

Bausch Health (NYSE: BHC)

Bausch + Lomb (NYSE: BLCO)

PREFACE

There have been a lot of reasons to dislike Bausch Health, fka Valeant, for many years: fraud, financial restatements, extreme value destruction, billion dollar class action lawsuits, unsustainable leverage, maturity walls, potential for catastrophic creditor-on-creditor violence, co-op group complexity, potential information asymmetry, aggressive shareholders on the board (Paulson, Icahn), uncertainty about who would benefit from Bausch + Lomb value, a patent cliff, myriad patent litigations, and messy consolidated financials, to name a few. **But the operative word here is de-risked.**

The Bausch situation has materially de-risked over the past two years: the shareholder lawsuits are largely settled, a new CFO put the kibosh on risky LME maneuvers, the 2025 - 2027 maturity walls have been cleared, Bausch and Teva have essentially prevailed in the Norwich litigation preserving exclusivity on Xifaxan until January 1, 2028, 70% of the BLCO shares have been pledged as collateral for debt, Brett Icahn resigned from the board, and most recently the BLCO board was overhauled "at the request of Bausch Health Companies" swapping pharma commercial expertise for corporate action and M&A expertise, setting the stage for a BLCO monetization and completion of the BHC capital structure transformation.

Accordingly, we believe there are numerous attractive investments across this complex, from super safe 10% carry trades to high octane unsecured bonds and common equity.



BUSINESS OVERVIEW

BAUSCH HEALTH

Bausch Health Companies Inc. ("BHC" or the "Company"), formerly Valeant Pharmaceuticals, is a diversified pharmaceuticals and medical device company with a focus on gastroenterology (digestive system), hepatology (liver, gallbladder, pancreas), neurology and dermatology. The Company operates through four segments, but what's most important to know is that one product, Xifaxan (rifaximin) - indicated for irritable bowel syndrome and hepatic encephalopathy ("HE", brain function decline caused by advanced liver disease) - accounts for about 45% of revenue and by our measure 60% - 70% of adjusted EBITDA.

FOCUS

BHC US Equity

BLCO US Equity

BHCCN 1L TL B due 2030

BHCCN 6.250% Sr. Notes due 2029

KEY METRICS - BHC

Current Price	\$6.72
52-wk Range	\$4.33 - \$8.69
Market Cap	\$2.5bn
Gross Debt	\$15.2bn
Net Debt	\$13.8bn
TEV	\$16.1bn
Sec. Lev. Ratio	3.6x
Total Lev. Ratio	5.2x
Total LTV	95%
TTM Adj. EBITDA	\$2.9bn

KEY METRICS - BLCO

Current Price	\$17.82
52-wk Range	\$13.77 - \$18.92
Market Cap	\$6.4bn
Gross Debt	\$5.1bn
Net Debt	\$4.8bn
TEV	\$10.7bn
Sec. Lev. Ratio	5.0x
Total Lev. Ratio	5.0x
Total LTV	48%
TTM Adj. EBITDA	\$1.0bn

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For the TTM period ended June 30, 2026, BHC generated \$5.5bn of revenue, \$2.9bn of adjusted EBITDA and \$1.2bn of LFCF (CFO - capex). The Company has \$15.2bn of gross debt (5.2x gross leverage ratio) and a \$2.5bn equity market capitalization.

AHC Capitalization (\$ in millions)	Borrower / Issuer	Previous					Current		Pf	Pf	Composite Rating	Rate/ Coupon	Price	Maturity	Yield	Annual Interest	PF BCLO Sale	Refi Post-BCLO	
		12/31/2024	3/31/2025	6/30/2025	9/30/2025	12/31/2025	3/31/2026	6/30/2026	2027	BCLO Sale									
Cash		\$876	\$932	\$1,461	\$998	\$926	\$1,031	\$1,458	\$815	\$200									
Availability on RCF		975	975	474	474	468	468	469	469	469									
Liquidity		\$1,851	\$1,907	\$1,935	\$1,472	\$1,394	\$1,499	\$1,927	\$1,284	\$669									
2027 RCF (\$975m; terminated)		--	--	--	--	--	--	--	--	--									
2030 RCF (\$500m)	▼ 1261229 BC LTD	--	--	--	--	--	--	--	--	--			S + 4.250%		Apr 2030		\$3	\$3	
Feb 2027 TL B facility		2,187	2,156	--	--	--	--	--	--	--									
2030 TL B facility		--	--	--	--	--	--	--	--	--			S + 6.250%		Oct 2030		49	49	
AR credit facility (\$400m)	▼ 1261229 BC LTD	--	--	--	--	--	--	--	--	--	488	B-	S + 6.500%	99.94	Jan 2028	10.0%	297	43	
5.500% sr. sec. notes due 2025		300	300	300	300	2,985	2,977	2,970	2,970	2,970			S + 6.500%			3	3	3	
6.125% sr. sec. notes due 2027		1,680	1,680	--	--	--	--	--	--	--									
5.750% sr. sec. notes due 2027		1,000	1,000	--	--	--	--	--	--	--									
4.875% sr. sec. notes due 2028		500	500	--	--	--	--	--	--	--									
11.00% sr. sec. notes due 2028	BAUSCH HEALTH COS INC	1,600	1,600	1,600	1,600	803	803	803	803	803	803	CCC+	4.875%	96.10	Jun 2028	7.3%	39	39	80
10.00% sr. sec. notes due 2032	BAUSCH HEALTH COS INC	1,774	1,774	1,774	1,774	888	888	888	888	888	888	CCC+	11.000%	105.62	Sep 2028	8.0%	98	98	89
10.00% sr. sec. notes due 2038	1261229 BC LTD	--	--	4,400	4,400	6,000	6,000	6,000	6,000	6,000	985	B-	10.000%	104.29	Apr 2032	8.6%	600	98	88
9.000% sr. sec. notes due 2028 (HoldCo)	13575209 BC LTD	999	999	--	--	--	--	--	--	--									
Total LT debt		\$10,040	\$10,009	\$11,074	\$11,066	\$10,676	\$10,668	\$10,661	\$10,661	\$3,164						\$1,039	\$290	\$322	
14.00% sr. sec. 2L notes due 2030	BAUSCH HEALTH COS INC	\$352	\$352	\$352	\$352	\$352	\$352	\$352	\$352	\$352		CCC	14.000%	97.00	Oct 2030	15.0%	\$49	\$49	\$49
Total secured debt		\$10,392	\$10,361	\$11,426	\$11,418	\$11,028	\$11,020	\$11,013	\$11,013	\$3,516						\$1,088	\$339	\$371	
9.000% sr. notes due 2025		\$535	\$535	--	--	--	--	--	--	--									
9.250% sr. notes due 2026	BAUSCH HEALTH AMERICAS	602	602	602	602	--	--	--	--	--									
8.500% sr. notes due 2027	BAUSCH HEALTH AMERICAS	643	643	643	643	643	643	643	643	643		CCC-	8.500%	99.92	Jan 2027	8.6%	--	--	--
7.000% sr. notes due 2028	BAUSCH HEALTH COS INC	171	171	171	171	171	171	171	171	171	171	171	7.000%	94.55	Jan 2028	11.4%	12	12	17
5.000% sr. notes due 2028	BAUSCH HEALTH COS INC	433	433	433	433	433	433	433	433	433	433	433	5.000%	93.66	Jan 2028	9.9%	22	22	43
6.250% sr. notes due 2029	BAUSCH HEALTH COS INC	821	821	821	821	821	821	821	821	821	821	821	6.250%	82.95	Feb 2029	14.8%	51	51	82
5.000% sr. notes due 2029	BAUSCH HEALTH COS INC	432	432	432	432	432	432	432	432	432	432	432	5.000%	80.64	Feb 2029	14.7%	28	28	56
7.250% sr. notes due 2029	BAUSCH HEALTH COS INC	336	336	336	336	336	336	336	336	336	336	336	7.250%	82.76	May 2029	15.1%	24	24	34
5.250% sr. notes due 2030	BAUSCH HEALTH COS INC	779	779	779	779	779	779	779	779	779	779	779	5.250%	72.25	Jan 2030	16.1%	41	41	61
5.250% sr. notes due 2031	BAUSCH HEALTH COS INC	463	463	463	463	463	463	463	463	463	463	463	5.250%	65.41	Feb 2031	16.5%	24	24	24
Other		--	--	--	--	--	--	--	--	--									
Net debt		\$15,627	\$15,596	\$16,126	\$15,516	\$15,126	\$15,118	\$15,221	\$14,578	\$7,081						\$1,291	\$541	\$669	
		14,751	14,664	14,665	14,518	14,200	14,087	13,763	13,763	6,881							541	669	
Shares		368	370	370	371	371	373	374	374	374									
Share price	BHC US Equity	\$4.16	\$5.30	\$6.46	\$6.46	\$5.59	\$5.40	\$6.25	\$6.72	\$6.72									
Equity value		\$2,266	\$1,959	\$2,463	\$2,390	\$2,071	\$2,017	\$2,337	\$2,511	\$2,511									
Enterprise value		17,017	16,623	17,128	16,908	16,271	16,104	16,100	16,274	9,392									
TTM adj. EBITDA		\$2,417	\$2,470	\$2,533	\$2,595	\$2,642	\$2,744	\$2,923	\$2,700	\$1,000									
Gross 1L leverage ratio		4.2x	4.1x	4.4x	4.3x	4.0x	3.9x	3.6x	3.9x	3.2x									
Gross secured leverage ratio		4.3x	4.2x	4.5x	4.4x	4.2x	4.0x	3.8x	4.1x	3.5x									
Gross total leverage ratio		6.5x	6.3x	6.4x	6.0x	5.7x	5.5x	5.2x	5.4x	7.1x				Interest coverage ratio		2.09x	1.85x	1.50x	
Secured LTV		61%	62%	67%	68%	68%	68%	68%	68%	37%				(EBITDA - capex) / interest		2.03x	1.71x	1.38x	
Gross total LTV		94%	94%	94%	92%	93%	94%	95%	93%	90%				1M SOFR		575	575	575	
EV / EBITDA		7.0x	6.7x	6.8x	6.5x	6.2x	5.9x	5.5x	6.0x	9.4x				5yr SOFR Swap		3,74%	3,74%	3,74%	
																4,24%	4,24%	4,24%	

Bausch + Lomb Corporation ("BLCO" or "B+L") is the well-known eyecare company with products including contact lenses, lens care, prescription eye medications, medical devices and surgical systems and devices. Worth noting, the contact lens market is an oligopoly comprised of Johnson & Johnson (~35% market share) (ticker: JNJ), Alcon, Inc. (~28%) (ticker: ALC), The Cooper Companies (~27%) (ticker: COO), and B+L (~10%).

For the TTM period ended June 30, 2026, BLCO generated \$5.3bn of revenue, \$1.0bn of adjusted EBITDA and \$130m of LFCF (CFO - capex). B+L has \$5.1bn of gross debt (5.0x gross leverage ratio) and a \$6.4bn equity market capitalization (with only 13% of shares floated).

BLCO Capitalization (\$ in millions)	Borrower / Issuer	Previous						Current 6/30/2026	Pro Forma	Composite Rating	Rate/ Coupon	Price	Maturity	Yield	Annual Interest
		12/31/2024	3/31/2025	6/30/2025	9/30/2025	12/31/2025	3/31/2026								
Cash		\$305	\$202	\$266	\$310	\$383	\$268	\$367	\$367						
Availability on RCF								618	618						
Liquidity		\$305	\$202	\$266	\$310	\$383	\$268	\$985	\$985						
May 2027 RCF (\$500m)	BAUSCH + LOMB CORP	\$110	\$160	--	--	--	--	--	--						--
June 2030 RCF (\$800m)		--	--	--	--	--	100	150	150		S + 2.750%		Jun 2030		13
May 2027 TL B facility		2,437	2,431	--	--	--	--	--	--						--
May 2027 incremental TL B		400	398	--	--	--	--	--	--						--
Sep 2028 TL B facility		494	492	491	490	489	--	--	--						--
Jan 2031 TL B facility	BAUSCH + LOMB CORP	--	--	2,325	2,319	2,313	--	--	--						--
Jan 2031 refinancing TL B facility		--	--	--	--	--	2,802	2,795	2,795	B+	S + 3.750%	100.81	Jan 2031	7.3%	209
8.375% sr. sec. notes due 2028		1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	B+	8.375%	102.53	Oct 2028	2.4%	117
FRN sr. sec. notes due 2031 (€675m)		--	--	796	792	792	780	771	771	BB-	E + 3.875%	100.91	Jan 2031	(57.5%)	59
Other		--	--	12	12	12	12	12	12						--
Total secured debt		\$4,841	\$4,881	\$5,024	\$5,013	\$5,006	\$5,094	\$5,128	\$5,128						\$398
Other		--	--	--	--	--	--	--	--						--
Other		--	--	--	--	--	--	--	--						--
Total debt		\$4,841	\$4,881	\$5,024	\$5,013	\$5,006	\$5,094	\$5,128	\$5,128						\$398
Net debt		4,536	4,679	4,758	4,703	4,623	4,826	4,761	4,761						
Shares	BLCO US Equity	352	353	354	354	354	354	357	357						
Shares price		\$17.50	\$11.37	\$13.72	\$15.00	\$16.55	\$16.00	\$16.68	\$17.82						
Equity value		\$6,168	\$4,018	\$4,855	\$5,313	\$5,864	\$5,669	\$5,956	\$6,363						
Enterprise value		10,704	8,697	9,613	10,016	10,487	10,495	10,717	11,124						
TTM adj. EBITDA		\$878	\$824	\$804	\$820	\$891	\$965	\$1,019	\$1,047						
Gross total leverage ratio		5.5x	5.9x	6.2x	6.1x	5.6x	5.3x	5.0x	4.9x						
Gross total LTV		45%	56%	52%	50%	48%	49%	48%	46%						
EV / EBITDA		12.2x	10.6x	12.0x	12.2x	11.8x	10.9x	10.5x	10.6x						
Interest coverage ratio (EBITDA - capex) / interest															2.63x
Capex															\$300
1M SOFR															3.74%
5yr SOFR Swap															4.24%
Shares owed by BHC		310	310	310	310	310	310	310	310						
% public float		12%	12%	12%	12%	12%	12%	13%	13%						
\$ public float		\$735	\$488	\$596	\$656	\$726	\$702	\$777	\$831						

