



**OSI** SYSTEMS, INC.

SECURITY, OPTOELECTRONICS AND HEALTHCARE  
SOLUTIONS FOR A SAFER & HEALTHIER WORLD

Investor Presentation  
March 2024

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements relate to the Company's current expectations, beliefs, and projections concerning matters that are not historical facts and are not guarantees of future performance. Forward-looking statements involve uncertainties, risks, assumptions and contingencies, many of which are outside the Company's control and which may cause actual results to differ materially from those described in or implied by any forward-looking statement. Such statements include, but are not limited to, information provided regarding expected revenues, earnings, growth, and operational performance for fiscal 2024 and thereafter. For a further discussion of factors that could cause the Company's future results to differ materially from any forward-looking statements, see the section entitled "Risk Factors" in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2023 and other risks described therein and in documents subsequently filed by the Company from time to time with the Securities and Exchange Commission. All forward-looking statements are based on currently available information and speak only as of the date on which they are made. Investors should not place undue reliance on forward-looking statements as a prediction of actual results. The Company assumes no obligation to update any forward-looking statement made in this investor presentation that becomes untrue because of subsequent events, new information or otherwise, except to the extent it is required to do so in connection with its ongoing requirements under federal securities laws.

This presentation includes certain non-GAAP financial measures. The presentation of these non-GAAP figures is provided to allow for the comparison of the underlying performance of the Company, net of impairment, restructuring, and other charges (including certain legal costs), amortization of intangible assets acquired through business acquisitions, gain on sale of property in fiscal 2022, and non-cash interest expense primarily related to convertible debt, and their associated tax effects, and the impact of discrete income tax items including charges resulting from the Tax Cuts and Jobs Act (the "Tax Act"). Although we exclude amortization of acquired intangible assets from our non-GAAP figures, revenue generated from such intangibles is included within revenue in determining non-GAAP financial performance of the Company. Management believes that these non-GAAP financial measures provide (i) enhanced insight into the ongoing operations of the Company, (ii) meaningful information regarding the Company's financial results (excluding amounts management does not view as reflective of ongoing operating results) for purposes of planning, forecasting, and assessing the performance of the Company's businesses, (iii) a meaningful comparison of financial results of the current period against results of past periods, and (iv) financial results that are more comparable to financial results of peer companies than are GAAP figures. Non-GAAP financial measures should not be assessed in isolation or as a substitute for measures of financial performance prepared in accordance with GAAP. These non-GAAP measures may not be the same as measures used by other companies due to possible differences in methods and in the items or events for which adjustments are made. Reconciliations of GAAP to non-GAAP financial information are included within this presentation.



# OSI Systems is a Leading Global Provider of Advanced, High-Reliability Electronics Solutions for Critical Applications in Diversified Essential Markets

**OSI** SYSTEMS, INC.



## SECURITY

Develops and manufactures **security screening systems, solutions and services** for critical government & civil infrastructure, border & port security, aviation, public facilities and events

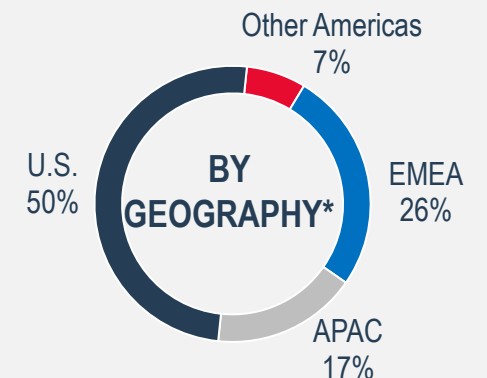
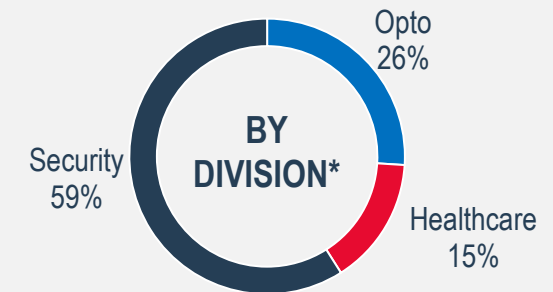
## OPTOELECTRONICS

Designs and manufactures **advanced custom electronic components & solutions such as photodetectors, laser diodes, and flex circuits** for **OEMs** for assembly of advanced electronics in diverse end markets

