

Fourth-Quarter and Full-Year 2024 Earnings Presentation

February 25, 2025



Safe harbor

Forward-looking statements

This press release contains, and our officers and representatives may from time to time make, certain “forward-looking statements” within the meaning of the safe harbor provisions of the US Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as “anticipate,” “intend,” “commitment,” “look forward,” “maintain,” “plan,” “goal,” “seek,” “target,” “assume,” “believe,” “project,” “estimate,” “expect,” “strategy,” “future,” “likely,” “may,” “should,” “will” and similar references to future periods. Examples of forward-looking statements include, among others, statements we make regarding our liquidity, revenue, gross margin, operating margin, effective tax rate, foreign currency exchange movements, earnings per share, our plans and decisions relating to various capital expenditures, capital allocation priorities and other discretionary items such as our market growth assumptions, our social impact and sustainability plans, targets, goals and expectations, and generally, our expectations concerning our future performance.

Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties and risks that are difficult to predict such as: cybersecurity breaches or other disruptions of our information technology systems; our ability to effectively manage the risks associated with the ethical use of disruptive technologies; compliance with data privacy, identity protection and information security laws, particularly with the increased use of artificial intelligence; the impact of a disruption in our global supply chain, including the effect of tariffs, or important facilities, particularly when we single-source or rely on limited sources of supply; our ability to manage social impact and sustainability matters; our reliance on outsourcing key business functions; global and regional economic, financial, monetary, legal, tax, political and social change; the increasingly challenging economic, political and legal environment in China; terrorism, war and other resulting events such as economic sanctions and trade restrictions; our ability to manage the risks associated with operating as a third party contract manufacturer; our ability to forecast sales demand and manage our inventory levels and the changing buying patterns of our customers; our success in completing and integrating strategic acquisitions, including equity investments in early-stage companies; the success of our research and development efforts, including our ability to innovate to compete effectively; our ability to comply with the US Foreign Corrupt Practices Act of 1977 and other applicable anti-corruption laws; pricing pressure from changes in third party payor coverage and reimbursement methodologies; our ability to properly educate and train healthcare providers on our products; our ability to protect our intellectual property; our ability to comply with all laws to which we may be subject; the ability to obtain regulatory clearance and approval of our products as well as compliance with any post-approval obligations, including quality control of our manufacturing; the effect of product recalls or voluntary market withdrawals; the accuracy of our accounting estimates and assumptions, including pension and other post-employment benefit plan obligations and the carrying value of intangible assets; the impact of unauthorized importation of our products from countries with lower prices to countries with higher prices; our ability to service our debt obligations; the need for additional financing through the issuance of debt or equity; the effects of litigation, including product liability lawsuits and governmental investigations; supply constraints and increases in the cost of energy; our ability to attract and retain qualified personnel; legislative, tax and regulatory reform; the impact of being listed on two stock exchanges; the ability to declare and pay dividends; the different rights afforded to our shareholders as a Swiss corporation compared to a US corporation; the effect of maintaining or losing our foreign private issuer status under US securities laws; and the ability to enforce US judgments against Swiss corporations.

Additional factors are discussed in our filings with the United States Securities and Exchange Commission, including our Form 20-F. Should one or more of these uncertainties or risks materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated. Therefore, you should not rely on any of these forward-looking statements. Forward-looking statements in this press release speak only as of the date of its filing, and we assume no obligation to update forward-looking statements as a result of new information, future events or otherwise.

Intellectual property

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Non-IFRS measures

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

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- 01 Key topics
- 02 Sales
- 03 IFRS results
- 04 Core results
- 05 Outlook



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Select financial highlights

Net sales



Core operating margin¹



4Q24 Sales of \$2.5B, up 6% year-over-year on a reported and cc¹ basis

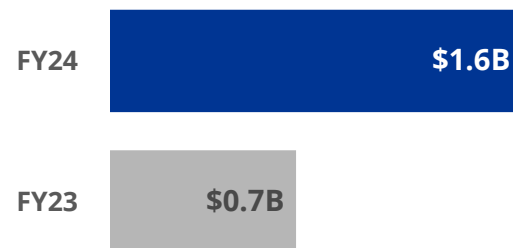
4Q24 Operating margin of 15.9%, up 700 basis points (bps) y/y; up 710 bps cc

4Q24 Core operating margin of 20.1%, up 120 bps; up 130 bps cc

Core diluted EPS¹



Free cash flow¹



4Q24 Diluted EPS of \$0.57, down 34% reported and cc

4Q24 Core diluted EPS of \$0.72, up 3% reported and cc

FY24 Cash from operating activities of \$2.1 billion

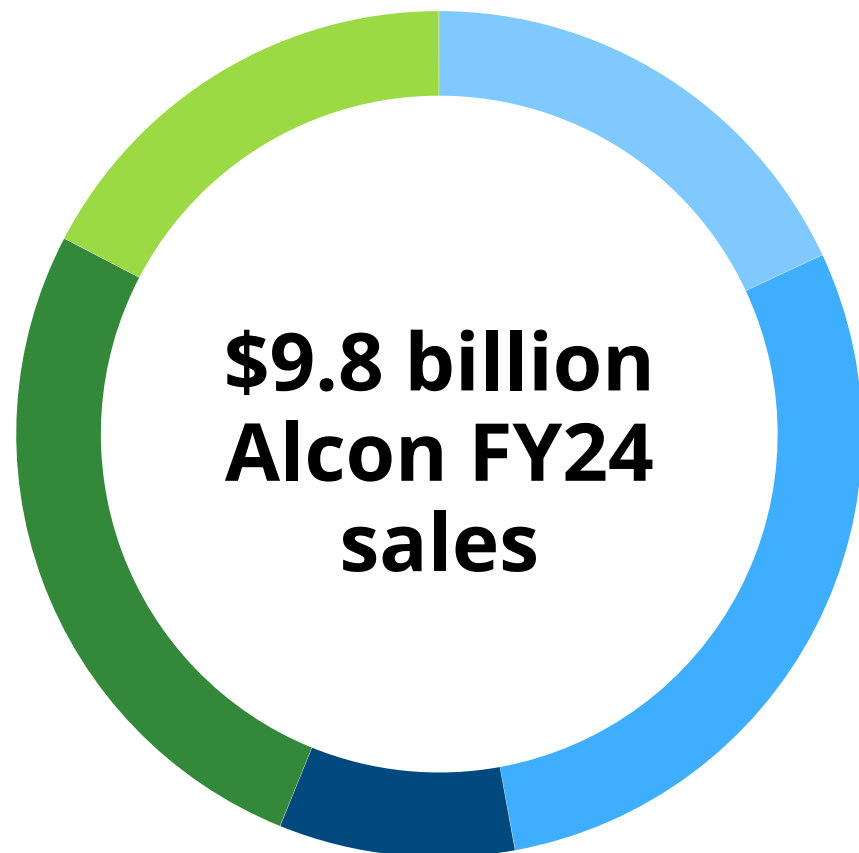
FY24 Free cash flow of \$1.6 billion

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FY 2024 Product mix¹



**\$9.8 billion
Alcon FY24
sales**

Vision Care \$4.3B (44%)

