



Investor Presentation (NYSE: IVC)

Lytham Partners Conference
October 7, 2020

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 second 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 June 30, 2020, unless otherwise noted.



ABOUT US

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

As of June 30, 2020, the company had TTM revenue of \$883M and 3,600 associates worldwide

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



WHAT WE DO

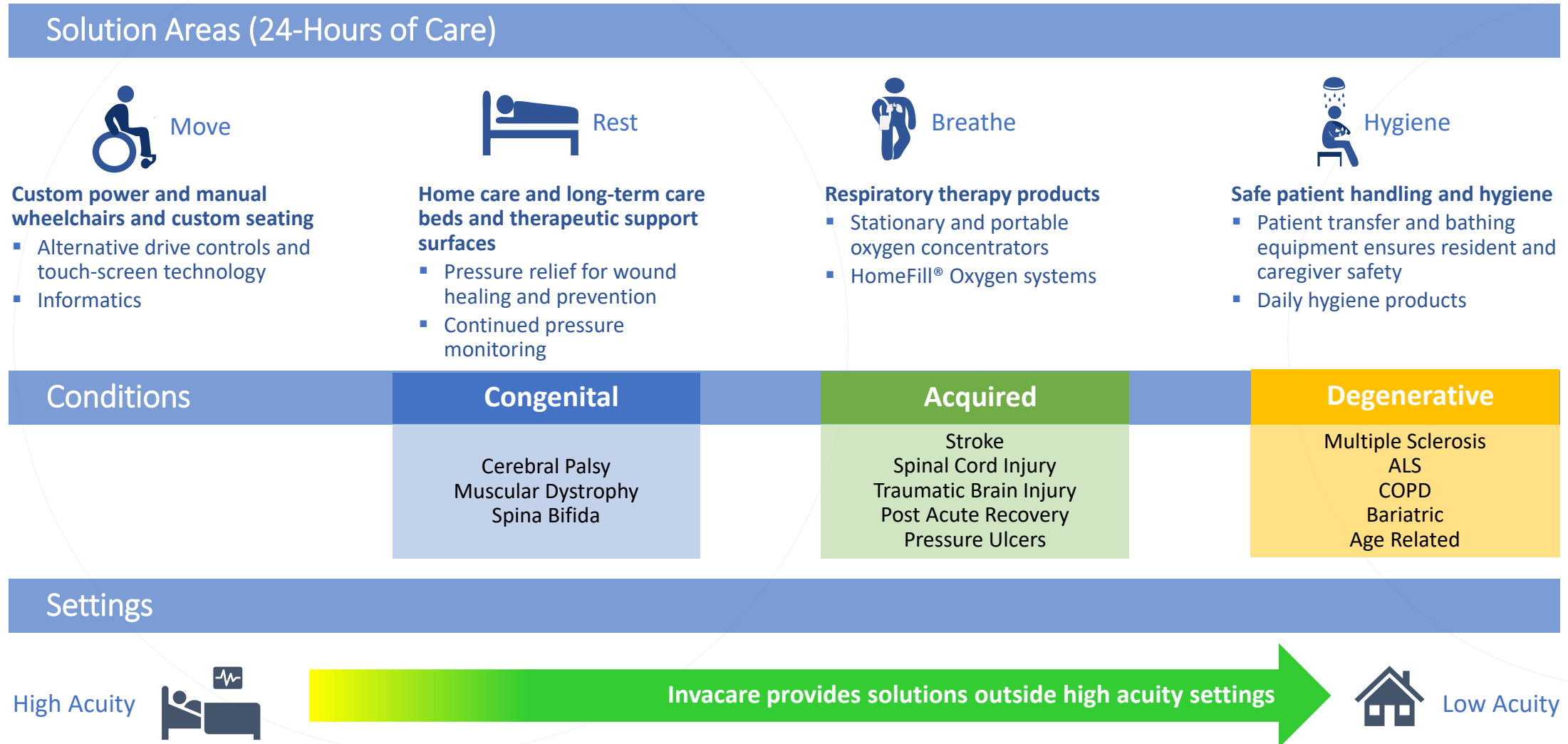
Invacare is a leading manufacturer and distributor in its markets for medical equipment used in non-acute care settings