SITUATION OVERVIEW

Prior to becoming Valeant, this business was Biovail Corporation, which did sub-\$1bn in revenue and had \$350m in debt. In 2010, Biovail levered up to acquire Valeant for \$3.9bn and the new business went on a spending spree buying numerous pharmaceutical products and businesses. Revenues hit \$3.5bn in 2012 while debt jumped to over \$10bn. In 2013, Valeant levered up to acquire Bausch + Lomb for \$8.7bn. Debt grew to over \$17bn. In April 2015, Valeant levered up to acquire Salix (w/Xifaxan) for \$13bn. Debt ballooned to over \$30bn. Then in October 2015, Andrew Left's Citron Research published its short report, "Valeant: Could this be the Pharmaceutical Enron?" His direction was right, his facts were wrong - there was fraud, it was relatively small, but it didn't matter, the stock crashed from over \$260.00/shr. (\$90bn market cap) to under \$30.00/shr. (\$10bn market cap) and ultimately \$6.00/shr. (\$2bn market cap) and this very quickly went from a 25% LTV business to a 90%+ LTV business with open-ended legal liabilities.

This situation was bad, but Valeant was still a legitimate, cash-flowing entity. The Company rebranded as Bausch Health, sold assets (over \$3bn in 2017 alone), conducted distressed exchange offers and used free cash flow to bring debt down from \$30bn in 2015 to \$17bn by the end of 2024. The Company also worked to settle shareholder lawsuits with the largest class action suit settled for \$1.6bn in 2019, approved in 2021 and paid in 2022. The Company also recently announced that it had settled all outstanding U.S. securities-related opt-out cases, with \$160m paid out in 2026.

B+L SHARE DIVIDEND THESIS

Having cleared the major class action legal hurdle in late 2019, a thesis emerged that with the Company's equity trading in the \$2bn - \$3bn market cap range, BHC could dividend the BLCO shares, worth \$6bn - \$9bn, to BHC shareholders and engineer a 2x - 4x return. On August 6, 2020, the Company announced a plan to separate B+L into an independent publicly traded company. Everyone's hair caught on fire. Opt-out litigants sued again asserting the loss of BLCO value would impair their potential recoveries and creditors lawyered up to assess dividend capacity and explore fraudulent conveyance claims.

Here was the rub, and this was heavily diligenced with U.S. securities lawyers as well as local Canada counsel - as a Canadian company, incorporated in the province of British Columbia, if BHC distributed the BLCO shares to its equity holders, ignoring objection from creditors, and BHC could be proven insolvent as a result of the distribution, which was a foregone conclusion given BHC's debt level, distressed yields, and known Xifaxan patent cliff that will more than halve EBITDA, then BHC's directors and officers would be *personally liable* for the fraudulent transfer, i.e. \$6bn - \$9bn. This is very different from U.S. law, and this was a dealbreaker.

Instead, in May 2022, BHC sold 35m BLCO shares in an IPO, raising \$675m. In addition, pre-IPO, BHC had BLCO issue debt, the proceeds of which, along with some free cash flow, paid over \$3bn in distributions to BHC. BHC in turn used the proceeds to repay debt. BHC retained an 88% interest in BLCO.

BAUSCH + LOMB 2024 SALE PROCESS

During the second half of 2024, BHC was approached by a private equity firm interested in buying B+L. It was later reported this was a joint effort between Blackstone and TPG. BHC retained Goldman Sachs to explore the option. Rumors circulated the bid could be as high as \$25.00/shr. or a \$13bn TEV. The FT reported a more modest \$11.5bn TEV figure. BLCO's stock shot up from \$15.50/shr. to \$20.00/shr. But in February 2025 the Company disclosed the process ended with no agreement - management did not believe the bid(s) represented the fair value for BLCO, the stock collapsed to \$11.00/shr.

We sprinkle in the following conjecture - BLCO is a valuable and attractive asset - low earnings volatility, growing markets, expanding margins, non-discretionary, less exposed to reimbursement rate pressure compared to the broader healthcare sector, and a proven PE-investment winner. During a time where PE funds are stuffed with software investments vulnerable to AI, this is a compelling diversifier that should attract buyers. But the buyers are savvy - they know BHC needs to monetize BLCO to address its balance sheet. The situation in 2024 was particularly pressing with BHC staring down nearly \$3bn of 2025 - 2026 maturities. The would-be 2024 buyers were likely thinking they could capitalize on this situation to buy BLCO for a song. The board didn't go for it. But we don't think that means buyers won't be interested today at a fair price.

2025 REFINANCINGS

In August 2024, BHC brought on Jean-Jacques ("JJ") Charhon as its new CFO. We had a chance to meet with him in a previous capacity at the J.P. Morgan High Yield Conference in February 2025, the message was clear, no LME shenanigans. The Company would pursue straight forward dealings to right-size its balance sheet, address pending maturities, and position the business for Xifaxan loss of exclusivity ("LoE").

Shortly thereafter, the Company launched a regular way refinancing for \$6.9bn of 2025 - 2028 maturities. As part of this refinancing the Company created a new subsidiary, 1261229 BC LTD ("126 NumberCo"), to which it contributed 185.5m BLCO shares, noting the BLCO shares were previously unencumbered sans a small portion pledged to 9.00% Intermediate HoldCo Notes that were refinanced in this exercise, so this was a relatively benign action. 126 NumberCo issued/borrowed \$4.4bn 10.00% sr. sec. notes due 2032 and \$3bn TL B due 2030 (see corporate chart on pg. 13). This new secured debt also received a *pari passu* first lien guarantee from the Company and its subsidiaries that guarantee the Company's existing senior notes - we'll call this debt "pari+." We view this debt as extremely safe, and its trades accordingly.

This exercise left open debt and lien incurrence baskets for an incremental \$1.6bn debt secured by additional BLCO shares available until December 31, 2025, which the Company utilized in December 2025 through a re-tap of the 10.00% sr. sec. notes due 2032, launching a partial tender and exchange offer for secured bonds maturing in 2028. All told, during 2025 the Company successfully refinanced nearly \$9.5bn of 2025 - 2028 maturities. We think it's important to highlight there were numerous ways the Company could have been more aggressive and coercive in this exercise, including permitted drop-down asset transactions. The fact that the Company chose this benign path is a strong signal.

Sources (\$ in millions)		Uses	
2030 TL B facility	\$3,000	Repay 2027 TL B facility	\$2,156
10.000% sr. sec. notes due 2032	4,400	Redeem 5.500% sr. sec. notes due 2025	1,680
10.000% sr. sec. notes due 2032 tack-on	1,600	Redeem 6.125% sr. sec. notes due 2027	1,000
Cash from B/S	455	Redeem 5.750% sr. sec. notes due 2027	500
		Redeem 9.000% sr. sec. notes due 2028 (HoldCo)	999
		Redeem 9.000% sr. notes due 2025	535
		Repay AR credit facility	300
		Exchange 4.875% sr. sec. notes due 2028	797
		Exchange 11.00% sr. sec. notes due 2028	886
		Redeem 9.250% sr. notes due 2026	602
Total sources	\$9,455	Total uses	\$9,455

One other note we'd make here. Icahn Enterprises sold its entire 34.7m shares in BHC shortly after this refinancing and Brett Icahn resigned from BHC's board. We can only speculate, but it would be our guess that the Icahn thesis rhymed with the BLCO share dividend thesis and this exercise made that outcome less likely. Also worth noting, Paulson & Co. was the buyer of the Icahn block, taking the Paulson holdings from 26.4m shares to 73.2m shares, or just under 20% of BHC equity.

XIFAXAN OVERVIEW & PATENT LITIGATION

As previously detailed, Xifaxan is the most important drug in BHC's portfolio; it generates about 45% of total BHC revenue and we estimate 60% - 70% of EBITDA. Importantly, BHC does not own or manufacture Xifaxan, it owns the rights to market the drug in the U.S. This has important implications for how we estimate EBITDA. The following details are dense, but they are important for understanding the terminal value of Xifaxan and the Company's ability to harvest cash flow to reduce debt before the Xifaxan loss of exclusivity.

Estimated Xifaxan EBITDA Contribution (\$ in millions)		FY'22a	FY'23a	FY'24a	FY'25a	TTM Q2'26a
Xifaxan sales		\$1,692	\$1,810	\$1,993	\$2,212	\$2,525
Gross profit estimate	90.0%	1,523	1,629	1,794	1,991	2,273
Sales & marketing estimate	10.0%	169	181	199	221	253
Estimated Xifaxan EBITDA		\$1,354	\$1,448	\$1,594	\$1,770	\$2,020
Total Salix segment EBITDA (before corporate)		\$1,489	\$1,548	\$1,602	\$1,925	\$2,172
Salix		\$1,489	\$1,548	\$1,602	\$1,925	\$2,172
International		324	335	376	334	349
Solta Medical		135	161	213	232	291
Diversified		612	586	626	627	615
Corporate		(411)	(397)	(380)	(378)	(383)
Amortization of intangibles		(971)	(837)	(789)	(743)	(717)
GAAP operating income		\$1,178	\$1,396	\$1,648	\$1,997	\$2,327
Addback: amortization		971	837	789	743	717
EBITA		\$2,149	\$2,233	\$2,437	\$2,740	\$3,044
Adjustments		144	31	(20)	(98)	(121)
Adjusted EBITDA		\$2,293	\$2,264	\$2,417	\$2,642	\$2,923
Xifaxan EBITDA		\$1,354	\$1,448	\$1,594	\$1,770	\$2,020
EBITDA ex. Xifaxan		\$939	\$816	\$823	\$872	\$903

Xifaxan is the brand name for rifaximin, a molecule originally discovered and patented by Alfa Wasserman S.p.A. in 1980. Rifaximin became a commercial drug in the mid-1980s and Salix licensed U.S. rights in 1996. Alfa Wasserman became Alfasigma in 2017, and you will see Alfasigma as a named party in the numerous Xifaxan patent suits. BHC pays Alfasigma a royalty on Xifaxan sales (assumed to be LSD). BHC purchases rifaximin from Alfasigma and Lupin Limited and contracts with other third parties to create the finished product/tablets with binders, coatings, fillers, etc.

Xifaxan has three main indications: (i) traveler's diarrhea ("TD") (200mg), (ii) IBS-D (550mg) and (iii) HE (550mg). The HE indication is by far the most important, by our estimate generating 60% - 70% of BHC's Xifaxan revenue. This is important because the HE patents do not expire until October 2029, while the other patents have expired or been found invalid, but this won't come into play until 2028 as we describe below.

On to the lawsuits. It's dense, we'll do our best to summarize.

In 2016, Actavis Laboratories FL, a subsidiary of Teva Pharmaceuticals (ticker: TEVA), submitted an Abbreviated New Drug Application ("ANDA") for rifaximin 550mg with Paragraph IV certifications (i.e. Paragraph IV asserts the existing patent is invalid, unenforceable or won't be infringed by the generic product). Standard operating procedure from there is the filer must notify the brand (i.e. Teva notifies Salix/Bausch), the brand has 45 days to sue and the suit triggers an automatic 30-month stay.

Bausch sued Teva within the 45-day window and the 30-month stay kicked in. A few things happened afterwards which we won't bore you with, but it weakened Teva's chances of getting approved. Teva and BHC then entered into a settlement

agreement in 2018 that granted Teva a non-exclusive license to Salix's Xifaxan 550mg IP effective January 1, 2028 (10 years later), and notably 22 months before the HE patent expiration in October 2029. Importantly for Teva, this secured a First-to-File ("FTF") status with the FDA, which comes with a 180-day exclusivity period starting at Teva's launch of the generic drug (i.e. January 1, 2028). This means the FDA cannot grant final approval to any other generic competition until June 29, 2028.