## HEALTHCARE

Develops, manufactures and distributes **patient monitoring, cardiology, connected care & remote monitoring** solutions for hospital and cardiac care markets

**\$1.3B REVENUE**  
(Fiscal Year Ended June 30, 2023\*)



\* Third party net sales

# **SYSTEMS, INC.** is a Highly Compelling Investment Opportunity

1

Strong business model supported by **meaningful macro tailwinds**, with **high recurring and reoccurring sales across diverse, growing end markets**

2

Track record of robust financial performance and growth momentum; business is **poised to become #1 player in global screening and detection**

3

**Focused R&D** has driven technological innovation, with **100,000+ installed systems** validating leadership position in security screening market

4

**Marquee, blue-chip customer** base is a testament to strength in technology, product, and brand reputation

5

Visionary management team with a **proven track record** and averaging over 25 years with OSI Systems

# Step-change in Scale and Positioned for Accelerated Growth

- **Strong organic growth** driven by significant bookings

- **Backlog up significantly** with large contract wins positioning the Company for revenue acceleration

- Large and growing global **marquee customer base**

- **Technology leadership, portfolio breadth, turnkey solutions experience, and vertically-integrated, low-cost manufacturing delivering competitive advantage**

- **Robust product pipeline** delivering next-gen solutions

- **Growing service contribution** increasing recurring revenue

## FY24 Revenue Guidance

**>19% growth**

## FY24 Non-GAAP Adj EPS Guidance

**>29% growth**

## Record Fiscal Year-End Backlog

**\$1.8 Billion**

**46% YoY Growth**

## Strong Balance Sheet & Cash Flow

Provide financial flexibility

## DIVERSIFIED REVENUE MODELS

### SYSTEMS



### SERVICE



### TURNKEY (SECURITY AS A SERVICE)

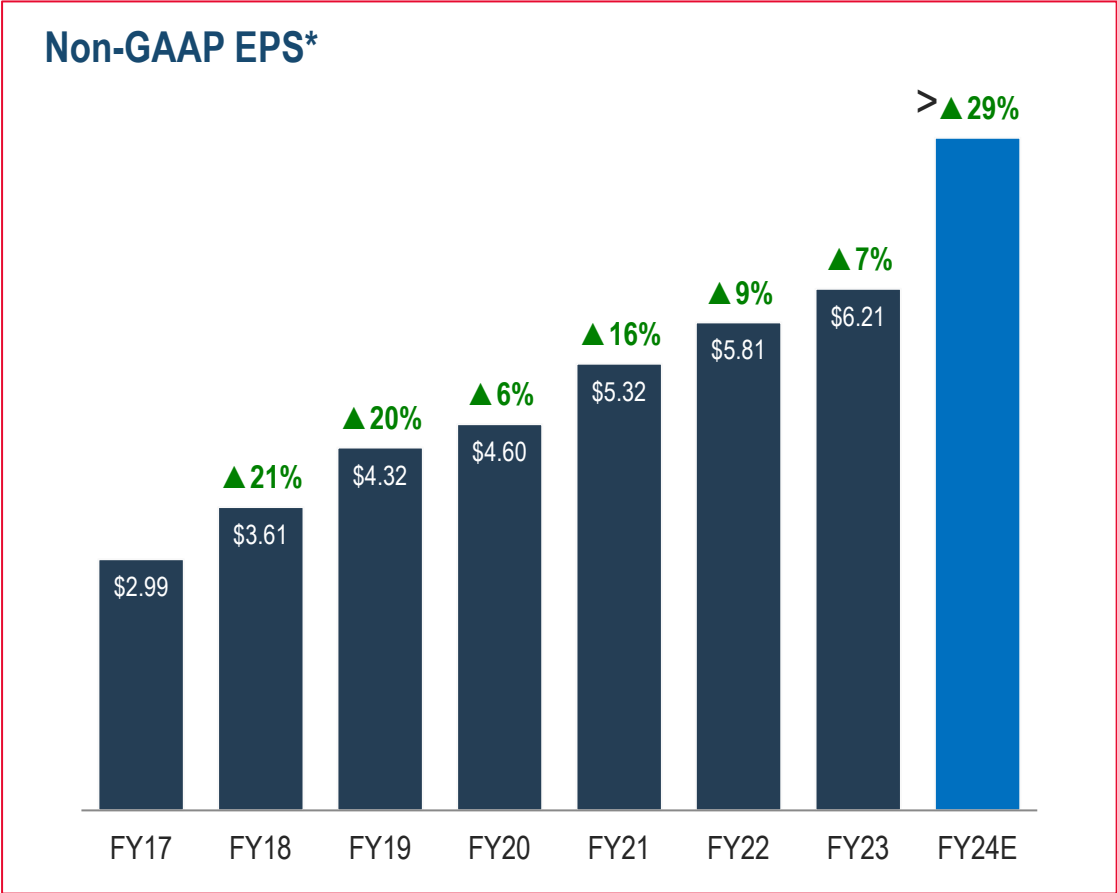
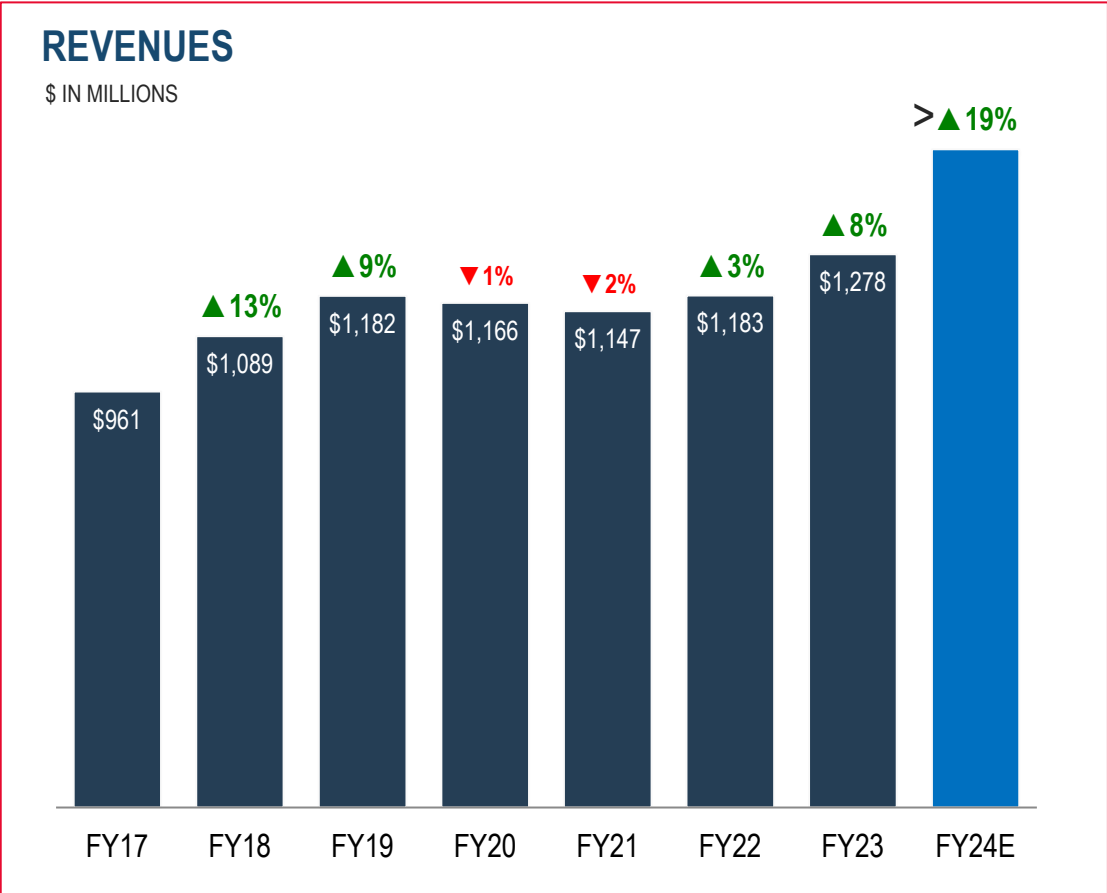