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

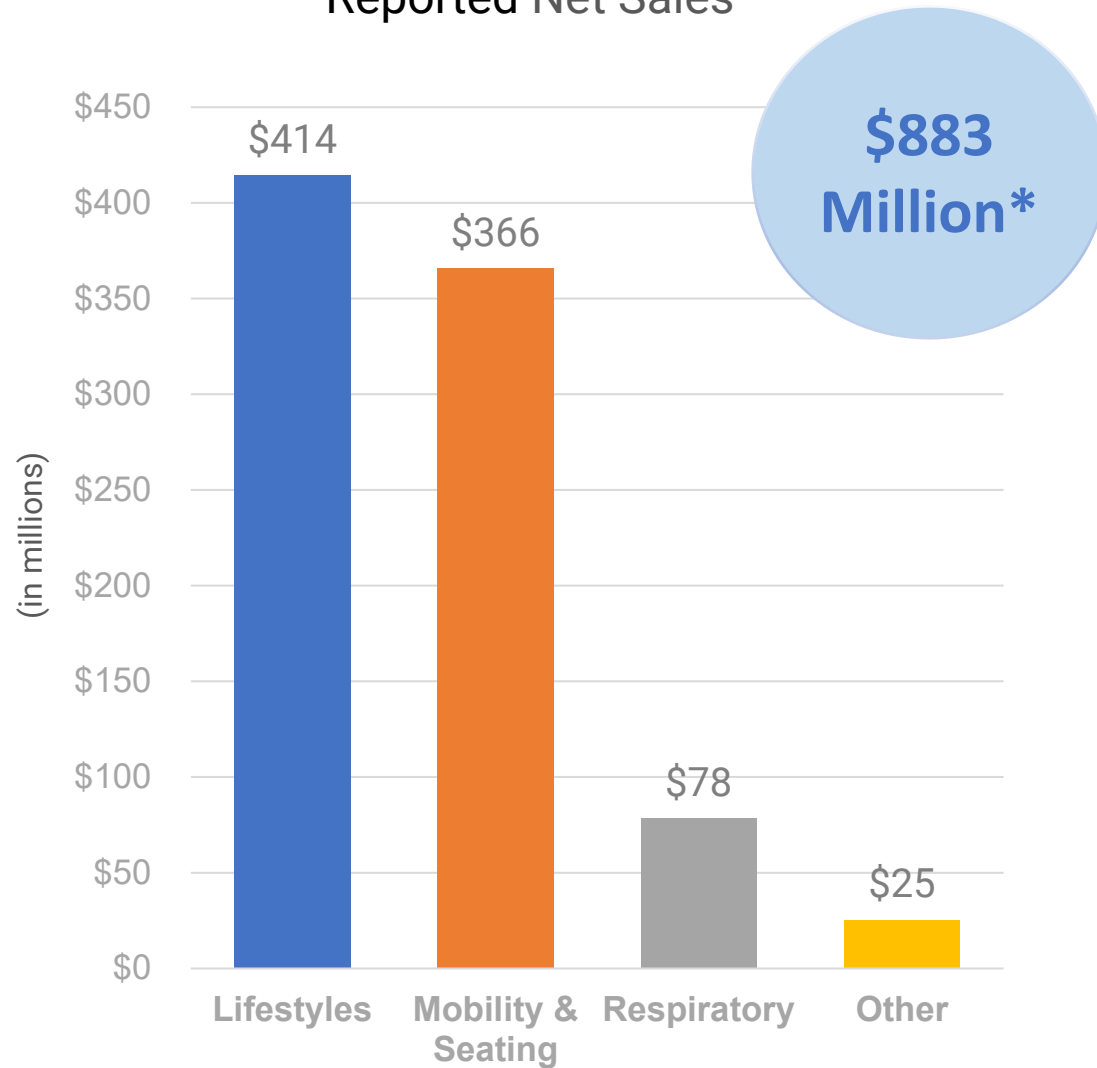
Invacare sells its products to private and government medical equipment providers and residential care providers