In February 2020, the process repeated with Norwich Pharmaceuticals. Norwich submitted an ANDA with Paragraph IV certifications, BHC sued, the automatic stay kicked in. But this one went the distance. Over the course of six years, multiple trials occurred across multiple jurisdictions, and for all intents and purposes, Norwich lost. Norwich cannot produce a generic rifaximin 550mg for HE until October 2029 and cannot produce a generic rifaximin 550mg for IBS-D until Teva's 180-day exclusivity expires. The most impactful ruling on this happened in the DC Circuit Court in June 2026, with another significant blow more recently on August 25, 2026.

Multiple other generics companies have gone through the same process, mainly to achieve a settlement allowing them to produce and sell the generic 550mg forms as soon as the Teva 180-day exclusivity period ends (vs. the October 2029 patent expiration), at which point there will be a land grab for market share. Most of these have settled and for the ones outstanding, if the six years it took the Norwich litigation to reach conclusion is any indicator, they will either settle or be tied up in court until it no longer matters.

With BHC effectively defending its period of exclusivity through January 1, 2028, its objective is clear, harvest as much Xifaxan terminal value as possible. To that end, in October 2025, the Company elected to opt out of the Medicaid Drug Rebate Program and 340B federal drug discount program, which were putting pressure on prices. This wasn't costless and some of the countervailing forces will show up in the coming quarters, but it's allowed significant growth and margin expansion in Xifaxan so far in 2026. YTD through June 30, 2026, BHC has generated \$660m of levered free cash flow and we estimate it will generate another \$600m+ in the back half of 2026. The costs of exiting the drug reimbursement programs will start in 2027, which is why BHC will generate over \$3bn in EBITDA in 2026 but is guiding to \$2.7bn for 2027. Worth noting.

B+L BOARD OVERHAUL

On August 5, 2026, at the request of BHC, B+L overhauled its board of directors. The four outgoing directors were industry types, the incoming directors are finance types. Our read is that this is setting the stage for a B+L M&A transaction.

OUTGOING	BACKGROUND
Steven Collis	Former CEO of Cencora, the drug distributor formerly known as AmerisourceBergen
Andrew von Eschenbach, M.D.	Former Commissioner of the Food and Drug Administration (FDA) and former Director of the National Cancer Institute (NCI)
Karen Ling	Human resources executive, most recently Chief Human Resources Officer at AIG
Thomas W. Ross	Former president of the University of North Carolina system
INCOMING	BACKGROUND
Thomas J. Appio	Chief Executive Officer of Bausch Health
Robert J. Chersi	Founder of Chersi Services LLC; executive director and professor at Pace University's Center for Governance, Reporting & Regulation

INCOMING	BACKGROUND
Laurence E. Paul, M.D.	Co-founder and managing principal of Laurel Crown Partners LLC (private equity); president of The Louis Berkman Company; minority owner of the Pittsburgh Steelers; director of Crew Knitwear, Vereco and Ampco-Pittsburgh Corporation
Barbara J. Trebbi	President and co-CEO of Landry Trebbi Investment Corp.; president of BXT Corp.; director of Acadian Asset Management Inc.

INVESTMENT THESIS

The BHC situation is materially de-risked. Management has demonstrated it does not want to play games with the BLCO shares. The Company still has a lot of wood to chop, but if the BLCO shares are used in their entirety to repay expensive BHC debt, then BHC has a legitimate and viable path to remaining a solvent, cash flowing business that can reinvest in new drugs and growth channels, even post Xifaxan LoE.

Assuming our starting premise holds, management has several options for the BLCO shares: (1) dribble the shares out through secondaries which will weigh on the stock (suboptimal), (2) offer debt-for-equity swaps (possibly capturing discounts), or (3) find a buyer. We think option number three is preferred, which will presumably come with a control premium.

Next, 2027 is the event year. BCH has significant maturities coming due starting January 2028. If this isn't going to work, you probably don't let cash go out the door to pay those January 2028 unsecured notes.

Assuming the Company can monetize the BLCO shares, here's the go-forward math (please reference the cap table on pg. 2 for more detail):

The Company has \$15.2bn of gross debt right now, \$1.3bn of annual interest and sub-\$100m of capex. Selling the BLCO shares at the current trading price brings in \$5.5bn of proceeds (M&A control premium should be better). We assume the Company's \$6.6bn Canadian NOLs can shield the tax gain [we have not consulted a tax expert]. BHC currently has \$1.4bn of cash and over the next six quarters (through Xifaxan LoE), the Company should generate \$1.4bn of free cash flow. All told, this equates to \$8.1bn of de-leveraging power. This will take out the 2027 notes maturity and then pro rata repay the pari+ 2025 refinancing debt secured by the BLCO shares.

This will leave \$7.1bn of gross debt, \$540m of annual interest and sub-\$100m capex. We estimate post-Xifaxan EBITDA (2028 and beyond) will be \$1.0bn (this assumes Xifaxan EBITDA goes to zero on January 1, 2028, which is conservative because there will only be one generic competitor until June 29, 2028). On \$1.0bn of EBITDA, \$540m of cash interest and sub-\$100m of capex, the business is meaningfully free cash flow positive.

Sources (\$ in millions)	Uses
Monetize BLCO shares	\$5,532
Cash on B/S as of June 30, 2026	1,458
Cash generated H2'26	600
Cash generated FY'27	750
Total sources	\$8,340
	Repay 8.500% sr. notes due 2027 at maturity \$643
	Minimum cash for B/S 200
	Pro rata repayment of TL B due 2030 2,482
	Pro rata repayment 10.00% sr. sec. notes due 2032 5,015
	Total uses \$8,340

Now, the Company will eventually have to refinance its 2028 - 2029 maturities, which currently have low coupons, so if we assume these all go to a 10% coupon, pro forma interest expense increase to \$670m. Still, on \$1.0bn EBITDA, \$670m interest and sub-\$100m capex, the business is generating cash and solvent.

The Company could certainly get more creative, try to capture discounts on longer-dated bonds, offer debt-for-equity swaps with the unencumbered BLCO shares, etc. That's all fine, but some version of this is the viable path forward and we think management will take it.

Some creditors want to steal the business through a Ch. 11. You can entice management with a MIP, but doubtful you can entice the chairman of the board who owns 20%. Equity holders want the unencumbered BLCO shares that sit in an unrestricted subsidiary, are currently freely distributable and worth \$1.7bn. We don't think BHC can pass the solvency test and refi 2028 maturities if that happens. The path of least resistance is the path we present, and it works.

There are numerous attractive ways to express this thesis, so take your pick, but we think the following combination works well:

- Long BHCCN TL B due 2030 that pays S+6.25% at 100 or a 10% ytw (safe carry that finances hedge) +
- Long BHCCN 6.25% Sr. Notes due 2029 at 83 or 15% ytw (credit octane) +
- Long BLCO shares (M&A takeout) +
- Long BHC 01/21/2028 P5 (hedge)

Trade Horizon = ~16 Months, to 12/31/2027													
	BB ID	Rate	BBG Composite Rating	Face Value / Contracts	Start Price / Premium	Strike	Start Yield	Left Tail	Downside	Status Quo	Upside	Right Tail	Payoff Skew
BHC US Equity	BHC				\$6.64			\$4.85	\$1.33	\$6.64	\$7.63	\$7.96	
% change from last								(27.0%)	(80.0%)	--	15.0%	20.0%	
BHCCN TL B 1L USD	BL5045895	S + 6.250%	B-	\$10,000	99.94		10.50%	89.93	95.35	99.97	101.16	101.16	
								15.00%	12.50%	10.50%	10.00%	10.00%	
BHCCN 6 1/4 02/15/29	BJ4230204	6.250%	CCC-	\$7,500	83.00		14.77%	--	36.37	91.46	93.14	96.10	
										14.77%	13.00%	10.00%	
BHC US 01/21/28 P5	BBG01X80Z115			6,000	\$0.70	\$5.00		\$0.34	\$3.66	\$0.01	\$0.00	\$0.00	
BLCO US Equity	BLCO			500,000	\$17.82			\$13.37	\$15.15	\$17.82	\$22.00	\$25.00	
								(25.0%)	(15.0%)	--	23.5%	40.3%	
P&L \$ - credit								(\$5.252)	(\$1.982)	\$2.611	\$2.857	\$3.079	1.44x
P&L \$ - options								(\$0.213)	\$1.777	(\$0.417)	(\$0.420)	(\$0.420)	
P&L \$ - linear								(\$2.228)	(\$1.337)	--	\$2.090	\$3.590	
P&L \$ - total, gross								(\$7.692)	(\$1.542)	\$2.195	\$4.527	\$6.249	2.94x
					Gross return			(30.1%)	(6.0%)	8.6%	17.7%	24.5%	
					Gross return- annualized			(22.7%)	(4.6%)	6.5%	13.4%	18.4%	2.94x

The above trade structure, which assumes a 12/31/2027 event horizon (event is likely sooner so returns will be greater), sets up a very attractive and highly favorable asymmetric trade skew (upside vs. downside, the tails we view for sizing and risk management). We're happy to walk you through the scenarios in detail live, but here's a summary of each, followed by our simplified waterfall recovery analysis.

RIGHT TAIL. BLCO gets bought at a 30% premium, or \$25.00 per share. Proceeds are used to de-lever. Post-Xifaxan EBITDA is \$1.1bn (some Xifaxan profit is retained) and market places premium multiple on Solta Medical, so blended multiple is 7.0x. There's enough value to go around such that all debt is viewed as par recovery type paper with enough LTV cushion for 2029 maturities and beyond to be refinanceable into attractive paper that trades near par.

UPSIDE. BLCO gets bought at a 23.5% premium, or \$22.00 per share. Proceeds are used to de-lever. Post-Xifaxan EBITDA is \$1.1bn, but market not as generous on Solta Medical and remaining business trades at blended 6.5x multiple. There's enough value to cover the debt but LTV still elevated and refinancing maturities not a slam dunk. 1L debt still trades at par, but unsecured debt trades at low-teens yield.

DOWNSIDE. BLCO value drops 15%, monetization doesn't happen, restructuring becomes the preferred scenario so that cash doesn't leave the estate to repay \$600m of January 2028 unsecured maturities. 1L debt will still have par recovery, but yields widen to 12.5% on knee-jerk risk-off or CLO selling. Recovery value to unsecured is in the 30s. Wildcard here is size of DIP and how aggressive pari+ group gets. 2028 EBITDA of \$900m vs. \$1.3bn interest will start burning cash, but the Company should also enter Ch. 11 with over \$1bn of cash. Stock trades to default level.

LEFT TAIL. BLCO value drops 25%, monetization doesn't happen, Company distributes the unencumbered BLCO shares to BHC equity holders (worth \$3.52 per BHC shr. which hurts the hedge), restructuring is only path. Post-Xifaxan EBITDA is only \$800m. 1L debt par recovery now in question, trades to 15% yield. Unsecured debt gets zero.

Simplified Recovery Waterfall (\$ in millions)	Left Tail	Downside	Status Quo	Upside	Right Tail
BLCO share collateral for 2025 sr. sec. TL and bonds	185.5	185.5	185.5	185.5	185.5
Add'l BLCO share collateral for Dec. 2025 tack-on	26.5	26.5	26.5	26.5	26.5
Total pledged BLCO shares	212.0	212.0	212.0	212.0	212.0
Total BLCO shares owned by BHC	310.4	310.4	310.4	310.4	310.4
Unencumbered shares	98.5	98.5	98.5	98.5	98.5
BLCO price	\$13.37	\$15.15	\$17.82	\$22.00	\$25.00
% change from last	(25%)	(15%)	--	23%	40%
Value of BLCO share collateral	\$2,833	\$3,211	\$3,777	\$4,663	\$5,299
Value of unencumbered shares	--	\$1,492	\$1,755	\$2,167	\$2,462
2030 TL B facility	\$2,970	\$2,970	\$2,970	\$2,970	\$2,970
10.00% sr. sec. notes due 2032	6,000	6,000	6,000	6,000	6,000
Total debt secured by BLCO shares	\$8,970	\$8,970	\$8,970	\$8,970	\$8,970
Less: value of BLCO collateral	(2,833)	(3,211)	(3,777)	(4,663)	(5,299)
Residual claim of debt secured by BLCO shares, ex. double-dip	\$6,137	\$5,759	\$5,193	\$4,307	\$3,671
Other 1L debt	1,691	1,691	1,691	1,691	1,691
Total 1L claim (after netting BLCO value)	\$7,828	\$7,450	\$6,884	\$5,998	\$5,362
Post-Xifaxan EBITDA	\$800	\$900	\$1,000	\$1,100	\$1,100
Multiple	6.0x	6.0x	6.0x	6.5x	7.0x
Operating business value	\$4,800	\$5,400	\$6,000	\$7,150	\$7,700
Less: legal/admin/DIP	(300)	(300)	--	--	--
Plus: pf cash on B/S as 6/30/2026 (assumes 2027 maturity paid in cash)	815	815	815	815	815
Plus: H2'26 FCF	600	600	600	600	600
Plus: FY'27 FCF	750	750	750	750	750
Value for 1L claims (after netting BLCO value)	\$6,665	\$7,265	\$8,165	\$9,315	\$9,865
Recovery value to 1L	85	98	100	100	100
1L deficiency claim	\$1,163	\$185	--	--	--
Residual value for 2L	--	--	\$1,281	\$3,317	\$4,503
2L claim	352	352	352	352	352
Recovery value to 2L	--	--	100	100	100
2L deficiency claim	\$352	\$352	--	--	--
Residual value for unsecured	--	--	\$929	\$2,965	\$4,151
Plus: unencumbered, unrestricted BLCO value	--	1,492	1,755	2,167	2,462
Distributable value to unsecured	--	\$1,492	\$2,684	\$5,132	\$6,613
Unsecured debt	\$3,565	\$3,565	\$3,565	\$3,565	\$3,565
Plus: 1L deficiency claim	1,163	185	--	--	--
Plus: 2L deficiency claim	352	352	--	--	--
Total unsecured claims	\$5,080	\$4,102	\$3,565	\$3,565	\$3,565
Recovery to unsecured	--	36	75	100	100
Residual value for BHC equity	--	--	--	\$1,567	\$3,048
BHC shares	374	374	374	374	374
Value per share	--	--	--	\$4.19	\$8.15

B + L LBO MATH

Will BLCO trade? We think so, and we don't think the strategic buyer option, while less likely, should be dismissed out of hand. The big three strategics (ALC, JNJ and COO) are harder because of antitrust issues and any lengthy HSR process could be problematic, but other strategics with overlapping distribution channels and go-to-market strategies would make sense.