### SaaS (SOFTWARE AS A SERVICE)





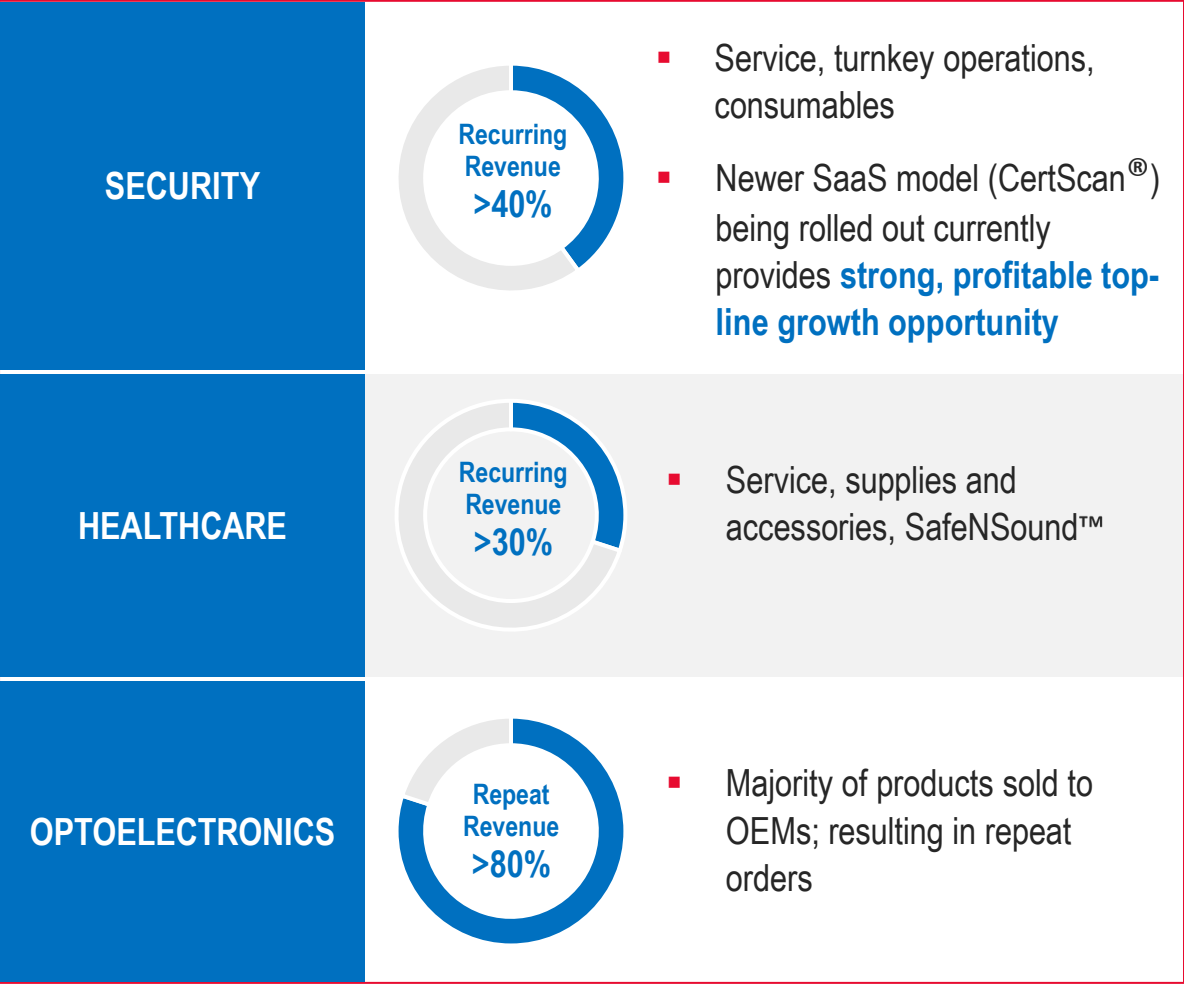
Strong Backlog and Recurring Revenue provide excellent visibility.  
Track record of consistent, solid EPS growth.