Solutions Across The Continuum Of Care

Providing essential clinical solutions for broad range of conditions



Reported Net Sales *



* TTM sales as of June 30, 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

\$497M



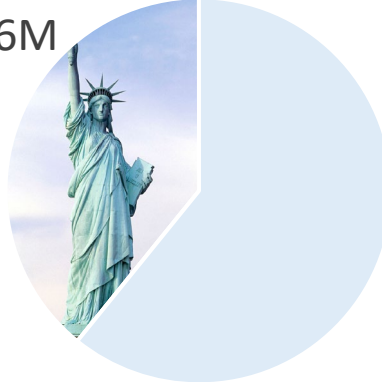
Europe (56%)*

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

\$346M

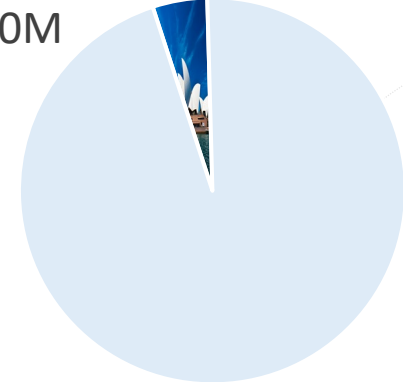


North America (39%)*

Primarily sell to durable medical equipment providers, equipment fleet owners, residential care facilities and government agencies

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

\$40M



Asia Pacific (5%)*

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

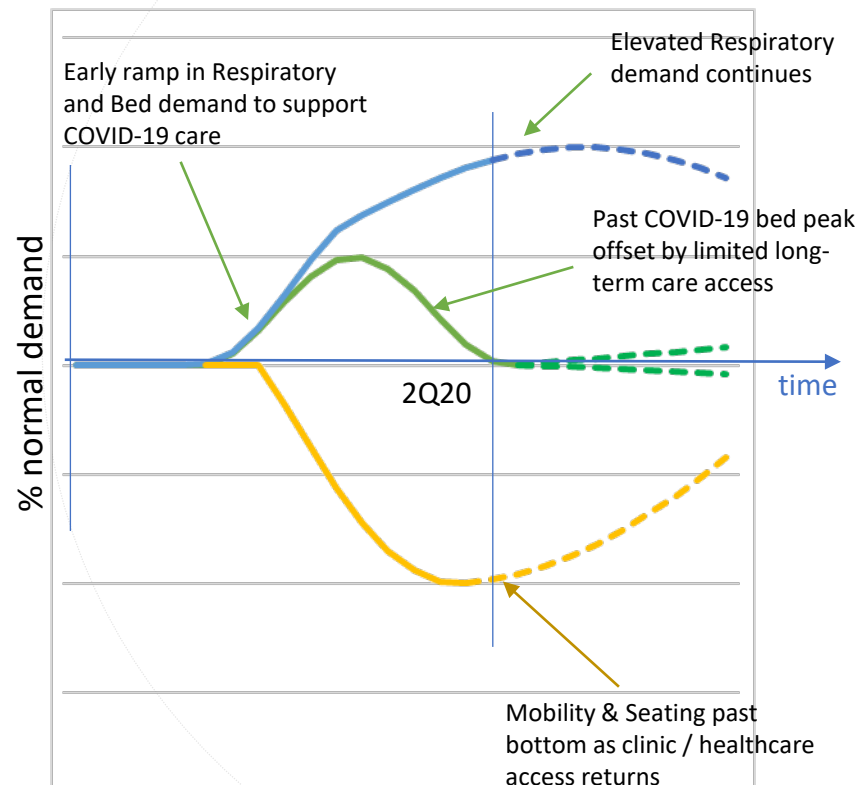
Sales and distribution facilities in Australia, New Zealand and Thailand