That said, the mostly like buyer base is PE, and we think that math works even at a premium greater than 30%. This is predicated upon BLCO management's medium-term outlook for the business, which so far they have demonstrated an ability to achieve. In November 2025, BLCO held an investor day where management guided to a 2025 - 2028 revenue CAGR of 5% - 7%, an adjusted EBITDA margin of 23% for 2028 and increased free cash conversion.

So far for 2026 revenue has grown over 9% per quarter (albeit not entirely organic) and Q2'26 EBITDA margin expanded over 250bps y/y to just under 18%. BLCO has the lowest EBITDA margin of the peer group, and based on our read of the situation as well as various coverage analyst views, this is an underperformance gap that can be narrowed.

Comparable Companies (\$ in millions)	Ticker	Share Px 9/3/26	Equity Value	Ent. Value	LTV	Net Leverage	Revenue		EBITDA		EBITDA Margin		EV / EBITDA	
							2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e
BAUSCH + LOMB CORP	BLCO	\$17.85	\$6,375	\$11,191	43.0%	4.6x	\$5,495	\$5,808	\$1,047	\$1,175	19.1%	20.2%	10.7x	9.5x
ALCON INC	ALC	71.40	35,679	38,940	8.4%	1.1x	11,049	11,703	2,940	3,200	26.6%	27.3%	13.2x	12.2x
COOPER COS INC/THE	COO	69.31	13,517	15,838	14.7%	1.7x	4,307	4,424	1,373	1,455	31.9%	32.9%	11.5x	10.9x
JOHNSON & JOHNSON	JNJ	276.76	666,964	695,242	4.1%	0.7x	101,229	108,593	37,951	41,399	37.5%	38.1%	18.3x	16.8x

Source: Bloomberg; data pulled in local currencies

Assuming B+L continues on this trajectory, we think the following LBO math is reasonable:

	At LBO	At Exit	Sources	Uses
Adj. EBITDA	\$1,175	\$1,851	Sponsor equity	Purchase of equity
Multiple	10.5x	11.0x	Cash on B/S	Refinance existing debt
TEV	\$12,338	\$20,358	Debt financing	Cash to B/S
Less: debt	(4,761)	(6,599)		Fees & expenses
Plus cash	367	--	Total	Total
Equity	\$7,944	\$13,759		
Shares	357			
Per share	\$22.25			
			IRR	30.0%

Simplified LBO Model (\$ in millions)	FY'26e	FY'27e	FY'28e	FY'29e	FY'30e	FY'31e	FY'32e
Revenue	\$5,498	\$5,800	\$6,090	\$6,395	\$6,715	\$7,050	\$7,403
% growth	7.8%	5.5%	5.0%	5.0%	5.0%	5.0%	5.0%
Adj. EBITDA	\$1,006	\$1,175	\$1,370	\$1,487	\$1,612	\$1,745	\$1,851
% margin	18.4%	20.3%	22.5%	23.3%	24.0%	24.8%	25.0%
EBTDA		\$1,175	\$1,370	\$1,487	\$1,612	\$1,745	\$1,851
Less: cash taxes			(16)	(60)	(109)	(163)	(212)
Less: cash interest			(766)	(737)	(699)	(651)	(593)
Less: capex			(300)	(300)	(300)	(300)	(300)
LFCF			\$288	\$390	\$504	\$631	\$746
EBTDA			\$1,370	\$1,487	\$1,612	\$1,745	\$1,851
Less: cash interest			(766)	(737)	(699)	(651)	(593)
Less: D&A			(400)	(400)	(400)	(400)	(400)
Less: stock comp			(150)	(150)	(150)	(150)	(150)
Taxable income			\$54	\$200	\$362	\$544	\$708
Tax rate			30.0%	30.0%	30.0%	30.0%	30.0%
Cash taxes			\$16	\$60	\$109	\$163	\$212
Starting debt			\$9,156	\$8,868	\$8,479	\$7,975	\$7,344
Repayment (100% FCF sweep)			(288)	(390)	(504)	(631)	(746)
Ending debt		\$9,156	\$8,868	\$8,479	\$7,975	\$7,344	\$6,599
Average debt			9,012	8,674	8,227	7,660	6,972
WACD			8.5%	8.5%	8.5%	8.5%	8.5%
Cash interest			\$766	\$737	\$699	\$651	\$593
Leverage ratio		7.8x	6.5x	5.7x	4.9x	4.2x	3.6x

IDIOSYNCRATIC RISKS

BLCO SHARE DISTRIBUTION. To state the obvious, while we believe the BLCO shares will be used to reduce debt, as evidenced by BHC's actions to date, the legal risks to officers, and management's carefully chosen words on conference calls (some additional detail provided in the SUPPLEMENTAL INFORMATION section), we can't completely rule out a distribution to BHC shareholders.

XIFAXAN LOE. While we believe recent court rulings and FDA determinations, and the precedents they have set, have solidified Teva's first-filer status and a January 1, 2028 entry point for Teva, followed by other firms that have settled with BHC on June 29, 2028 and finally Norwich in October 2029, there are still some outstanding litigations and over the years we've

learned to never feel totally comfortable with respect to (i) political/government outcomes or (ii) legal outcomes, no matter how strong the case or logic.

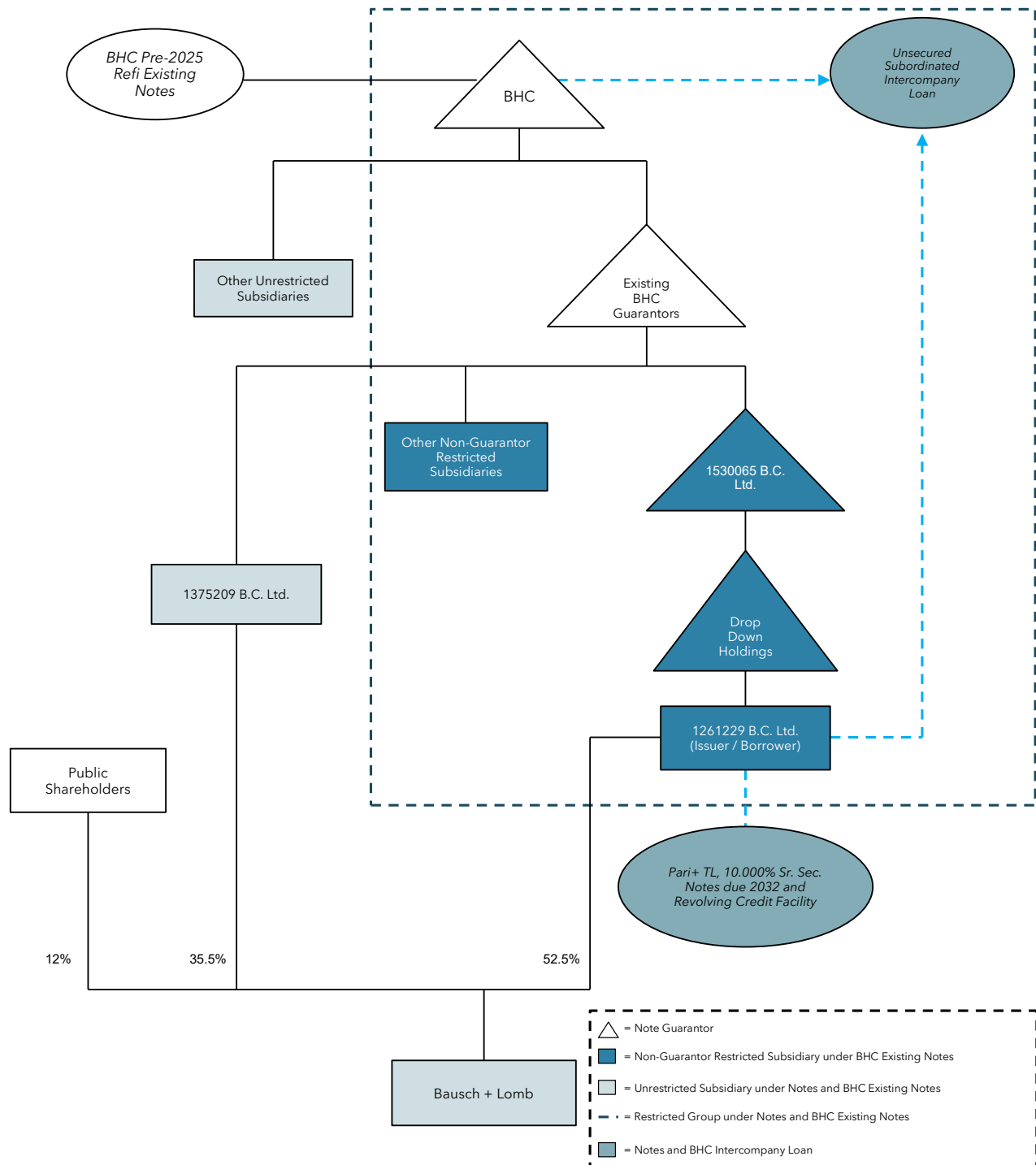
CREDITOR VIOLENCE. As we detail in the COVENANTS section, the pari+ debt documents offer meaningful protection, but they are not ironclad. There is a J. Crew blocker, a partial Serta blocker, and a partial Chewy blocker. These aren't sacred rights, but will take a 66 2/3% consent to change (better than the standard 50% simple majority). The existing notes in the structure have covenants you can drive a truck through. If the situation gets bad, nefarious LME will be on the menu.

B+L RECALLS. In the past, B+L has had material recalls. Warburg Pincus got a deal on B+L after a 2006 recall that had a \$250m legal settlement where seven people had an eye removed and 60 others needed corneal transplants. More recently, B+L had a 2025 recall where the stock dropped 10% in two days. Because the BLCO value is so important to the story, this risk is worth highlighting.