Ocular health (40%)

Dry eye products

Allergy eye drops

Steroid eye drops

Glaucoma eye drops

Contact lens care

Contact lenses (60%)

Daily lenses

Reusable lenses

Cosmetic lenses

Surgical \$5.5B (56%)

Implantables (32%)

Monofocal IOLs

Advanced technology IOLs

Glaucoma implants

Consumables (52%)

Dedicated consumables

Custom surgical packs

Procedural products

Equipment/other (16%)

Cataract equipment

Retinal equipment

Refractive equipment

Glaucoma equipment

Diagnostics & visualization

Equipment service

Procedural eye drops

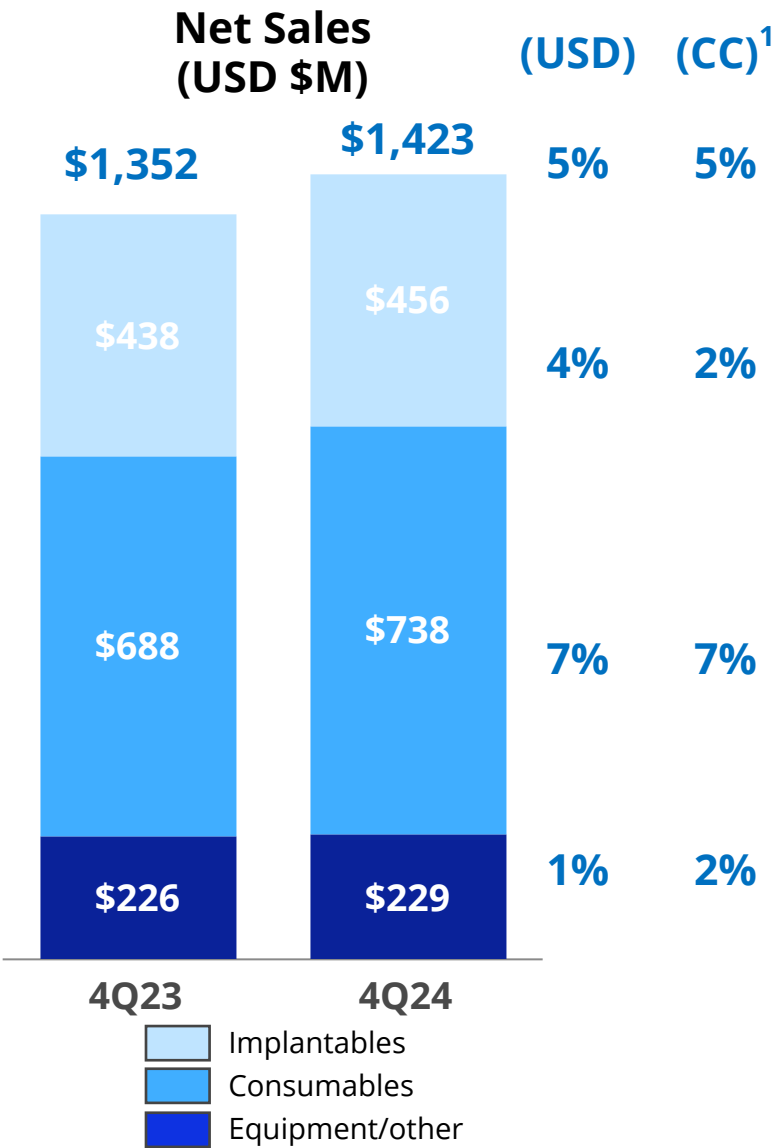
Q4 2024 Surgical

Surgical growth reflects strength in international markets

- +

 - Implantables growth led by advanced technology intraocular lenses in international markets
- +

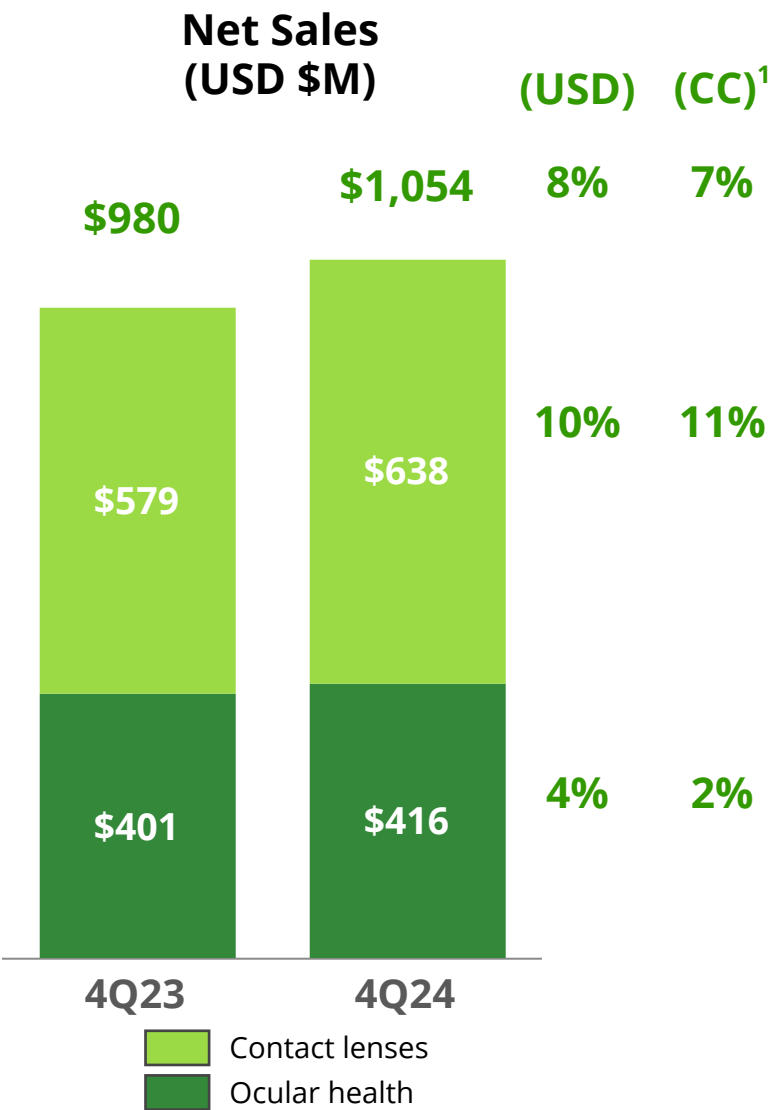
 - Consumables growth driven by vitreoretinal and cataract consumables, including price increases
- - Slower cataract market conditions and competitive pressures in US implantables