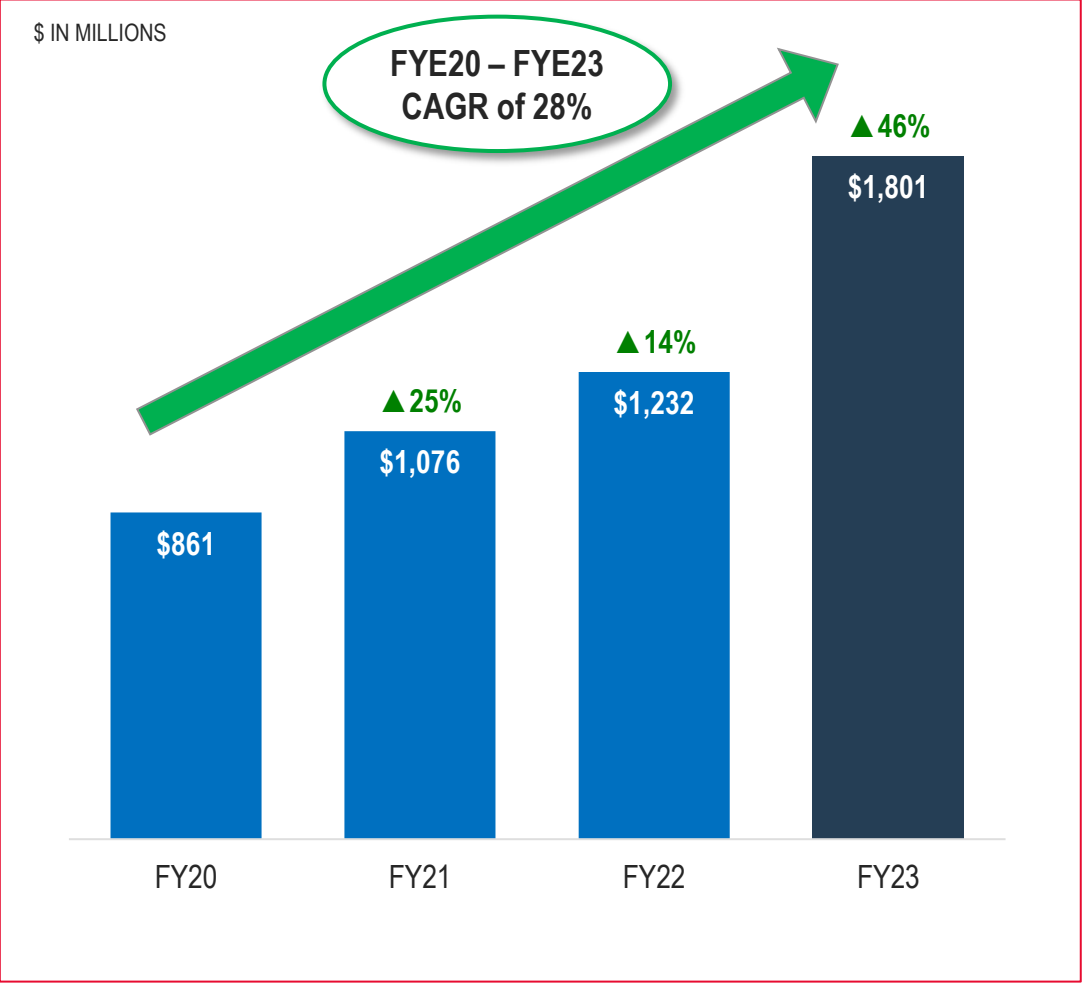
June 30 fiscal year end

\* Excludes impairment, restructuring, and other charges (including certain legal costs), amortization of intangible assets acquired through business acquisitions, gain on sale of property in FY22, non-cash interest expense, gain from the disposition of a business in FY17, and their associated tax effects, and the impact from discrete income tax items including charges resulting from the Tax Act. See reconciliation on page 35.

## SIGNIFICANT RECURRING / REPEAT SERVICE REVENUE (% OF TOTAL REVENUE\*)



## FY23: RECORD YEAR-ENDING BACKLOG



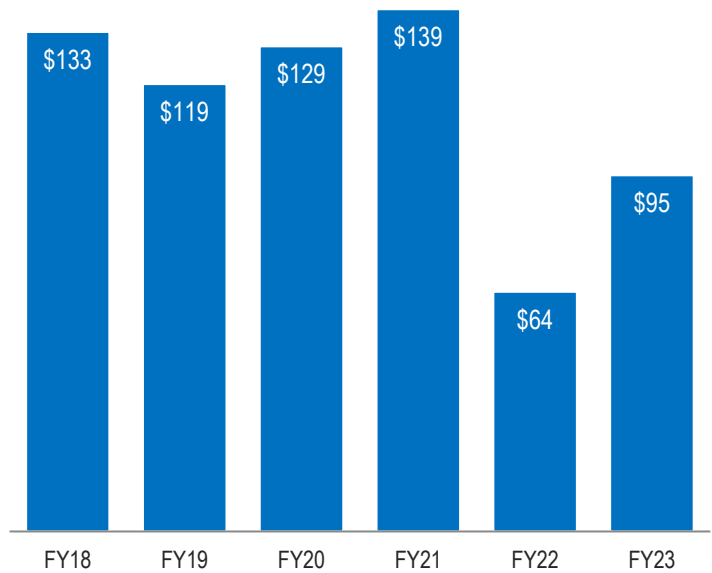
\*Based upon FY23 Revenues; June 30 fiscal year end

Recent cash flow reflects inventory build to support the strong backlog.  
Significant share repurchases.