COVENANTS

Covenant Overview		10.000% Sr. Sec. Notes due 2032	TL B due 2030	6.250% Sr. Notes due 2029
Borrower / Issuer		1261229 B.C. LTD ("126 NumberCo")	1261229 B.C. LTD ("126 NumberCo")	Bausch Health Companies Inc.
Facility / Issue Size		\$6bn	\$3bn TL \$500m revolver	\$1.5bn
Security		Pari+; shared 1L with all existing secured debt + exclusive 1L on 212m BLCO shares (shared with 2030 TL B)	Pari+; shared 1L with all existing secured debt + exclusive 1L on 212m BLCO shares (shared with 2030 TL B)	Unsecured
Closing / Issue Date		April 8, 2025	April 8, 2025	May 26, 2020
Maturity Date		April 15, 2032	TL - October 8, 2030 Revolver - April 8, 2030 (91 day springer for \$1bn maturities) S + 6.25% for TL S + 4.25% for revolver, subject to stepdowns on leverage	February 15, 2029
Rate / Coupon		10.000%	12-month 101 soft call	6.250%
Call Protection		Before 4/15/2028 - MW After 4/15/2028 - 105.000% After 4/15/2029 - 102.500% After 4/15/2030 - 100.000%		Before 2/15/2024 - MW After 2/15/2024 - 103.125% After 2/15/2025 - 101.563% After 2/15/2026 - 100.000%
Change of Control		101.000% put	Event of Default	101.000% put
Mandatory Redemption		Sale of any B+L Share Collateral Dividends from B+L Share Collateral exceeds \$50m Any prepayments of any Intercompany Loan Shares <i>pro rata</i> with TL	Sale of any B+L Share Collateral Dividends from B+L Share Collateral exceeds \$50m Any prepayments of any Intercompany Loan Shares <i>pro rata</i> with 10.000% sr. sec. notes due 2032	
Permitted Payments		Section 4.8(a) \$1.00 FCCR or Total Leverage Ratio test (Section 4.9(a)) for builder basket starting 1/1/2025: 50% CNI + standard builders Section 4.8(b)(viii) Excluded 1375209 Shares Section 4.8(b)(xii) \$50m or 2.5% of LTM Consolidated Cash Flow general basket Section 4.8(b)(xv) \$50m or 2.5% of LTM Consolidated Cash Flow for subordinated debt	Section 6.04(a)(x) \$50m or 2.5% of Consolidated Adjusted EBITDA general RP basket Section 6.04(a)(xv) Excluded B+L Shares Section 6.04(b)(vii) \$50m or 2.5% of Consolidated Adjusted EBITDA for Restricted Debt Payments	Section 4.8(a) \$1.00 FCCR or Total Leverage Ratio test (Section 4.9(a)) for builder basket starting 10/1/2014: \$3.7bn starter basket + 50% CNI + standard builders Section 4.8(b)(xii) Unlimited up to 5.00x Total Leverage Ratio; if can't meet then capped at \$750m or 2.5% of CTA Section 4.8(b)(xiii) Distributions by Unrestricted Subsidiaries
Permitted Investments		Definition(18) \$50m general basket Definition(19) Excluded 1375209 Shares Definition(12) After 1/1/2028, unlimited up to Total Leverage Ratio < 4.00x	Section 6.06(q) \$50m or 2.5% of Consolidated Adjusted EBITDA general basket Section 6.06(u) Investments with the Excluded B+L Shares After 1/1/2028, unlimited up to Total Leverage Ratio < 4.00x	Definition(13) \$2bn or 7.5% of Consolidated Total Assets general basket Definition(15) Unlimited up to 5.50x Total Leverage Ratio
Permitted Debt		Section 4.9(a) Unlimited up to 2.00x FCCR or 6.50x Total Leverage Ratio Section 4.9(b)(xii) \$375m or 15.0% of LTM Consolidated Cash Flow for Non-Guarantor Subsidiary debt Section 4.9(b)(xvii) \$375m or 15.0% of LTM Consolidated Cash Flow general debt basket Section 4.9(b)(xviii) \$1.6bn Incremental Debt prior to 12/31/2025 Section 4.9(b)(xx) Drop Down Debt incurred by Issuer not to exceed \$1.6bn less any Incremental Debt incurred prior; provided Blended 1L Net Leverage Ratio < 4.25x	Section 2.22(a) Incremental Term Loans, \$1.6bn before 12/31/2025 Section 6.01(j) \$250m or 10.0% of Consolidated Adjusted EBITDA for non Loan Parties Section 6.01(o) Unlimited up to 2.00x FCCR or 6.50x Total Leverage Ratio Section 6.01(t) \$1.6bn less Incremental Equivalent Debt and Drop Down Debt Section 6.01(u) \$300m or 12.5% of Consolidated Adjusted EBITDA for general Parent or Restricted Subsidiary debt	Section 4.9(a) Unlimited up to 2.00x FCCR or 6.50x Total Leverage Ratio Section 4.9(b) \$1.25bn + greater of \$1.5bn and 39% of LTM Consolidated Cash Flow for Credit Facilities debt Section 4.9(b)(xiii) \$675m or 2.5% of CTA for Non-Guarantor Subsidiary debt Section 4.9(b)(xix) \$1bn or 3.75% of CTA general debt basket Section 4.9(b)(xx) Unlimited secured Credit Facilities debt up to 3.50x Secured Leverage Ratio
Permitted Liens		Definition(1) Liens for Section 4.9(b)(i) Definition(11) Liens for Permitted Refinancing Indebtedness; requires like-for-like Definition(12) \$250m or 10.0% of LTM Consolidated Cash Flow general basket Definition(13) \$250m or 10.0% of LTM Consolidated Cash Flow for liens on assets not constituting Collateral Definition(26) (i) Liens on Collateral for Drop Down Debt (ex. B+L Share Collateral) w/caveats and (ii) Liens on Excluded B+L Shares Section 4.11(b) Negative pledge	Section 6.02(t) Liens for Drop Down Debt Section 6.02(u) \$250m or 10.0% of Consolidated Adjusted EBITDA general liens Section 6.02(gg) Liens on Collateral secured Incremental Equivalent Debt per Section 6.01(z) Section 6.02(hh) \$250m or 10.0% of LTM Consolidated Cash Flow for liens on assets not constituting Collateral Section 6.02(ii) Liens on Collateral (other than B+L Share Collateral) for Section 6.01(o), but must be junior liens	Definition(1) Credit Facilities Liens under Section 4.09(b)(i) or (xx) Definition(12) \$350m or 1.25% of Consolidated Total Assets general basket Definition(24) Unlimited up to 3.50x Secured Leverage Ratio Definition(25) \$600m or 2.0% of Consolidated Total Assets "obligations" basket
Financial Covenants		None	Maximum Blended 1L Leverage Ratio Minimum Liquidity Before Covenant Step Up Date: 4.25x After Covenant Step Up Date: 5.75x \$400m after CSUD	None

CORPORATE STRUCTURE



SUPPLEMENTAL INFORMATION

COMMENTS SUPPORTING NO B+L DIVIDEND

Management chooses their words carefully. We note words like “stakeholders”, maximizing value, and monetization vs. simply “shareholders” or distributing value. On the Company’s Q1’26 earnings call, the following comments were made with respect to the BLCO shares:

JJ Charhon (CFO) - let me review our financial priorities... second evaluating all options for unlocking value for all stakeholders, including maximizing the value of the Bausch Health and Bausch + Lomb assets. On the B+L front, we believe in the Bausch + Lomb management team and their Vision 2027 plan. We fully expect the financial markets to reward B+L's progress in the future. This will likely guide, among other considerations, the timing of our equity stake monetization.

As you know, our capital structure optimization really relies on three variables. The first variable is the free cash flow we'll be generating between now and the end of 2027, assuming, obviously, we retain exclusivity until the 1st of January 2028.

The second variable is the Xifaxan IP and LOE. And then the third variable is the average selling price we hope to get by monetizing our equity stake in BLCO and completing the separation if that's the path we're going to be taking.

From the Q2’26 earnings call:

JJ Charhon (CFO) - The strategy that we've set out for capital allocation remains the same. The first one is obviously to fix the capital structure and reduce our net debt leverage.

As you know, we've done a large refinancing last year in 2025, and I think the objective was to extend the runway for lack of better term, and therefore increase flexibility around the timing in the process. We might decide to fully realize the value of our B+L asset for BHC shareholders. That continues to be the mindset.

There are obviously a number of considerations to evaluate and to figure out exactly how do we translate the value of B+L into BHC share price, and we're looking at all and any avenues to do so. The company B+L communicated some aggressive financial targets Vision 2027 with a significant increase in EBITDA and revenue by 2028. So, obviously that's an important consideration of how we think about our options.

BHC FINANCIAL MODEL

Segments / KPIs / Revenue (\$ in millions)	Fiscal year end December 31,						Fiscal year end December 31, 2024				Fiscal year end December 31, 2025				Fiscal year end December 31, 2026			
	FY'21a	FY'22a	FY'23a	FY'24a	FY'25a	FY'26e	Q1'24a	Q2'24a	Q3'24a	Q4'24a	Q1'25a	Q2'25a	Q3'25a	Q4'25a	Q1'26a	Q2'26a	Q3'26e	Q4'26e
Salix	\$2,074	\$2,090	\$2,250	\$2,333	\$2,578	\$2,787	\$499	\$558	\$642	\$634	\$542	\$627	\$716	\$693	\$639	\$758	\$700	\$690
International	1,166	988	1,071	1,111	1,132	1,200	265	276	291	279	262	278	286	306	285	305	305	305
Solta Medical	308	300	347	440	518	717	88	102	112	138	113	128	140	137	171	176	185	185
Diversified	1,121	978	943	950	937	774	202	251	269	228	205	219	258	255	185	219	190	180
Bausch + Lomb						--				--				--				
Total revenue	\$4,669	\$4,356	\$4,611	\$4,834	\$5,165	\$5,478	\$1,054	\$1,187	\$1,314	\$1,279	\$1,122	\$1,252	\$1,400	\$1,391	\$1,280	\$1,458	\$1,380	\$1,360
% of Salix revenue, Xifaxan		80%	80%	85%	86%		85%	85%	85%	85%	85%	85%	85%	85%	85%	85%		
% change - Salix		0.8%	7.7%	3.7%	10.5%	8.1%					8.6%	12.4%	11.5%	9.3%	17.9%	20.9%	(2.2%)	(0.4%)
% change - Int'l		(15.3%)	8.4%	3.7%	1.9%	6.0%					(1.1%)	0.7%	(1.7%)	9.7%	8.8%	9.7%	6.6%	(0.3%)
% change - Solta		(2.6%)	15.7%	26.8%	17.7%	38.4%					28.4%	25.5%	25.0%	(0.7%)	51.3%	37.5%	32.1%	35.0%
% change - Diversified		(12.8%)	(3.6%)	0.7%	(1.4%)	(17.4%)					1.5%	(12.7%)	(4.1%)	11.8%	(9.8%)	--	(26.4%)	(29.4%)
Salix	\$1,493	\$1,489	\$1,548	\$1,602	\$1,925	\$2,097	\$329	\$377	\$436	\$460	\$371	\$455	\$570	\$529	\$468	\$605	\$567	\$457
International	403	324	335	376	334	358	87	86	105	98	85	78	90	81	88	90	90	90
Solta Medical	167	135	161	213	232	346	40	47	53	73	53	54	70	55	75	91	90	90
Diversified	722	612	586	626	627	524	114	166	189	157	127	139	182	179	112	142	135	135
Bausch + Lomb																		
Total operating profit	\$2,785	\$2,560	\$2,630	\$2,817	\$3,118	\$3,325	\$570	\$676	\$783	\$788	\$636	\$726	\$912	\$844	\$743	\$928	\$882	\$772
Less: corporate	478	411	397	380	378	380	91	94	102	93	94	91	90	103	97	93	95	95
Less: amortization of intangibles	1,083	971	837	789	743	692	200	196	202	191	189	189	185	180	184	168	170	170
GAAP operating income	\$1,224	\$1,178	\$1,396	\$1,648	\$1,997	\$2,253	\$279	\$386	\$479	\$504	\$353	\$446	\$637	\$561	\$462	\$667	\$617	\$507
Check	6,000	7,000	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Income Statement (\$ in millions)	Fiscal year end December 31,						Fiscal year end December 31, 2024				Fiscal year end December 31, 2025				Fiscal year end December 31, 2026			
	FY'21a	FY'22a	FY'23a	FY'24a	FY'25a	FY'26e	Q1'24a	Q2'24a	Q3'24a	Q4'24a	Q1'25a	Q2'25a	Q3'25a	Q4'25a	Q1'26a	Q2'26a	Q3'26e	Q4'26e
Period end	12/31/21	12/31/22	12/31/23	12/31/24	12/31/25	12/31/26	3/31/24	6/30/24	9/30/24	12/31/24	3/31/25	6/30/25	9/30/25	12/31/25	3/31/26	6/30/26	9/30/26	12/31/26
Product sales	\$4,591	\$4,279	\$4,532	\$4,744	\$5,076	\$5,397	\$1,035	\$1,166	\$1,290	\$1,253	\$1,094	\$1,232	\$1,380	\$1,370	\$1,261	\$1,436	\$1,360	\$1,340
Other revenues	78	77	79	90	89	81	19	21	24	26	28	20	20	21	19	22	20	20
Total revenue	\$4,669	\$4,356	\$4,611	\$4,834	\$5,165	\$5,478	\$1,054	\$1,187	\$1,314	\$1,279	\$1,122	\$1,252	\$1,400	\$1,391	\$1,280	\$1,458	\$1,380	\$1,360
Cost of goods sold	892	805	879	861	904	895	205	226	218	212	202	225	226	251	239	226	215	215
Cost of other revenues	35	40	38	49	59	71	11	10	14	14	17	14	14	14	16	19	18	18
Gross profit	\$3,742	\$3,511	\$3,694	\$3,924	\$4,202	\$4,512	\$838	\$951	\$1,082	\$1,053	\$903	\$1,013	\$1,160	\$1,126	\$1,025	\$1,213	\$1,147	\$1,127
SG&A	1,235	1,147	1,181	1,214	1,204	1,326	290	297	339	288	304	315	267	318	317	319	300	390
R&D	194	222	280	273	258	241	69	72	62	70	57	63	71	67	62	59	60	60
Amortization of intangibles	1,083	971	837	789	743	692	200	196	202	191	189	189	185	180	184	168	170	170
Operating income	\$1,230	\$1,171	\$1,396	\$1,648	\$1,997	\$2,253	\$279	\$386	\$479	\$504	\$353	\$446	\$637	\$561	\$462	\$667	\$617	\$507
Interest expense	1,426	1,318	1,045	989	1,183	1,208	256	248	246	239	236	337	311	299	305	303	300	300
Interest income	(7)	(8)	(11)	(18)	(36)	(13)	(6)	(5)	(3)	(4)	(8)	(10)	(12)	(6)	(6)	(7)	--	--
Non-recurring & other	1,153	63	586	276	166	1,465	8	19	199	50	(8)	(168)	117	225	1,453	12	--	--
Other	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Pre-tax income	(\$1,342)	(\$202)	(\$224)	\$401	\$684	(\$407)	\$21	\$124	\$37	\$219	\$133	\$287	\$221	\$43	(\$1,290)	\$359	\$317	\$207
Tax expense (benefit)	(212)	25	139	168	212	317	(65)	(23)	137	119	8	101	15	88	71	89	95	62
Net income	(\$1,130)	(\$227)	(\$363)	\$233	\$472	(\$724)	\$86	\$147	(\$100)	\$100	\$125	\$186	\$206	(\$45)	(\$1,361)	\$270	\$222	\$145
Earnings (loss) to noncontrolling interests	--	4	(31)	(38)	(45)	(11)	(17)	(14)	(11)	4	(29)	(24)	(1)	9	(9)	(2)	--	--
Net income to BHC	(\$1,130)	(\$231)	(\$332)	\$271	\$517	(\$713)	\$103	\$161	(\$89)	\$96	\$154	\$210	\$207	(\$54)	(\$1,352)	\$272	\$222	\$145