Q4 2024 Vision Care

Vision Care growth reflects strength in contact lenses

+	<ul style="list-style-type: none">Product innovation drove sales of contact lenses, including toric and multifocal modalitiesPrice increases across contact lens portfolio
+	<ul style="list-style-type: none">Growth in portfolio of eye drops, including continued strength from <i>Systane</i> family of artificial tears
-	<ul style="list-style-type: none">Decline in contact lens careUnfavorable impact of ~1% following the divestiture and out-licensing of rights to certain eye drops in China



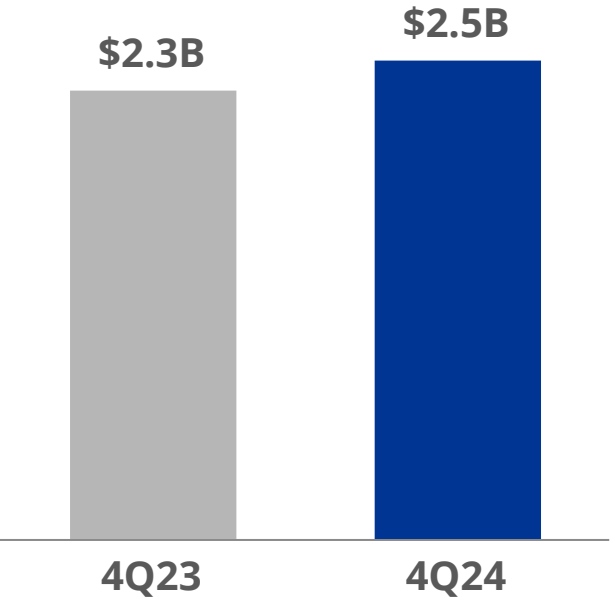
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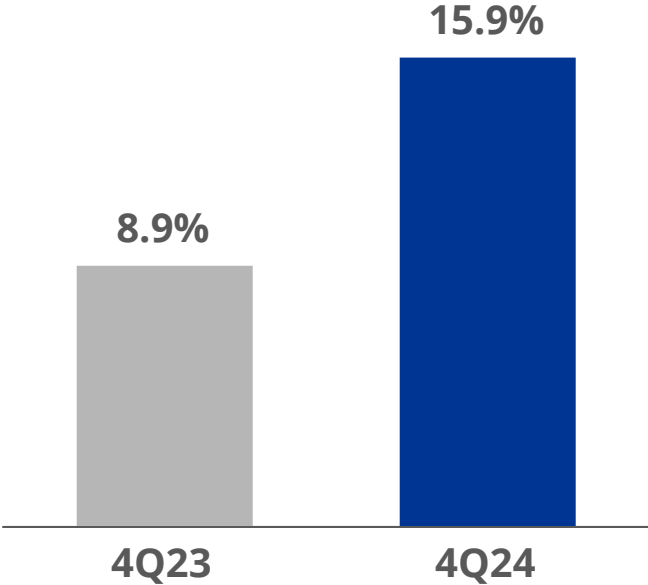
Q4 2024 IFRS results

Worldwide net sales



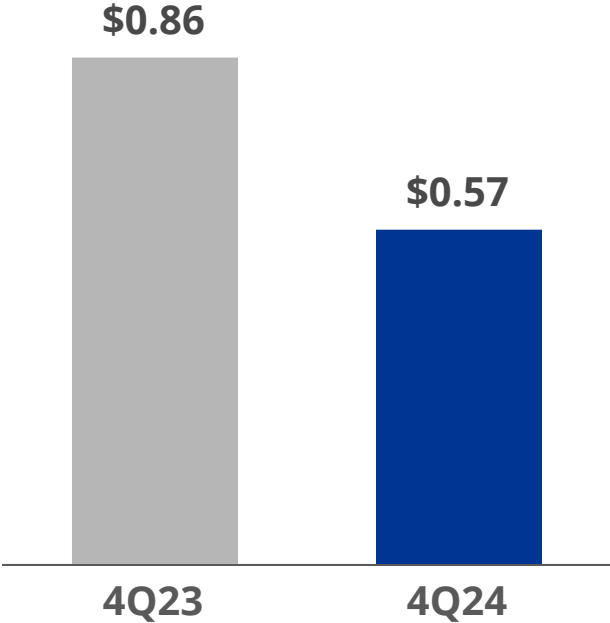
Y/Y change (USD): +6%

Operating margin



+700 bps

Diluted EPS¹

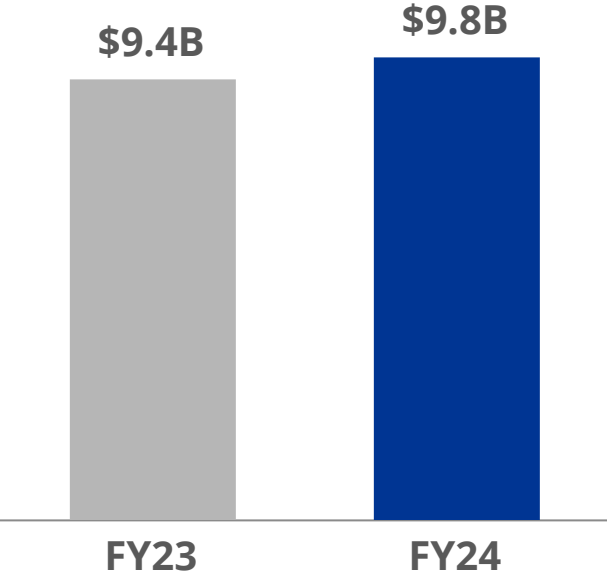


-34%

1. 4Q23 includes a tax benefit of \$263M associated with a long-term agreement with Swiss tax authorities for deductibility of a statutory expense.