** TTM sales as of June 30, 2020*

COVID-19 Business Dynamics

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

Anatomy of Impact



NB – For illustrative purposes only; not drawn to scale

Respiratory and Beds/Lifestyles

- Strong demand for stationary oxygen concentrators for COVID-19 response; began in late 1Q20 and continues today
- Smaller peak for bed systems – initial strong demand for expanded medical facilities and post-discharge home care offset by lower demand from limited access to residential care facilities and lower demand for post-elective surgery care. 2Q20 COVID-19 peak has passed; residential care facility access and elective procedures expected to resume
- Timing of return to more normal sales rates TBD based on course of pandemic



Mobility & Seating

- Good momentum in 1Q20 driven by power mobility products with new product growth and improved commercial effectiveness
- Limited access to clinicians from late-1Q20 for custom fitting reduced sales
- Order volume expected to increase as access to clinicians enables custom fittings and deliveries



All Products

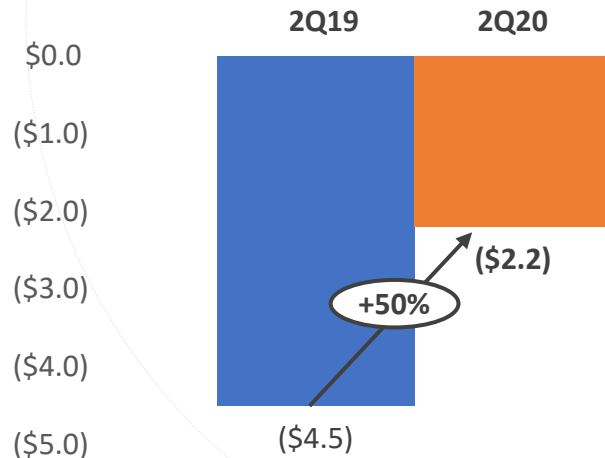
- Overall, higher value sales mix due to lower demand of low acuity products and elective procedures, which were delayed due to public health measures

Second Quarter 2020 Financial Highlights

Operating Loss

Improved \$2.3 million due to:

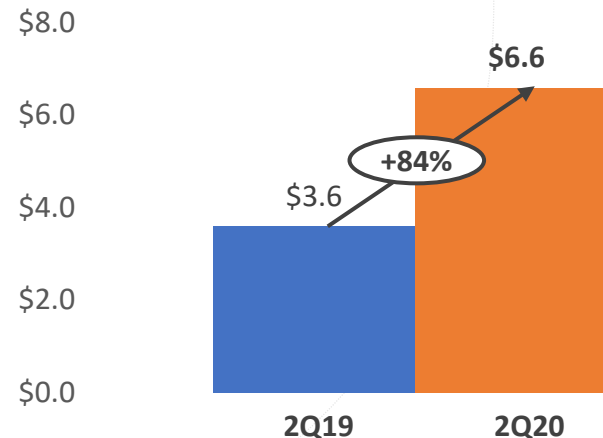
- Reduced SG&A expenses
- Higher gross margin of 130 basis points partially offset by higher restructuring costs
- North America returned to profitability, generating \$4.8 million of operating income



Adjusted EBITDA

Improved \$3.0 million driven by:

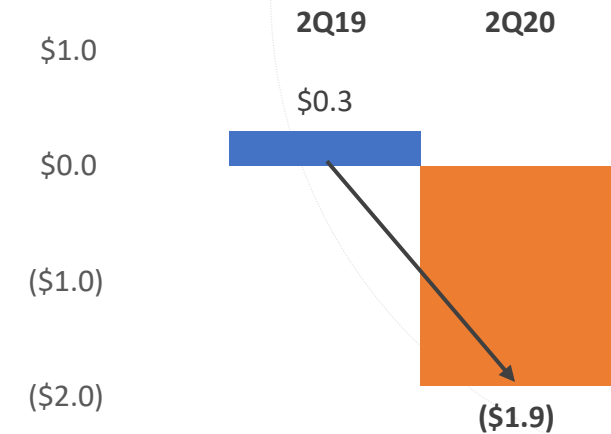
- \$8.8 million reduction in constant currency SG&A expenses
- Partially offset by lower total sales and gross profit
- Favorable sales mix of higher acuity products



Free Cash Flow

Decreased by \$2.1 million due to:

- Increased capital expenditures
- Higher inventory partially offset by higher A/P and payment deferrals



Transformation initiatives and strong cost containment measures drive improved profitability

COVID-19: Financial and Operating Assumptions

Revenue



- ❑ Sequential increase in consolidated net sales in 2020, staying lower than prior year
- ❑ Europe expected to recover more slowly than the U.S. due to more stringent public healthcare restrictions
- ❑ 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

Expenses & Margins



- ❑ Gross margins expected to be impacted as product mix returns to more normalized levels
- ❑ 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
 - ✓ 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
- ❑ Accessed government-based loans and other programs which bolster short-term liquidity, including loans and temporary delays of direct and indirect tax payments
- ❑ Extended a significant portion of convertible debt maturing in 2021 and 2022, to 2024

Initiatives Accelerating Our Transformation



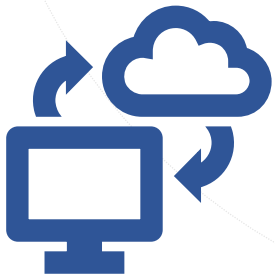
Award winning clinical solutions and full product pipeline:

- ✓ 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 in France
- ✓ Implementing plant consolidations in German facilities to be completed in late 2020
- ✓ Achieved significant improvement in material and freight costs through proactive supply chain actions

