	-	-	(2.2)	0.03
Gain on disposition	-	-	(1.0)	-	(0.01)	-	-	(1.0)	(0.4)	(0.01)
Adjusted Basis	<u>49.0%</u>	<u>17.3%</u>	<u>\$ 399.2</u>	<u>\$ 77.8</u>	<u>\$ 4.75</u>	<u>48.3%</u>	<u>16.3%</u>	<u>\$ 357.0</u>	<u>\$ 98.7</u>	<u>\$ 3.86</u>
Impacts of ASC 606 Adoption ²	<u>-0.2%</u>	<u>-0.3%</u>	<u>\$ (10.4)</u>	<u>\$ (3.0)</u>	<u>\$ (0.10)</u>	<u>0.1%</u>	<u>-</u>	<u>\$ (2.9)</u>	<u>\$ (2.0)</u>	<u>\$ (0.01)</u>
Adjusted Basis - ASC 606	<u>48.8%</u>	<u>17.0%</u>	<u>\$ 388.9</u>	<u>\$ 74.8</u>	<u>\$ 4.65</u>	<u>48.4%</u>	<u>16.3%</u>	<u>\$ 354.0</u>	<u>\$ 96.7</u>	<u>\$ 3.85</u>

¹ Total does not add due to rounding.

² The Company adopted ASC 606 as of October 1, 2018. This adjustment is to present our adjusted diluted EPS in earlier periods on the same basis as the new Accounting Standard, ASC 606.