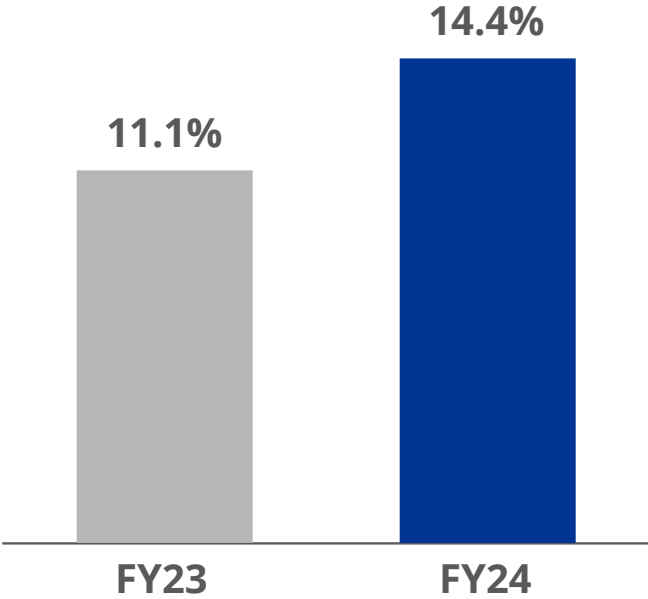
FY 2024 IFRS results

Worldwide net sales



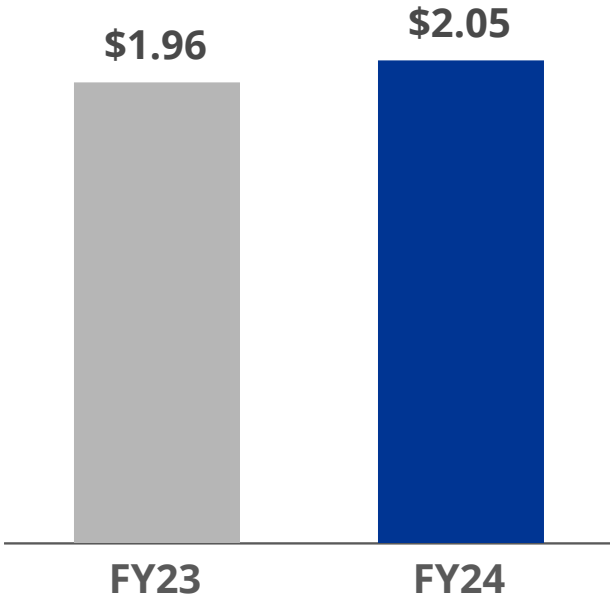
Y/Y change (USD): +5%

Operating margin



+330 bps

Diluted EPS¹

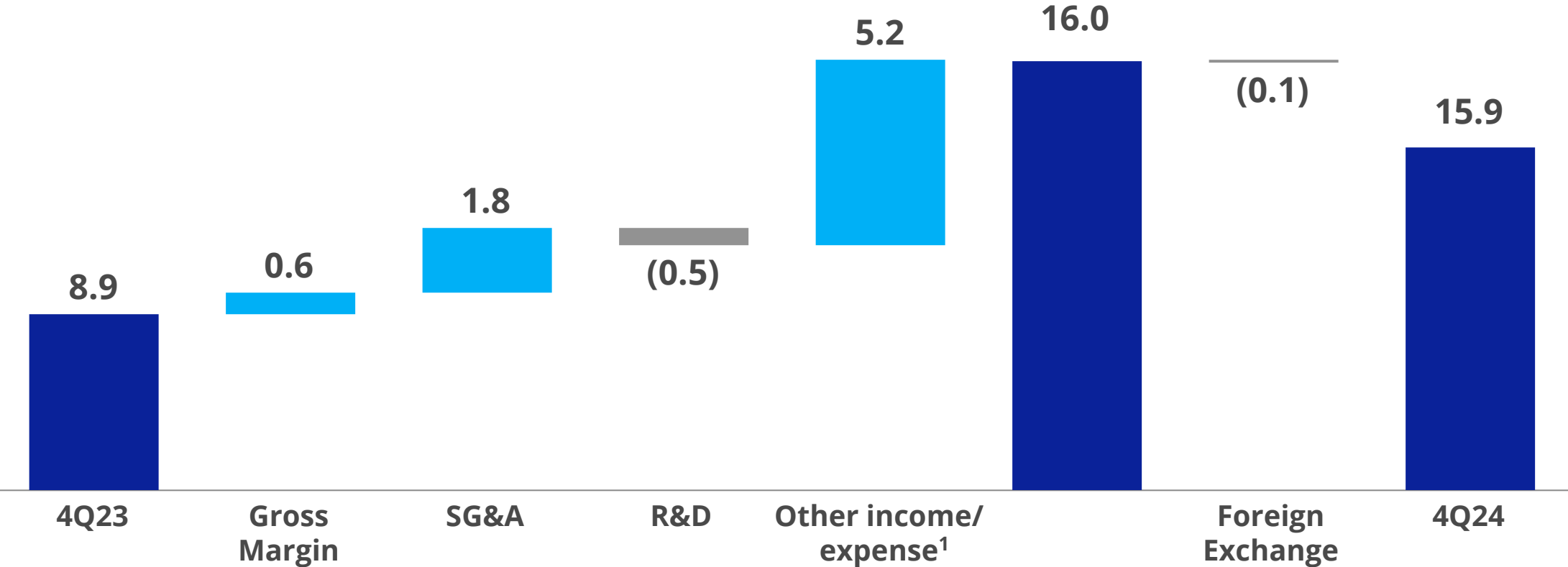


+5%

1. FY23 includes a tax benefit of \$263M associated with a long-term agreement with Swiss tax authorities for deductibility of a statutory expense.