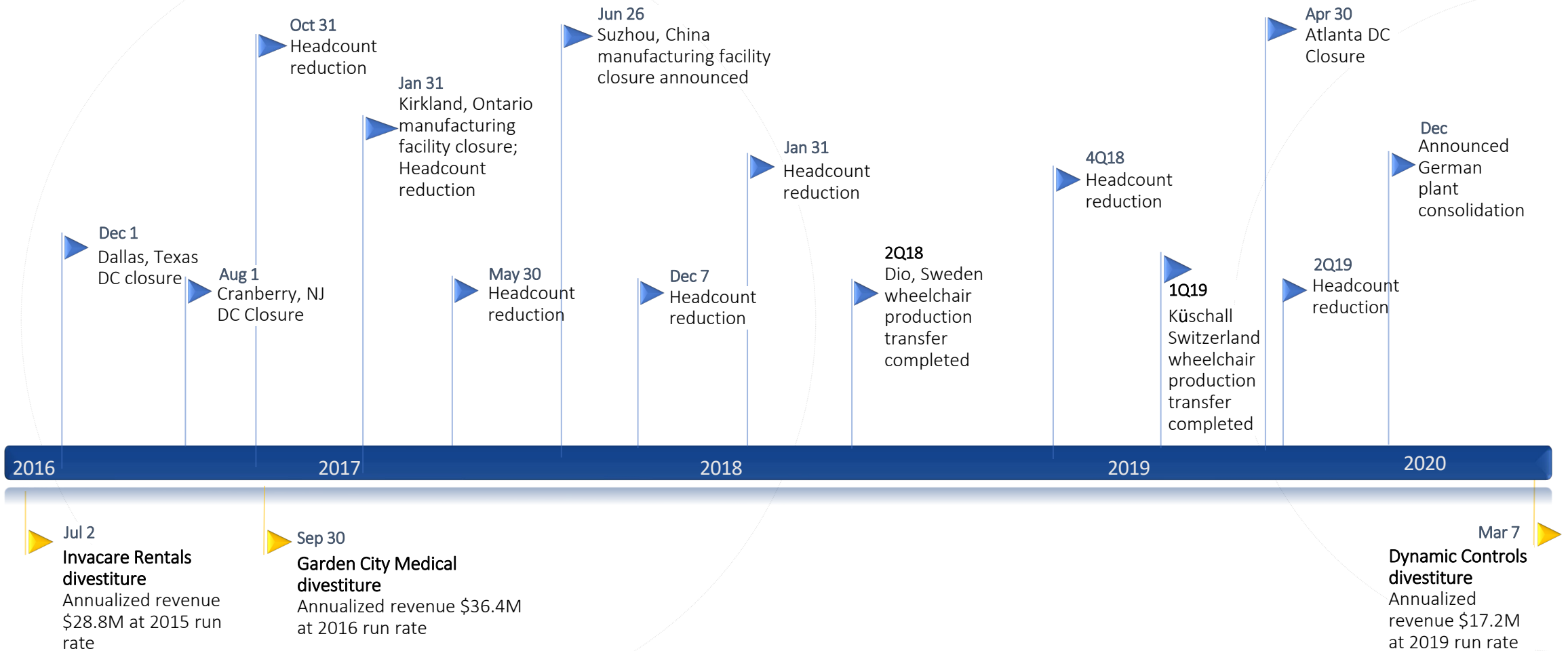


Partnership with Birlasoft Solutions to modernize business with flexible IT systems to:

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

Track Record of Optimization

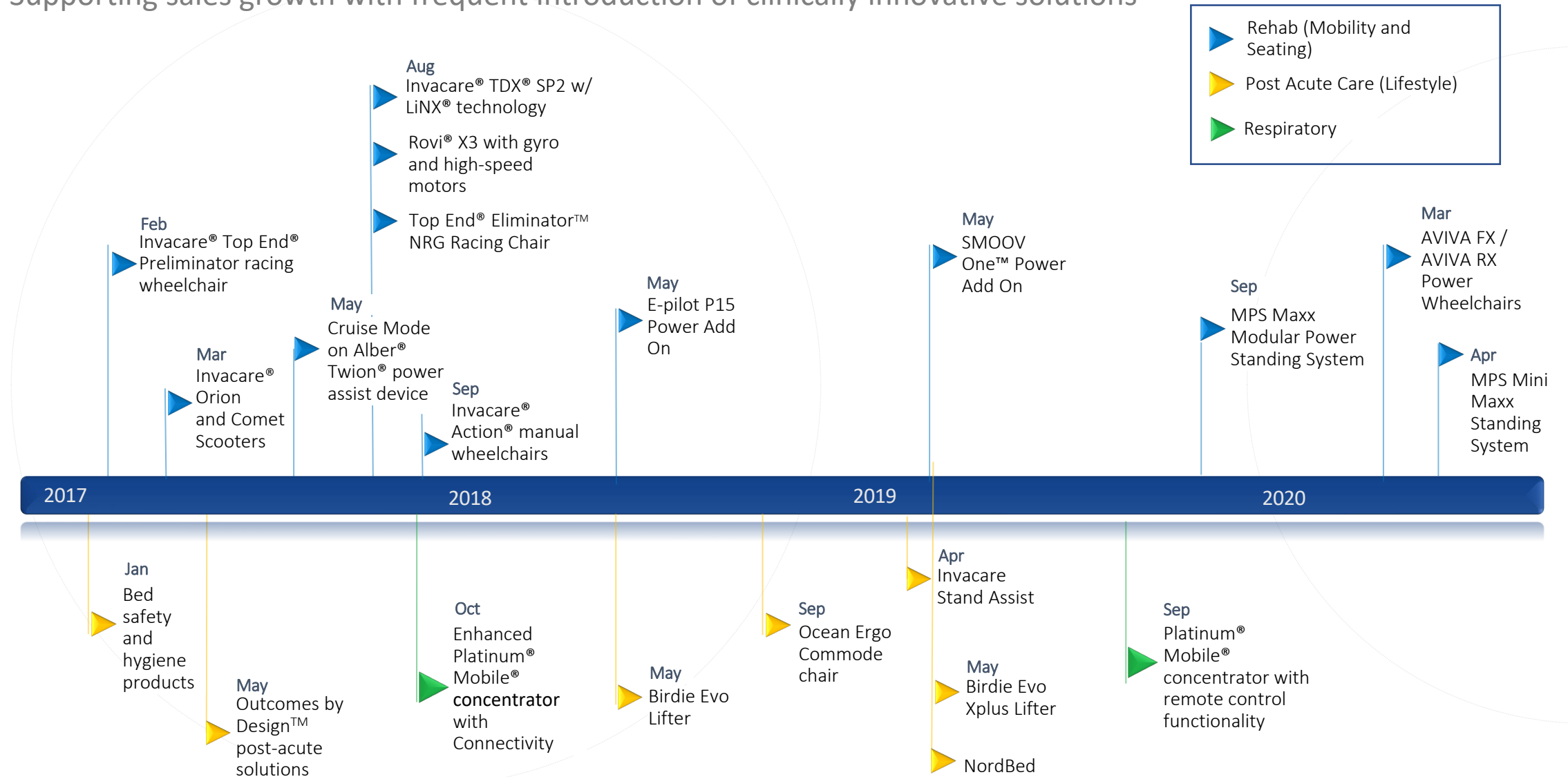
Aligning footprint with new commercial strategy and sales level