Adjusted EBITDA	\$2,640	\$2,293	\$2,264	\$2,417	\$2,642	\$2,895	\$481	\$583	\$678	\$675	\$534	\$646	\$740	\$722	\$636	\$825	\$772	\$662
% margin	57.5%	53.6%	50.0%	50.9%	52.0%	53.6%	46.5%	50.0%	52.6%	53.9%	48.8%	52.4%	53.6%	52.7%	50.4%	57.5%	56.8%	49.4%
% change		(13.1%)	(1.3%)	6.8%	9.3%	9.6%					11.0%	10.8%	9.1%	7.0%	19.1%	27.7%	4.3%	(8.3%)

Operating Metrics																		
% change - net sales		(6.8%)	5.9%	4.7%	7.0%	6.3%					5.7%	5.7%	7.0%	9.3%	15.3%	16.6%	(1.4%)	(2.2%)
% margin - gross profit	80.1%	80.6%	80.1%	81.2%	81.4%	82.4%	79.5%	80.1%	82.3%	82.3%	80.5%	80.9%	82.9%	80.9%	80.1%	83.2%	83.1%	82.9%
% of revenue - SG&A	26.5%	26.3%	25.6%	25.1%	23.3%	24.2%	27.5%	25.0%	25.8%	22.5%	27.1%	25.2%	19.1%	22.9%	24.8%	21.9%	21.7%	28.7%
% of revenue - R&D	4.2%	5.1%	6.1%	5.6%	5.0%	4.4%	6.5%	6.1%	4.7%	5.5%	5.1%	5.0%	5.1%	4.8%	4.8%	4.0%	4.3%	4.4%

Adjusted Non-GAAP Metrics (\$ in millions)	Fiscal year end December 31,						Fiscal year end December 31, 2024				Fiscal year end December 31, 2025				Fiscal year end December 31, 2026			
	FY'21a	FY'22a	FY'23a	FY'24a	FY'25a	FY'26e	Q1'24a	Q2'24a	Q3'24a	Q4'24a	Q1'25a	Q2'25a	Q3'25a	Q4'25a	Q1'26a	Q2'26a	Q3'26e	Q4'26e
Period end	12/31/21	12/31/22	12/31/23	12/31/24	12/31/25	12/31/26	3/31/24	6/30/24	9/30/24	12/31/24	3/31/25	6/30/25	9/30/25	12/31/25	3/31/26	6/30/26	9/30/26	12/31/26
Net income	(\$1,130)	(\$227)	(\$363)	\$233	\$472	(\$724)	\$86	\$147	(\$100)	\$100	\$125	\$186	\$206	(\$45)	(\$1,361)	\$270	\$222	\$145
Interest expense, net	1,419	1,310	1,034	971	1,147	1,195	250	243	243	235	228	327	299	293	299	296	300	300
Tax expense (benefit)	(212)	25	139	168	212	317	(65)	(23)	137	119	8	101	15	88	71	89	95	62
D&A	1,137	1,015	882	831	787	733	210	208	212	201	199	200	197	191	194	179	180	180
EBITDA	\$1,214	\$2,123	\$1,692	\$2,203	\$2,618	\$1,521	\$481	\$575	\$492	\$655	\$560	\$814	\$717	\$527	(\$797)	\$834	\$797	\$687
Impairments	691	838	547	24	153	1,426	1	--	--	23	--	--	1	152	1,426	--	--	--
Restructuring, integration, transformation	7	22	(7)	(33)	4	5	(9)	(1)	(13)	(10)	(9)	(1)	4	10	2	3	--	--
Acquisition related	11	34	56	24	(5)	17	(3)	(4)	24	7	(2)	(11)	(9)	17	13	4	--	--
Loss (gain) on extinguishment of debt	62	(875)	(1)	(23)	(168)	--	(11)	(12)	--	--	--	(187)	--	19	--	--	--	--
Share-based compensation	66	64	58	58	67	64	14	14	14	16	15	16	16	20	18	16	15	15
Separation and related	161	92	16	20	6	1	4	3	7	6	5	2	(2)	1	--	1	--	--
Litigation, net of insurance recoveries	356	9	(53)	220	61	16	6	21	188	5	(3)	8	35	21	10	6	--	--
IT infrastructure investment	27	15	31	35	20	--	10	10	7	8	8	4	5	3	--	--	--	--
Legal & professional	55	31	20	25	22	--	6	8	11	--	3	11	5	3	--	--	--	--
Gain on sale of assets, net	(2)	(5)	(3)	(5)	--	--	--	--	(5)	--	--	--	--	--	--	--	--	--
Other	3	3	4	5	20	2	5	--	(2)	2	(1)	20	1	--	1	1	--	--
Adjusted EBITDA (Company definition)	\$2,651	\$2,351	\$2,360	\$2,553	\$2,798	\$3,052	\$504	\$614	\$723	\$712	\$576	\$676	\$773	\$773	\$673	\$865	\$812	\$702
Adjusted EBITDA to NCI (mostly acquired IPR&D)	(11)	(58)	(96)	(136)	(156)	(157)	(23)	(31)	(45)	(37)	(42)	(30)	(33)	(51)	(37)	(40)	(40)	(40)
Adjusted EBITDA to BHC	\$2,640	\$2,293	\$2,264	\$2,417	\$2,642	\$2,895	\$481	\$583	\$678	\$675	\$534	\$646	\$740	\$722	\$636	\$825	\$772	\$662

Balance Sheet (\$ in millions)	Fiscal year end December 31,						Fiscal year end December 31, 2024				Fiscal year end December 31, 2025				Fiscal year end December 31, 2026			
	FY'21a	FY'22a	FY'23a	FY'24a	FY'25a	FY'26e	Q1'24a	Q2'24a	Q3'24a	Q4'24a	Q1'25a	Q2'25a	Q3'25a	Q4'25a	Q1'26a	Q2'26a	Q3'26e	Q4'26e
Period end	12/31/21	12/31/22	12/31/23	12/31/24	12/31/25	12/31/26	3/31/24	6/30/24	9/30/24	12/31/24	3/31/25	6/30/25	9/30/25	12/31/25	3/31/26	6/30/26	9/30/26	12/31/26
Cash & equivalents	\$408	\$210	\$642	\$876	\$926	\$2,058	\$418	\$310	\$390	\$876	\$932	\$1,461	\$998	\$926	\$1,031	\$1,458	\$1,759	\$2,058
Restricted cash	1,534	1	4	9	2	2	12	11	10	9	10	10	10	2	2	2	2	2
A/R	1,054	1,066	972	1,114	1,130	1,201	1,128	1,116	1,151	1,114	1,065	1,126	1,328	1,130	1,085	1,103	1,162	1,201
Inventories	421	462	508	559	653	595	563	543	536	559	565	604	593	653	624	603	615	595
Other WC assets	555	371	682	428	469	438	532	462	436	428	449	467	465	469	460	433	441	438
Other assets	14,407	12,432	11,073	10,068	9,164	6,996	10,967	10,803	10,502	10,068	9,955	9,766	9,598	9,164	7,516	7,336	7,166	6,996
Total assets	\$18,379	\$14,542	\$13,881	\$13,054	\$12,344	\$11,291	\$13,620	\$13,245	\$13,025	\$13,054	\$12,993	\$13,434	\$12,992	\$12,344	\$10,718	\$10,935	\$11,145	\$11,291
Debt	\$22,654	\$18,330	\$17,604	\$16,832	\$15,735	\$15,626	\$17,490	\$17,028	\$16,878	\$16,832	\$16,681	\$16,779	\$16,092	\$15,735	\$15,694	\$15,626	\$15,626	\$15,626
A/P	168	151	330	200	212	159	216	174	212	200	193	178	221	212	186	167	164	159
Accrued and other WC liabilities	3,931	2,087	1,824	2,180	1,851	1,616	2,064	2,097	2,070	2,180	2,095	2,106	2,125	1,851	1,663	1,649	1,625	1,616
Other liabilities	1,062	815	749	708	688	739	753	753	768	708	697	732	698	688	709	739	739	739
Shareholders' equity	(9,436)	(6,841)	(6,626)	(6,866)	(6,142)	(6,849)	(6,903)	(6,807)	(6,903)	(6,866)	(6,673)	(6,361)	(6,144)	(6,142)	(7,534)	(7,246)	(7,009)	(6,849)
Total liabilities & equity	\$18,379	\$14,542	\$13,881	\$13,054	\$12,344	\$11,291	\$13,620	\$13,245	\$13,025	\$13,054	\$12,993	\$13,434	\$12,992	\$12,344	\$10,718	\$10,935	\$11,145	\$11,291
Check	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Operating Metrics																		
TTM days	365	365	365	366	365	365				366	365	365	365	365	365	365	365	365
TTM revenue	\$4,669	\$4,356	\$4,611	\$4,834	\$5,165	\$5,478				4,834	\$4,902	\$4,967	\$5,053	\$5,165	\$5,323	\$5,529	\$5,509	\$5,478
TTM COGS	927	845	917	910	963	966				910	913	916	924	963	999	1,005	998	966
TTM adj. EBITDA to BHC (Company definition)	2,640	2,293	2,264	2,417	2,642	2,895				2,417	2,470	2,533	2,595	2,642	2,744	2,923	2,955	2,895
Days receivable	82	89	77	84	80	80				84	79	83	96	80	74	73	77	80
Days inventory	166	200	202	225	248	225				225	233	241	234	248	228	219	225	225
Days payable	66	65	131	80	80	60				80	77	71	87	80	68	61	60	60
% of net sales - other WC assets	11.9%	8.5%	14.8%	8.9%	9.1%	8.0%				8.9%	9.2%	9.4%	9.2%	9.1%	8.6%	7.8%	8.0%	8.0%
% of net sales - other WC liabilities	84.2%	47.9%	39.6%	45.1%	35.8%	29.5%				45.1%	42.7%	42.4%	42.1%	35.8%	31.2%	29.8%	29.5%	29.5%