Q4 2024 IFRS operating margin bridge

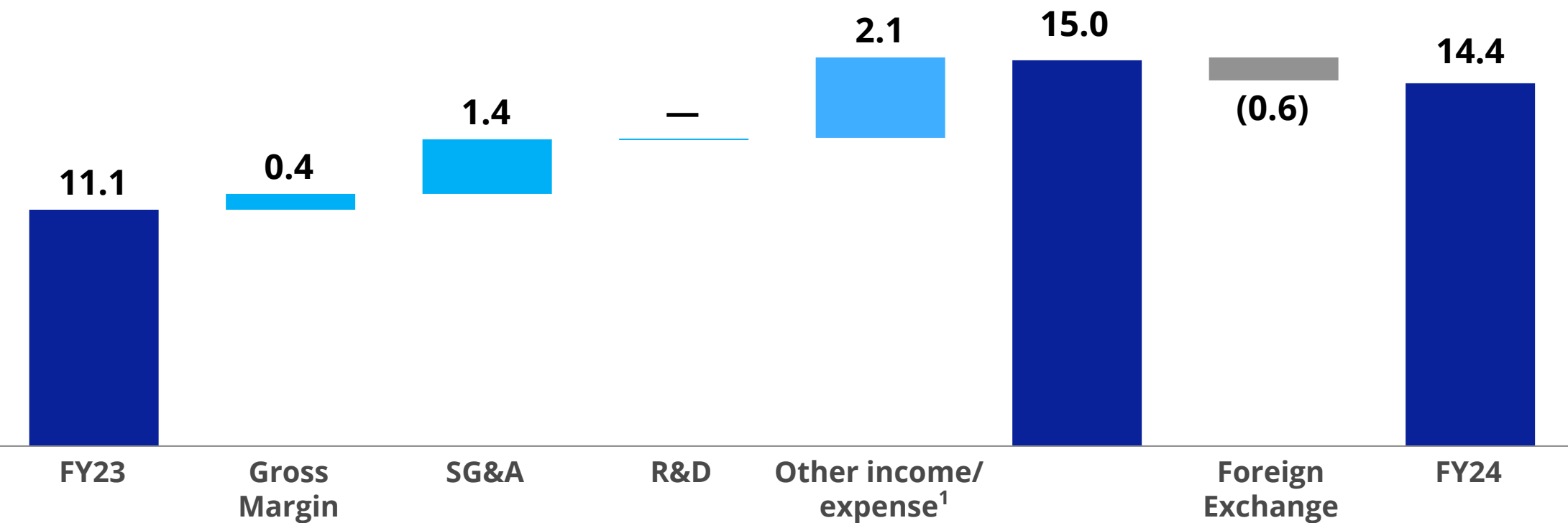
4Q24 vs. 4Q23, % of net sales



1. 4Q24 included a \$57 million net gain related to the divestment of certain product rights in China. 4Q23 included \$57 million of costs for the transformation program, which was completed in the 4Q23, and \$21 million of integration related expenses.

FY 2024 IFRS operating margin bridge

FY24 vs. FY23, % of net sales



1. FY24 operating margin included a \$57 million net gain related to the divestment of certain product rights in China. FY23 included \$139 million of transformation costs and \$48 million of integration related expenses, partially offset by a \$58 million benefit from the release of a contingent liability related to an acquisition.

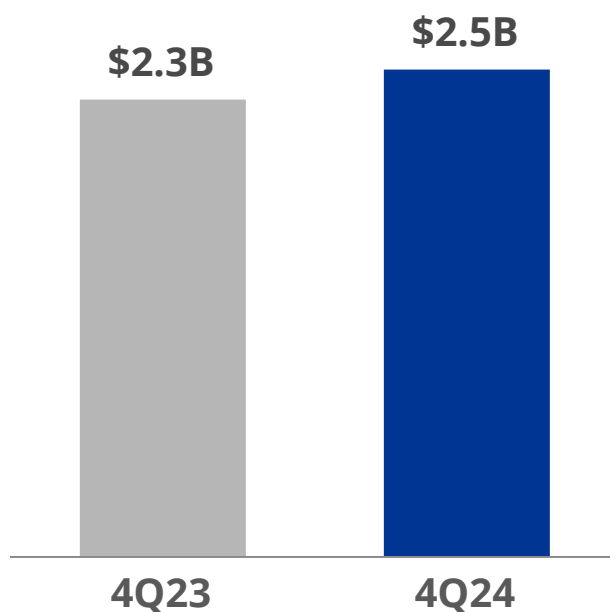
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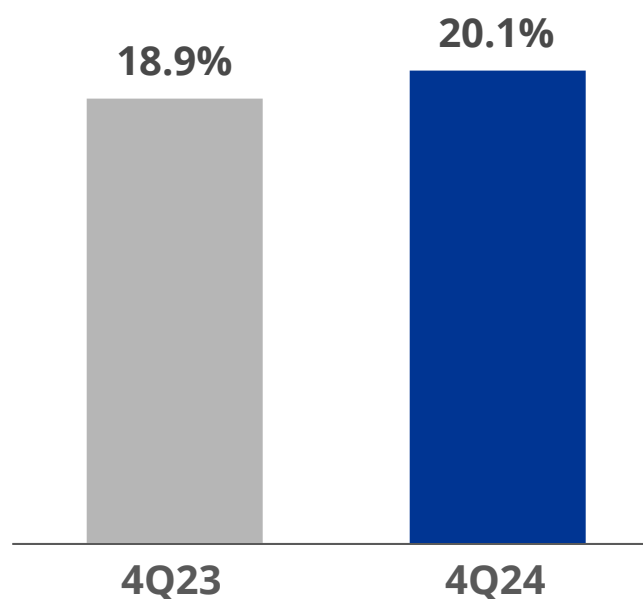
Q4 2024 Core results¹