\$39 million in cost optimization actions executed from 2017 to date

Innovation Pipeline

Supporting sales growth with frequent introduction of clinically innovative solutions



Award Winning Mobility & Seating Products



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

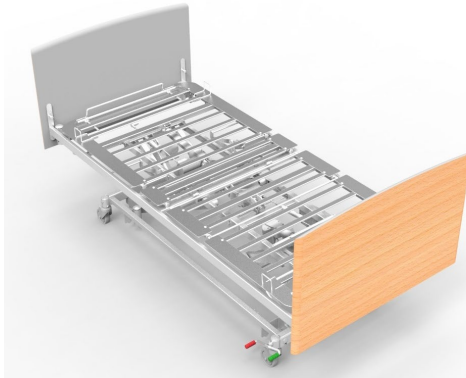


Smoov one™ Power Assist

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

Innovative Lifestyles Products

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^{EVO XPLUS}

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



Transformation Highlights



Thank You

Q&A

Convertible Debt Summary

Terms	2021	2022	2024 Series I	2024 Series II	Total
Amount <i>(as of Sep 9, 2020)</i>	\$3.8M	\$81.5M	\$72.9M	\$73.9M	\$232.0M
Maturity date	Feb 15, 2021	Jun 1, 2022	Nov 15, 2024	Nov 15, 2024	--
Interest rate	5.0%	4.5%	5.0%	5.0%	4.8%
Conversion price	\$16.65	\$16.23	\$14.78	\$14.78	--
Soft call price	--	--	\$19.21	\$19.21	--
Contingent conversion price *	\$21.65	\$21.10	--	--	--
Warrant price	\$22.42	\$21.44	--	--	--
Maximum debt accretion**	--	--	--	\$16.6M	
Convertible debt quote at 9/30/20	100.3	87.3	83.4	89.4	--
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	0.00	0.07	0.07	0.14
IVC stock at \$20	0.00	0.00	1.29	1.31	2.60

*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 6/30/20 and assuming net share settlement