Cash Flow Statement (\$ in millions)	Fiscal year end December 31,						Fiscal year end December 31, 2024				Fiscal year end December 31, 2025				Fiscal year end December 31, 2026			
	FY'21a	FY'22a	FY'23a	FY'24a	FY'25a	FY'26e	Q1'24a	Q2'24a	Q3'24a	Q4'24a	Q1'25a	Q2'25a	Q3'25a	Q4'25a	Q1'26a	Q2'26a	Q3'26e	Q4'26e
Period end	12/31/21	12/31/22	12/31/23	12/31/24	12/31/25	12/31/26	3/31/24	6/30/24	9/30/24	12/31/24	3/31/25	6/30/25	9/30/25	12/31/25	3/31/26	6/30/26	9/30/26	12/31/26
Net income (before non-controlling)	(\$1,130)	(\$227)	(\$363)	\$233	\$472	(\$724)	\$86	\$147	(\$100)	\$100	\$125	\$186	\$206	(\$45)	(\$1,361)	\$270	\$222	\$145
D&A	1,137	1,015	882	831	787	733	210	208	212	201	199	200	197	191	194	179	180	180
Non-cash interest	55	91	35	35	76	28	9	9	8	9	10	36	12	18	11	17	--	--
Impairments	691	838	547	24	153	1,417	1	--	--	23	--	--	1	152	1,426	(9)	--	--
Legal settlements, net	218	(1,563)	16	(10)	(154)	(166)	3	20	(29)	(4)	(22)	(79)	(57)	4	(156)	(10)	--	--
Stock-based compensation	66	64	58	58	67	64	14	14	14	16	15	16	16	20	18	16	15	15
Deferred taxes	(341)	(86)	61	76	112	80	(101)	(68)	103	142	(27)	67	(19)	91	42	38	--	--
Loss (gain) on extinguishment of debt	62	(875)	(1)	(23)	(162)	--	(11)	(12)	--	--	--	(178)	(3)	19	--	--	--	--
Other	(49)	47	109	47	3	39	5	1	15	26	1	(37)	5	34	78	(39)	--	--
Change in A/R	(122)	38	(74)	11	14	(75)	29	2	(35)	15	64	(41)	(204)	195	40	(17)	(59)	(38)
Change in inventories	(1)	(92)	(58)	(120)	(50)	30	(58)	(5)	6	(63)	(18)	5	(4)	(33)	8	14	(12)	20
Change in other WC assets	9	(59)	(76)	(28)	(17)	29	2	(20)	7	(17)	(35)	13	10	(5)	11	23	(8)	2
Change in A/P & accrued expenses	(42)	(264)	(87)	231	(184)	(119)	(19)	69	50	131	(76)	66	108	(282)	(113)	35	(27)	(14)
Other operating assets & liabilities	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Change in WC	(156)	(377)	(295)	94	(237)	(136)	(46)	46	28	66	(65)	43	(90)	(125)	(54)	55	(106)	(31)
Net cash from operating activities	\$553	(\$1,073)	\$1,049	\$1,365	\$1,117	\$1,335	\$170	\$365	\$251	\$579	\$236	\$254	\$268	\$359	\$198	\$517	\$311	\$309
Capital expenditures (incl. intangibles)	(\$74)	(\$93)	(\$91)	(\$49)	(\$58)	(\$73)	(\$16)	(\$7)	(\$11)	(\$15)	(\$14)	(\$11)	(\$17)	(\$16)	(\$47)	(\$6)	(\$10)	(\$10)
Proceeds from sale of assets	669	5	4	5	--	--	--	--	5	--	--	--	--	--	--	--	--	--
Purchases of investments, net	1	--	--	--	--	--	(1)	1	--	--	--	--	--	--	--	--	--	--
Acquisitions	--	--	51	2	(82)	38	1	1	--	--	--	1	(5)	(78)	38	--	--	--
Other investing items	27	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Net cash from investing activities	\$623	(\$88)	(\$36)	(\$42)	(\$140)	(\$35)	(\$16)	(\$5)	(\$6)	(\$15)	(\$14)	(\$10)	(\$22)	(\$94)	(\$9)	(\$6)	(\$10)	(\$10)
Short-term borrowings, net of repayments	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Proceeds from LT debt	2,100	4,396	1,015	30	7,197	--	--	30	--	--	--	7,200	--	(3)	--	--	--	--
Repayment of LT debt	(3,440)	(7,833)	(1,549)	(1,030)	(8,095)	(129)	(332)	(488)	(156)	(54)	(158)	(6,907)	(697)	(333)	(52)	(77)	--	--
Dividends	730	2,363	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Share repurchases	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Common share issuance	--	675	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Other financing items	(135)	(156)	(69)	(46)	(69)	(34)	(20)	(6)	(13)	(7)	(19)	(23)	(12)	(15)	(28)	(6)	--	--
Net cash from financing activities	(\$745)	(\$555)	(\$603)	(\$1,046)	(\$967)	(\$163)	(\$352)	(\$464)	(\$169)	(\$61)	(\$177)	\$270	(\$709)	(\$351)	(\$80)	(\$83)	--	--
Starting cash	\$1,578	\$408	\$210	\$642	\$876	\$926	\$642	\$418	\$310	\$390	\$876	\$932	\$1,461	\$998	\$926	\$1,031	\$1,458	\$1,759
Change in cash	431	(1,716)	410	277	10	1,137	(198)	(104)	76	503	45	514	(463)	(86)	109	428	301	299
F/X impact on cash	(11)	(15)	7	(20)	33	(5)	--	(5)	3	(18)	15	14	(2)	6	(4)	(1)	--	--
Change in restricted cash / other	(1,590)	1,533	15	(23)	7	--	(26)	1	1	1	(4)	1	2	8	--	--	--	--
Ending cash	\$408	\$210	\$642	\$876	\$926	\$2,058	\$418	\$310	\$390	\$876	\$932	\$1,461	\$998	\$926	\$1,031	\$1,458	\$1,759	\$2,058
Check	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

BLCO FINANCIAL MODEL

Segments / KPIs / Revenue (\$ in millions)	Fiscal year end December 31,						Fiscal year end December 31, 2024				Fiscal year end December 31, 2025				Fiscal year end December 31, 2026			
	FY'21a	FY'22a	FY'23a	FY'24a	FY'25a	FY'26e	Q1'24a	Q2'24a	Q3'24a	Q4'24a	Q1'25a	Q2'25a	Q3'25a	Q4'25a	Q1'26a	Q2'26a	Q3'26e	Q4'26e
Vision care	\$2,343	\$2,373	\$2,543	\$2,739	\$2,923	\$3,155	\$635	\$697	\$684	\$723	\$656	\$753	\$736	\$778	\$711	\$784	\$805	\$855
Pharmaceuticals	704	677	836	1,209	1,284	1,359	267	310	306	326	267	309	330	378	305	354	350	350
Surgical	718	718	767	843	894	984	197	209	206	231	214	216	215	249	228	256	250	250
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Total revenue	\$3,765	\$3,768	\$4,146	\$4,791	\$5,101	\$5,498	\$1,099	\$1,216	\$1,196	\$1,280	\$1,137	\$1,278	\$1,281	\$1,405	\$1,244	\$1,394	\$1,405	\$1,455
% change - vision care		1.3%	7.2%	7.7%	6.7%	7.9%					3.3%	8.0%	7.6%	7.6%	8.4%	4.1%	9.4%	9.9%
% change - pharmaceuticals		(3.8%)	23.5%	44.6%	6.2%	5.8%					--	(0.3%)	7.8%	16.0%	14.2%	14.6%	6.1%	(7.4%)
% change - surgical		--	6.8%	9.9%	6.0%	10.1%					8.6%	3.3%	4.4%	7.8%	6.5%	18.5%	16.3%	0.4%
Vision care	\$587	\$637	\$689	\$808	\$849	\$951	\$178	\$192	\$201	\$237	\$176	\$209	\$217	\$247	\$202	\$229	\$235	\$285
Pharmaceuticals	290	202	241	256	258	335	53	78	69	56	11	37	76	134	66	89	90	90
Surgical	75	42	50	44	18	56	11	4	13	16	(7)	2	8	15	9	17	15	15
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Total operating profit	\$952	\$881	\$980	\$1,108	\$1,125	\$1,342	\$242	\$274	\$283	\$309	\$180	\$248	\$301	\$396	\$277	\$335	\$340	\$390
Less: corporate	314	417	536	614	679	671	153	160	146	155	174	170	153	182	161	170	170	170
Less: amortization of intangibles	292	244	240	288	258	234	74	74	72	68	67	67	68	56	57	57	60	60
GAAP operating income	\$346	\$220	\$204	\$206	\$188	\$437	\$15	\$40	\$65	\$86	(\$61)	\$11	\$80	\$158	\$59	\$108	\$110	\$160
Check	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Income Statement (\$ in millions)	Fiscal year end December 31,						Fiscal year end December 31, 2024				Fiscal year end December 31, 2025				Fiscal year end December 31, 2026			
	FY'21a	FY'22a	FY'23a	FY'24a	FY'25a	FY'26e	Q1'24a	Q2'24a	Q3'24a	Q4'24a	Q1'25a	Q2'25a	Q3'25a	Q4'25a	Q1'26a	Q2'26a	Q3'26e	Q4'26e
Period end	12/31/21	12/31/22	12/31/23	12/31/24	12/31/25	12/31/26	3/31/24	6/30/24	9/30/24	12/31/24	3/31/25	6/30/25	9/30/25	12/31/25	3/31/26	6/30/26	9/30/26	12/31/26
Product sales	\$3,737	\$3,746	\$4,131	\$4,774	\$5,080	\$5,478	\$1,094	\$1,213	\$1,192	\$1,275	\$1,133	\$1,272	\$1,277	\$1,398	\$1,239	\$1,389	\$1,400	\$1,450
Other revenues	28	22	15	17	21	20	5	3	4	5	4	6	4	7	5	5	5	5
Total revenue	\$3,765	\$3,768	\$4,146	\$4,791	\$5,101	\$5,498	\$1,099	\$1,216	\$1,196	\$1,280	\$1,137	\$1,278	\$1,281	\$1,405	\$1,244	\$1,394	\$1,405	\$1,455
Cost of goods sold	1,458	1,511	1,640	1,868	2,045	2,069	423	482	464	499	481	523	509	532	482	527	530	530
Cost of other revenues	9	8	2	4	5	1	1	1	--	2	1	2	1	1	1	--	--	--
Gross profit	\$2,298	\$2,249	\$2,504	\$2,919	\$3,051	\$3,428	\$675	\$733	\$732	\$779	\$655	\$753	\$771	\$872	\$761	\$867	\$875	\$925
SG&A	1,389	1,478	1,736	2,082	2,234	2,312	504	535	511	532	563	579	528	564	544	588	590	590
R&D	271	307	324	343	371	445	82	84	84	93	86	96	95	94	101	114	115	115
Amortization of intangibles	292	244	240	288	258	234	74	74	72	68	67	67	68	56	57	57	60	60
Operating income	\$346	\$220	\$204	\$206	\$188	\$437	\$15	\$40	\$65	\$86	(\$61)	\$11	\$80	\$158	\$59	\$108	\$110	\$160
Interest expense	--	146	283	399	421	376	99	102	100	98	94	128	101	98	97	93	93	93
Interest income	--	(6)	(15)	(15)	(12)	(8)	(3)	(3)	(4)	(5)	(3)	(3)	(3)	(3)	(4)	(4)	--	--
Non-recurring & other	28	7	102	56	96	60	9	17	27	3	28	33	(15)	50	30	30	--	--
Other	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Pre-tax income	\$318	\$73	(\$166)	(\$234)	(\$317)	\$9	(\$90)	(\$76)	(\$58)	(\$10)	(\$180)	(\$147)	(\$3)	\$13	(\$64)	(\$11)	\$17	\$67
Tax expense (benefit)	125	58	82	71	35	5	73	72	(66)	(8)	31	(89)	22	71	6	(1)	--	--
Net income	\$193	\$15	(\$248)	(\$305)	(\$352)	\$4	(\$163)	(\$148)	\$8	(\$2)	(\$211)	(\$58)	(\$25)	(\$58)	(\$70)	(\$10)	\$17	\$67
Earnings (loss) to noncontrolling interests	11	9	12	12	8	5	4	3	4	1	1	4	3	--	1	4	--	--
Net income to BHC	\$182	\$6	(\$260)	(\$317)	(\$360)	(\$1)	(\$167)	(\$151)	\$4	(\$3)	(\$212)	(\$62)	(\$28)	(\$58)	(\$71)	(\$14)	\$17	\$67
Adjusted EBITDA	\$821	\$720	\$738	\$878	\$891	\$1,006	\$180	\$212	\$227	\$259	\$126	\$192	\$243	\$330	\$200	\$246	\$255	\$305
% margin	22.0%	19.2%	17.9%	18.4%	17.5%	18.4%	16.5%	17.5%	19.0%	20.3%	11.1%	15.1%	19.0%	23.6%	16.1%	17.7%	18.2%	21.0%
% change		(12.3%)	2.5%	19.0%	1.5%	12.9%					(30.0%)	(9.4%)	7.0%	27.4%	58.7%	28.1%	4.9%	(7.6%)
Operating Metrics																		
% change - net sales		0.2%	10.3%	15.6%	6.4%	7.8%					3.6%	4.9%	7.1%	9.6%	9.4%	9.2%	9.6%	3.7%
% margin - gross profit	61.0%	59.7%	60.4%	60.9%	59.8%	62.3%	61.4%	60.3%	61.2%	60.9%	57.6%	58.9%	60.2%	62.1%	61.2%	62.2%	62.3%	63.6%
% of revenue - SG&A	36.9%	39.2%	41.9%	43.5%	43.8%	42.1%	45.9%	44.0%	42.7%	41.6%	49.5%	45.3%	41.2%	40.1%	43.7%	42.2%	42.0%	40.5%
% of revenue - R&D	7.2%	8.1%	7.8%	7.2%	7.3%	8.1%	7.5%	6.9%	7.0%	7.3%	7.6%	7.5%	7.4%	6.7%	8.1%	8.2%	8.2%	7.9%