Worldwide net sales



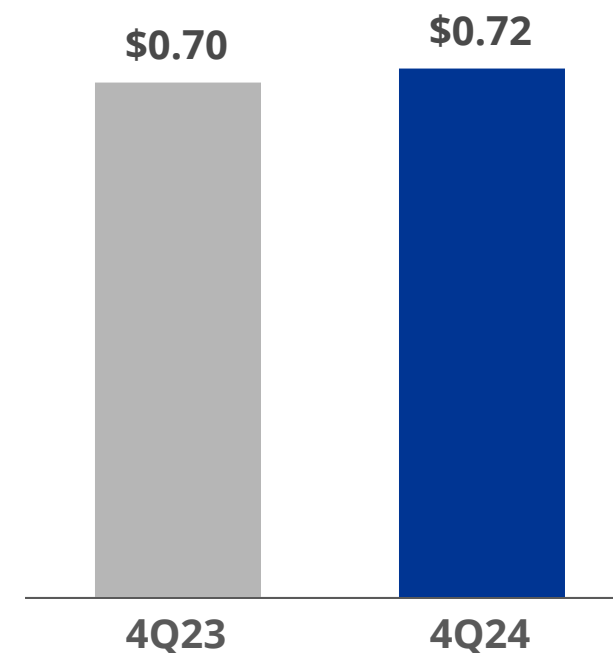
Y/Y change (cc): **+6%**

Core operating margin



+130 bps

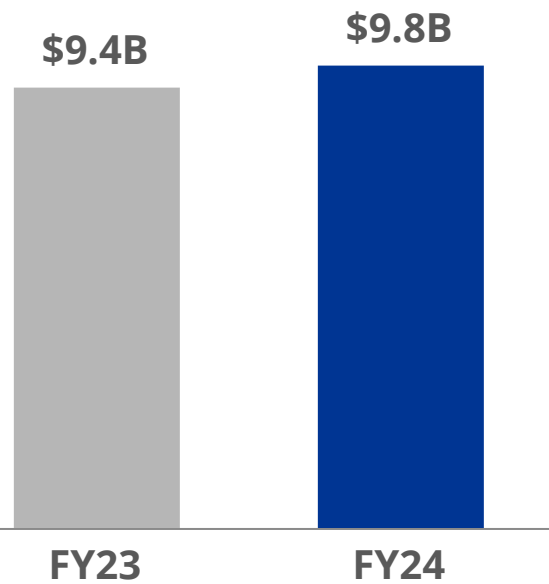
Core diluted EPS



+3%

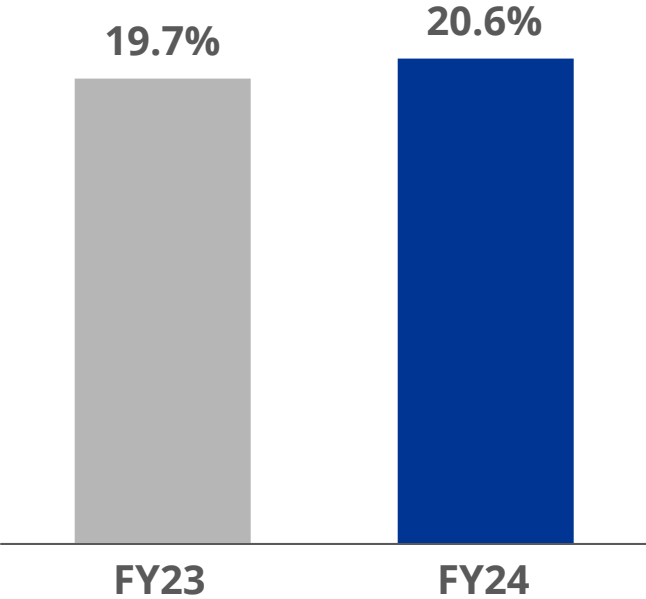
FY 2024 Core results¹

Worldwide net sales



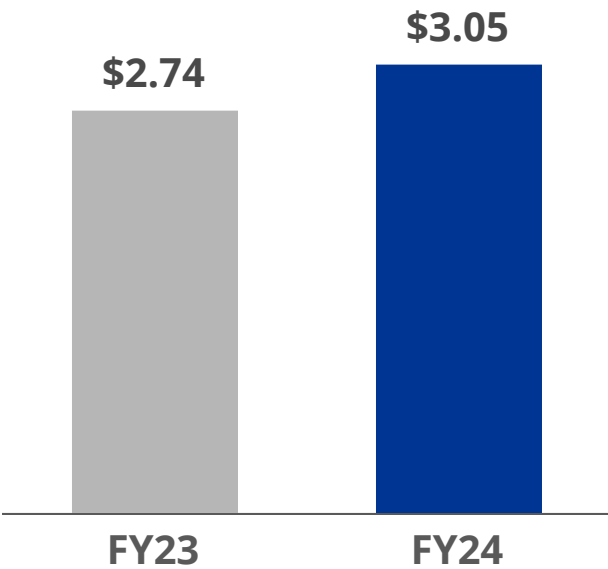
Y/Y change (cc): **+6%**

Core operating margin



+140 bps

Core diluted EPS

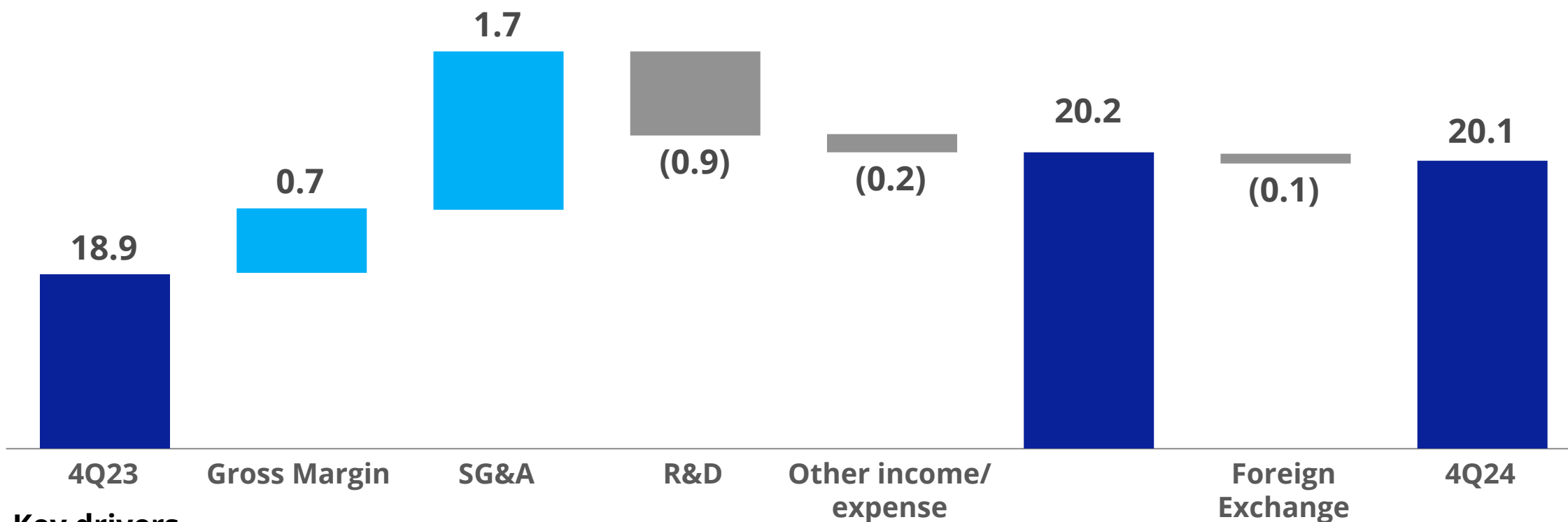


+16%

1. Core operating margin, core diluted EPS, and constant currency growth, including FX impacts, are non-IFRS measures. An explanation of non-IFRS measures can be found in the Appendix.

Q4 2024 Core operating margin¹ bridge

4Q24 vs. 4Q23, % of net sales

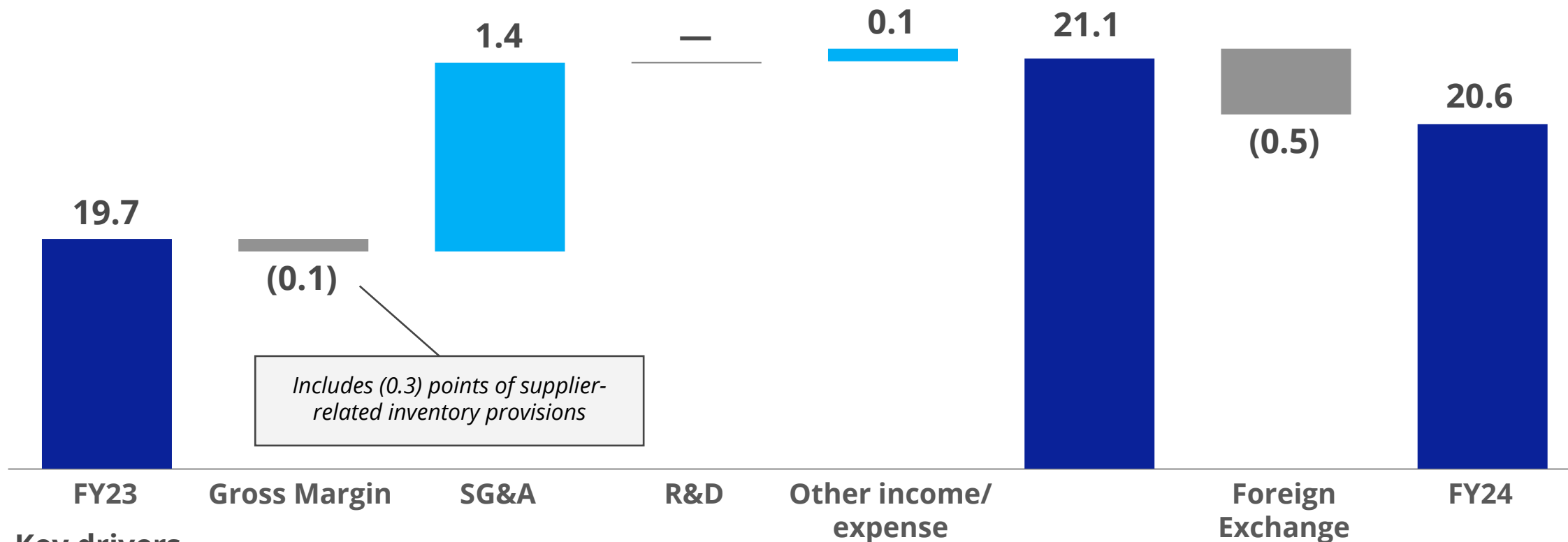


Key drivers

- Core gross margin¹ improvement reflects favorable product mix and manufacturing efficiencies in Vision Care, partially offset by an increase in inventory provisions in Surgical
- Core operating margin¹ also includes improved operating leverage in SG&A expenses from higher sales, partially offset by higher investment in R&D in Surgical
- Negative 10 bps impact from currency

FY 2024 Core operating margin¹ bridge

FY24 vs. FY23, % of net sales



Key drivers

- Core gross margin¹ decreased, reflecting higher costs of inventory in Surgical and significantly higher inventory provisions in Vision Care in 2Q24 due to a supplier-related quality issue (negative impact of \$30 million), partially offset by favorable product mix and manufacturing efficiencies in Vision Care
- Core operating margin¹ benefited from improved operating leverage in SG&A from higher sales
- Negative 50 bps impact from currency

FY 2024 **Cash flow and balance sheet highlights**

Cash and cash equivalents **\$1.7 billion**

FY24 cash flows from operations \$2.1 billion
FY24 free cash flow¹ \$1.6 billion

Capex **\$473 million**

Investments in new contact lens manufacturing capacity

Debt **\$4.6 billion**

No financial covenants



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FY 2025 Outlook

2025 outlook¹

as of February

Net sales (USD)	\$10.2 to \$10.4 billion
Change vs. prior year (cc) ² (non-IFRS measure)	+6% to +8%
Core operating margin ² (non-IFRS measure)	21% to 22%
Non-operating income & expense ³	\$200 to \$220 million
Core effective tax rate ⁴ (non-IFRS measure)	~20%
Core diluted EPS ² (non-IFRS measure)	\$3.15 to \$3.25
Change vs. prior year (cc) ² (non-IFRS measure)	+8% to +11%

Assumptions:

- Aggregated markets grow 4% to 5%
- Exchange rates as of the end of January 2025 prevail through year-end
- Approximately 499.5 million weighted-averaged diluted shares

1. Does not reflect any potential impact of the share repurchase program.

2. Constant currency, core operating margin and core diluted EPS are non-IFRS measures. An explanation of non-IFRS measures can be found in the Appendix.

3. Non-operating income & expense includes interest expense, other financial income & expense and share of loss from associated companies.

4. Core effective tax rate, a non-IFRS measure, is the applicable annual tax rate on core taxable income.

Appendix



Appendix: Non-IFRS measures as defined by the Company

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

Core results

Alcon core results, including core operating income and core net income, exclude all amortization and impairment charges of intangible assets, excluding software, net gains and losses on fund investments and equity securities valued at fair value through profit and loss ("FVPL"), fair value adjustments of financial assets in the form of options to acquire a company carried at FVPL and certain acquisition related items. The following items that exceed a threshold of \$10 million and are deemed exceptional are also excluded from core results: integration and divestment related income and expenses, divestment gains and losses, restructuring charges/releases and related items, legal related items, gains/losses on early extinguishment of debt or debt modifications, past service costs for post-employment benefit plans, impairments of property, plant and equipment and software, as well as income and expense items that management deems exceptional and that are or are expected to accumulate within the year to be over a \$10 million threshold.

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

Alcon believes that investor understanding of its performance is enhanced by disclosing core measures of performance because, since they exclude items that can vary significantly from period to period, the core measures enable a helpful comparison of business performance across periods. For this same reason, Alcon uses these core measures in addition to IFRS and other measures as important factors in assessing its performance.

A limitation of the core measures is that they provide a view of Alcon operations without including all events during a period, such as the effects of an acquisition, divestment, or amortization/impairments of purchased intangible assets and restructurings.

Constant currencies

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

Free cash flow

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

Reconciliation of guidance for forward-looking non-IFRS measures

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

Reconciliation of IFRS results to core results (non-IFRS measure)

Three months ended December 31, 2024

(\$ millions except earnings per share)	IFRS results	Amortization of certain intangible assets ⁽¹⁾	Divestment of product rights ⁽³⁾	Other items ⁽⁵⁾	Core results (non-IFRS measure)
Gross profit	1,385	167	—	—	1,552
Operating income	395	169	(57)	(9)	498
Income before taxes	349	169	(57)	(9)	452
Taxes ⁽⁶⁾	(65)	(30)	2	—	(93)
Net income	284	139	(55)	(9)	359
Basic earnings per share (\$)	0.57				0.73
Diluted earnings per share (\$)	0.57				0.72
Basic - weighted average shares outstanding (millions) ⁽⁷⁾	494.7				494.7
Diluted - weighted average shares outstanding (millions) ⁽⁷⁾	498.1				498.1

Refer to the associated explanatory footnotes at the end of the 'Reconciliation of IFRS results to core results (non-IFRS measure)' tables.