Adjusted Non-GAAP Metrics (\$ in millions)	Fiscal year end December 31,						Fiscal year end December 31, 2024				Fiscal year end December 31, 2025				Fiscal year end December 31, 2026			
	FY'21a	FY'22a	FY'23a	FY'24a	FY'25a	FY'26e	Q1'24a	Q2'24a	Q3'24a	Q4'24a	Q1'25a	Q2'25a	Q3'25a	Q4'25a	Q1'26a	Q2'26a	Q3'26e	Q4'26e
Period end	12/31/21	12/31/22	12/31/23	12/31/24	12/31/25	12/31/26	3/31/24	6/30/24	9/30/24	12/31/24	3/31/25	6/30/25	9/30/25	12/31/25	3/31/26	6/30/26	9/30/26	12/31/26
Net income	\$182	\$6	(\$260)	(\$317)	(\$360)	(\$1)	(\$167)	(\$151)	\$4	(\$3)	(\$212)	(\$62)	(\$28)	(\$58)	(\$71)	(\$14)	\$17	\$67
Interest expense, net	--	140	268	384	409	368	96	99	96	93	91	125	98	95	93	89	93	93
Tax expense (benefit)	125	58	82	71	35	5	73	72	(66)	(8)	31	(89)	22	71	6	(1)	--	--
D&A	415	379	382	436	421	403	110	110	110	106	106	107	109	99	101	102	100	100
EBITDA	\$722	\$583	\$472	\$574	\$505	\$775	\$112	\$130	\$144	\$188	\$16	\$81	\$201	\$207	\$129	\$176	\$210	\$260
Impairments	12	1	--	5	--	9	--	5	--	--	--	--	--	--	--	9	--	--
Restructuring, integration, transformation	11	36	123	99	138	28	28	27	18	26	38	53	23	24	17	11	--	--
Acquisition related	--	(4)	50	77	42	5	21	21	24	11	14	5	(2)	25	3	2	--	--
Loss (gain) on extinguishment of debt	--	--	--	--	6	1	--	--	--	--	--	9	(3)	--	1	--	--	--
Share-based compensation	62	62	74	92	149	152	19	22	24	27	28	30	27	64	34	38	40	40
Separation and related	3	35	10	4	1	1	2	1	(1)	2	--	--	--	1	1	--	--	--
Litigation, net of insurance recoveries	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
IT infrastructure investment	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Legal & professional	(1)	1	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Gain on sale of assets, net	--	--	--	(5)	(6)	(3)	(4)	(1)	--	--	--	--	(6)	--	(3)	--	--	--
Other	12	6	9	14	23	12	2	4	3	5	2	13	3	5	7	5	--	--
Adjusted EBITDA (Company definition)	\$821	\$720	\$738	\$860	\$858	\$980	\$180	\$209	\$212	\$259	\$98	\$191	\$243	\$326	\$189	\$241	\$250	\$300
Adjusted EBITDA to NCI (mostly acquired IPR&D)	--	--	--	18	33	26	--	3	15	--	28	1	--	4	11	5	5	5
Adjusted EBITDA to BHC	\$821	\$720	\$738	\$878	\$891	\$1,006	\$180	\$212	\$227	\$259	\$126	\$192	\$243	\$330	\$200	\$246	\$255	\$305

Balance Sheet (\$ in millions)	Fiscal year end December 31,						Fiscal year end December 31, 2024				Fiscal year end December 31, 2025				Fiscal year end December 31, 2026			
	FY'21a	FY'22a	FY'23a	FY'24a	FY'25a	FY'26e	Q1'24a	Q2'24a	Q3'24a	Q4'24a	Q1'25a	Q2'25a	Q3'25a	Q4'25a	Q1'26a	Q2'26a	Q3'26e	Q4'26e
Period end	12/31/21	12/31/22	12/31/23	12/31/24	12/31/25	12/31/26	3/31/24	6/30/24	9/30/24	12/31/24	3/31/25	6/30/25	9/30/25	12/31/25	3/31/26	6/30/26	9/30/26	12/31/26
Cash & equivalents	\$174	\$354	\$305	\$305	\$383	\$522	\$315	\$285	\$329	\$305	\$202	\$266	\$310	\$383	\$268	\$367	\$391	\$522
Restricted cash	3	26	11	11	14	11	10	17	21	11	13	6	22	14	11	11	11	11
A/R	721	724	1,026	1,026	1,221	1,205	920	986	943	1,026	1,007	1,084	1,089	1,221	1,106	1,160	1,194	1,205
Inventories	572	628	1,036	1,036	976	1,021	1,073	1,069	1,119	1,036	1,031	1,051	1,005	976	977	999	1,022	1,021
Other WC assets	165	405	410	410	383	412	425	412	416	410	441	439	429	383	414	385	409	412
Other assets	9,188	9,007	10,681	10,681	11,045	10,887	10,550	10,481	10,687	10,681	10,734	10,986	10,977	11,045	11,004	10,937	10,912	10,887
Total assets	\$10,823	\$11,144	\$13,469	\$13,469	\$14,022	\$14,058	\$13,293	\$13,250	\$13,515	\$13,469	\$13,428	\$13,832	\$13,832	\$14,022	\$13,780	\$13,859	\$13,939	\$14,058
Debt	--	\$2,436	\$4,784	\$4,784	\$5,082	\$5,115	\$4,584	\$4,632	\$4,629	\$4,784	\$4,829	\$4,959	\$4,950	\$5,082	\$5,070	\$5,115	\$5,115	\$5,115
A/P	239	370	389	389	388	425	426	405	455	389	427	449	395	388	407	426	426	425
Accrued and other WC liabilities	860	901	1,309	1,309	1,493	1,457	1,161	1,241	1,316	1,309	1,259	1,363	1,473	1,493	1,374	1,421	1,444	1,457
Other liabilities	322	336	443	443	540	453	393	392	454	443	480	553	514	540	477	453	453	453
Shareholders' equity	9,402	7,101	6,544	6,544	6,519	6,608	6,729	6,580	6,661	6,544	6,433	6,508	6,500	6,519	6,452	6,444	6,501	6,608
Total liabilities & equity	\$10,823	\$11,144	\$13,469	\$13,469	\$14,022	\$14,058	\$13,293	\$13,250	\$13,515	\$13,469	\$13,428	\$13,832	\$13,832	\$14,022	\$13,780	\$13,859	\$13,939	\$14,058
Check	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Operating Metrics																		
TTM days	365	365	365	366	365	365				366	365	365	365	365	365	365	365	365
TTM revenue	\$3,765	\$3,768	\$4,146	\$4,791	\$5,101	\$5,498				4,791	\$4,829	\$4,891	\$4,976	\$5,101	\$5,208	\$5,324	\$5,448	\$5,498
TTM COGS	1,467	1,519	1,642	1,872	2,050	2,070				1,872	1,930	1,972	2,018	2,050	2,051	2,053	2,073	2,070
TTM adj. EBITDA (Company definition)	821	720	738	878	891	1,006				878	824	804	820	891	965	1,019	1,031	1,006
Days receivable	70	70	90	78	87	80				78	76	81	80	87	78	80	80	80
Days inventory	142	151	230	203	174	180				203	195	195	182	174	174	178	180	180
Days payable	59	89	86	76	69	75				76	81	83	71	69	72	76	75	75
% of net sales - other WC assets	4.4%	10.7%	9.9%	8.6%	7.5%	7.5%				8.6%	9.1%	9.0%	8.6%	7.5%	7.9%	7.2%	7.5%	7.5%
% of net sales - other WC liabilities	22.8%	23.9%	31.6%	27.3%	29.3%	26.5%				27.3%	26.1%	27.9%	29.6%	29.3%	26.4%	26.7%	26.5%	26.5%

Cash Flow Statement (\$ in millions)	Fiscal year end December 31,						Fiscal year end December 31, 2024				Fiscal year end December 31, 2025				Fiscal year end December 31, 2026			
	FY'21a	FY'22a	FY'23a	FY'24a	FY'25a	FY'26e	Q1'24a	Q2'24a	Q3'24a	Q4'24a	Q1'25a	Q2'25a	Q3'25a	Q4'25a	Q1'26a	Q2'26a	Q3'26e	Q4'26e
Period end	12/31/21	12/31/22	12/31/23	12/31/24	12/31/25	12/31/26	3/31/24	6/30/24	9/30/24	12/31/24	3/31/25	6/30/25	9/30/25	12/31/25	3/31/26	6/30/26	9/30/26	12/31/26
Net income (before non-controlling)	\$193	\$15	(\$248)	(\$305)	(\$352)	\$4	(\$163)	(\$148)	\$8	(\$2)	(\$211)	(\$58)	(\$25)	(\$58)	(\$70)	(\$10)	\$17	\$67
D&A	415	379	382	436	421	403	110	110	110	106	106	107	109	99	101	102	100	100
Non-cash interest	--	8	30	20	18	7	5	5	5	5	5	5	4	4	3	4	--	--
Impairments	12	1	--	5	--	9	--	5	--	--	--	--	--	--	--	9	--	--
Legal settlements, net	--	--	--	--	--	5	--	--	(1)	1	--	--	--	--	5	--	--	--
Stock-based compensation	62	62	74	92	149	152	19	22	24	27	28	30	27	64	34	38	40	40
Deferred taxes	116	(90)	(10)	(10)	(32)	(33)	44	24	(106)	28	18	(109)	(5)	64	(12)	(21)	--	--
Loss (gain) on extinguishment of debt	--	--	--	--	--	1	--	--	--	--	--	--	--	--	1	--	--	--
Other	47	(11)	42	81	61	28	15	11	16	39	29	12	(10)	30	(41)	69	--	--
Change in A/R	(107)	(95)	(121)	(227)	(148)	10	(92)	(74)	58	(119)	46	(50)	(14)	(130)	108	(53)	(34)	(11)
Change in inventories	(15)	(106)	(264)	(147)	38	(80)	(86)	(27)	(48)	14	(12)	2	20	28	(22)	(36)	(23)	1
Change in other WC assets	(13)	(7)	(147)	161	20	(52)	119	18	(6)	30	(11)	(1)	(5)	37	(38)	13	(24)	(4)
Change in A/P & accrued expenses	163	189	245	126	108	36	70	69	94	(107)	(23)	97	36	(2)	(37)	38	23	13
Other operating assets & liabilities	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Change in WC	28	(19)	(287)	(87)	18	(86)	11	(14)	98	(182)	--	48	37	(67)	11	(38)	(58)	(1)
Net cash from operating activities	\$873	\$345	(\$17)	\$232	\$283	\$490	\$41	\$15	\$154	\$22	(\$25)	\$35	\$137	\$136	\$32	\$153	\$99	\$206
Capital expenditures (incl. intangibles)	(\$209)	(\$175)	(\$181)	(\$291)	(\$349)	(\$321)	(\$67)	(\$72)	(\$60)	(\$92)	(\$110)	(\$89)	(\$74)	(\$76)	(\$100)	(\$71)	(\$75)	(\$75)
Proceeds from sale of assets	--	--	1	2	7	3	1	1	--	--	--	--	7	--	3	--	--	--
Purchases of investments, net	(5)	5	(1)	2	(3)	(1)	4	(2)	2	(2)	--	--	--	(3)	--	(1)	--	--
Acquisitions	--	(45)	(1,941)	(138)	(122)	(53)	(1)	(1)	(45)	(91)	(12)	(1)	--	(109)	(38)	(15)	--	--
Other investing items	--	--	13	13	12	5	6	--	7	--	6	--	6	--	5	--	--	--
Net cash from investing activities	(\$214)	(\$215)	(\$2,109)	(\$412)	(\$455)	(\$367)	(\$57)	(\$74)	(\$96)	(\$185)	(\$116)	(\$90)	(\$61)	(\$188)	(\$130)	(\$87)	(\$75)	(\$75)
Short-term borrowings, net of repayments	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Proceeds from LT debt	--	2,440	2,276	631	3,357	2,886	75	50	--	506	50	3,171	--	136	2,802	84	--	--
Repayment of LT debt	--	(13)	(161)	(430)	(3,096)	(2,840)	(58)	(7)	(8)	(357)	(10)	(3,060)	(7)	(19)	(2,805)	(35)	--	--
Dividends	(730)	(2,363)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Share repurchases	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Common share issuance	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Other financing items	(38)	17	(37)	(23)	(36)	(32)	(5)	(3)	(12)	(3)	(9)	(21)	(5)	(1)	(17)	(15)	--	--
Net cash from financing activities	(\$768)	\$81	\$2,078	\$178	\$225	\$14	\$12	\$40	(\$20)	\$146	\$31	\$90	(\$12)	\$116	(\$20)	\$34	--	--
Starting cash	\$238	\$174	\$354	\$305	\$305	\$383	\$305	\$315	\$285	\$329	\$305	\$202	\$266	\$310	\$383	\$268	\$367	\$391
Change in cash	(109)	211	(48)	(2)	53	137	(4)	(19)	38	(17)	(110)	35	64	64	(118)	100	24	131
F/X impact on cash	(8)	(8)	2	(16)	28	(1)	(5)	(4)	10	(17)	6	25	(4)	1	--	(1)	--	--
Change in restricted cash / other	53	(23)	(3)	18	(3)	3	19	(7)	(4)	10	1	4	(16)	8	3	--	--	--
Ending cash	\$174	\$354	\$305	\$305	\$383	\$522	\$315	\$285	\$329	\$305	\$202	\$266	\$310	\$383	\$268	\$367	\$391	\$522
Check	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

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