Reconciliation of IFRS results to core results (non-IFRS measure)

Three months ended December 31, 2023

(\$ millions except earnings per share)	IFRS results	Amortization of certain intangible assets ⁽¹⁾	Transformation costs ⁽⁴⁾	Other items ⁽⁵⁾	Core results (non-IFRS measure)
Gross profit	1,290	164	—	(6)	1,448
Operating income	208	167	57	8	440
Income before taxes	168	167	57	8	400
Taxes ⁽⁶⁾	259	(30)	(12)	(272)	(55)
Net income	427	137	45	(264)	345
Basic earnings per share (\$)	0.87				0.70
Diluted earnings per share (\$)	0.86				0.70
Basic - weighted average shares outstanding (millions) ⁽⁷⁾	493.3				493.3
Diluted - weighted average shares outstanding (millions) ⁽⁷⁾	496.4				496.4

Refer to the associated explanatory footnotes at the end of the 'Reconciliation of IFRS results to core results (non-IFRS measure)' tables.

Reconciliation of IFRS results to core results (non-IFRS measure)

Twelve months ended December 31, 2024

(\$ millions except earnings per share)	IFRS results	Amortization of certain intangible assets ⁽¹⁾	Impairments ⁽²⁾	Divestment of product rights ⁽³⁾	Other items ⁽⁵⁾	Core results (non-IFRS measure)
Gross profit	5,512	662	—	—	3	6,177
Operating income	1,413	667	9	(57)	(5)	2,027
Income before taxes	1,256	667	9	(57)	(5)	1,870
Taxes ⁽⁶⁾	(238)	(119)	—	2	—	(355)
Net income	1,018	548	9	(55)	(5)	1,515
Basic earnings per share (\$)	2.06					3.06
Diluted earnings per share (\$)	2.05					3.05
Basic - weighted average shares outstanding (millions) ⁽⁷⁾	494.4					494.4
Diluted - weighted average shares outstanding (millions) ⁽⁷⁾	497.5					497.5

Refer to the associated explanatory footnotes at the end of the 'Reconciliation of IFRS results to core results (non-IFRS measure)' tables.

Reconciliation of IFRS results to core results (non-IFRS measure)

Twelve months ended December 31, 2023

(\$ millions except earnings per share)	IFRS results	Amortization of certain intangible assets ⁽¹⁾	Transformation costs ⁽⁴⁾	Other items ⁽⁵⁾	Core results (non-IFRS measure)
Gross profit	5,247	663	—	7	5,917
Operating income	1,039	675	139	(4)	1,849
Income before taxes	832	675	139	(4)	1,642
Taxes ⁽⁶⁾	142	(121)	(26)	(277)	(282)
Net income	974	554	113	(281)	1,360
Basic earnings per share (\$)	1.98				2.76
Diluted earnings per share (\$)	1.96				2.74
Basic - weighted average shares outstanding (millions) ⁽⁷⁾	493.0				493.0
Diluted - weighted average shares outstanding (millions) ⁽⁷⁾	496.5				496.5

Refer to the associated explanatory footnotes at the end of the 'Reconciliation of IFRS results to core results (non-IFRS measure)' tables.

Reconciliation of IFRS results to core results (non-IFRS measure)

Explanatory footnotes to IFRS to core reconciliation tables

- (1) Includes recurring amortization for all intangible assets other than software.
- (2) Includes impairment charges related to intangible assets.
- (3) For the three and twelve months ended December 31, 2024, includes a net gain related to the divestment of certain product rights in China.
- (4) Transformation costs, primarily related to restructuring and third party consulting fees, for the multi-year transformation program. The transformation program was completed in the fourth quarter of 2023.
- (5) For the three months ended December 31, 2024, Operating income primarily includes fair value adjustments to contingent consideration liabilities, partially offset by the amortization of option rights.

For the three months ended December 31, 2023, Gross profit includes fair value adjustments to contingent consideration liabilities, partially offset by the amortization of inventory fair value adjustments related to an acquisition. Operating income also includes integration related expenses for an acquisition and the amortization of option rights, partially offset by fair value adjustments of financial assets.

For the twelve months ended December 31, 2024, Gross profit includes the amortization of inventory fair value adjustments related to an acquisition. Operating income also includes fair value adjustments to contingent consideration liabilities and fair value adjustments of financial assets, partially offset by the amortization of option rights.

For the twelve months ended December 31, 2023, Gross profit includes the amortization of inventory fair value adjustments related to an acquisition, partially offset by fair value adjustments to contingent consideration liabilities. Operating income also includes the release of a contingent liability related to an acquisition and fair value adjustments to contingent consideration liabilities, partially offset by integration related expenses for an acquisition, the amortization of option rights and fair value adjustments of financial assets.

- (6) For the three months ended December 31, 2024, tax associated with operating income core adjustments of \$103 million totaled \$28 million with an average tax rate of 27.2%.

For the three months ended December 31, 2023, total tax adjustments of \$314 million include tax associated with operating income core adjustments and discrete tax items. Tax associated with operating income core adjustments of \$232 million totaled \$45 million with an average tax rate of 19.4%. Core tax adjustments for discrete tax items totaled \$269 million, primarily due to a \$263 million tax benefit associated with a long-term agreement related to deductibility of a statutory expense in Switzerland.

For the twelve months ended December 31, 2024, tax associated with operating income core adjustments of \$614 million totaled \$117 million with an average tax rate of 19.1%.

For the twelve months ended December 31, 2023, total tax adjustments of \$424 million include tax associated with operating income core adjustments and discrete tax items. Tax associated with operating income core adjustments of \$810 million totaled \$155 million with an average tax rate of 19.1%. Core tax adjustments for discrete tax items totaled \$269 million, primarily due to a \$263 million tax benefit associated with a long-term agreement related to deductibility of a statutory expense in Switzerland.

- (7) Core basic earnings per share is calculated using the weighted-average shares of common stock outstanding during the period. Core diluted earnings per share also contemplate dilutive shares associated with unvested equity-based awards as described in Note 4 to the Condensed Consolidated Interim Financial Statements.

Reconciliation of free cash flow (non-IFRS measure)

The following is a summary of free cash flow for the twelve months ended December 31, 2024 and 2023, together with a reconciliation to net cash flows from operating activities, the most directly comparable IFRS measure:

(\$ millions)	2024	2023
Net cash flows from operating activities	2,077	1,388
Purchase of property, plant & equipment	(473)	(658)
Free cash flow	1,604	730

Alcon

SEE BRILLIANTLY