## STRONG OPERATING CASH FLOW

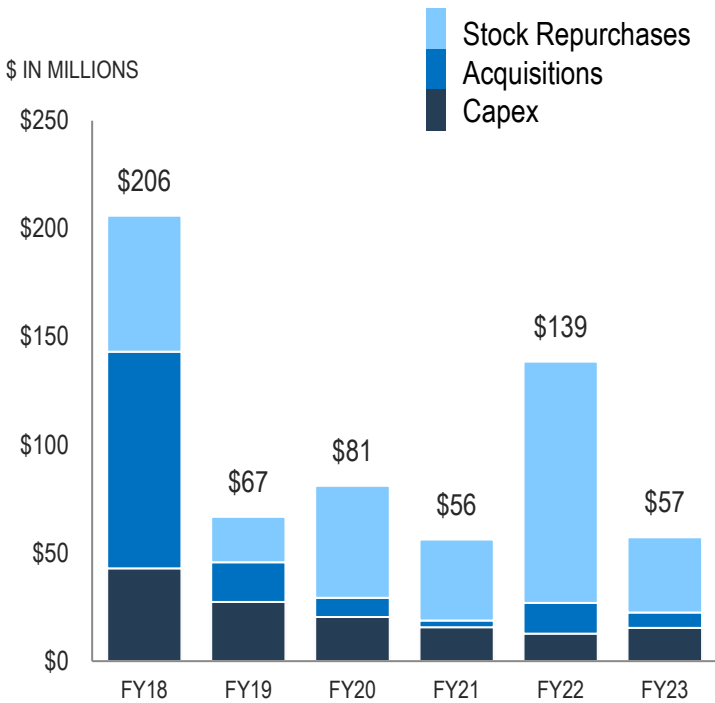
> \$650 million in operating cash flow over last 6 years

\$ IN MILLIONS

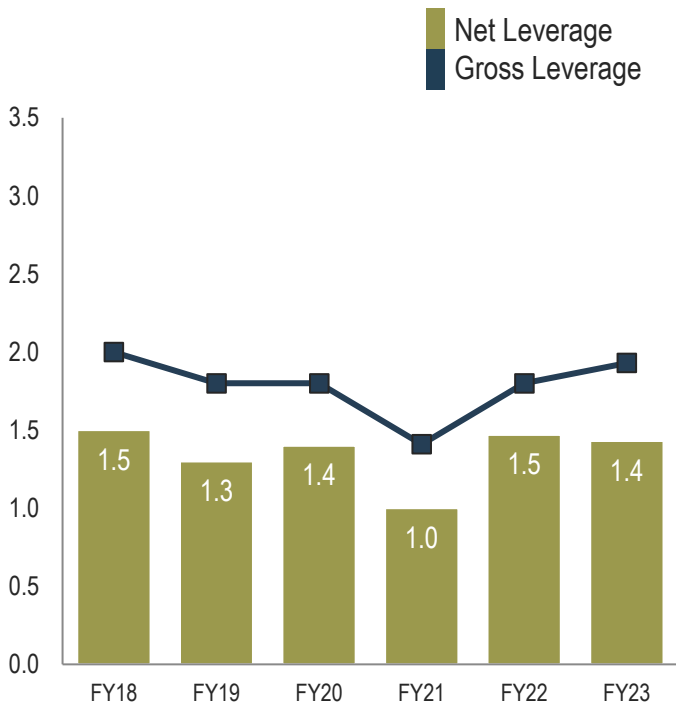


## DISCIPLINED CASH MANAGEMENT & INVESTMENT

\$ IN MILLIONS



## LOW LEVERAGE POSITION





# Markets with Macro Tailwinds Provide Considerable Growth Opportunities

## SECURITY



**Heightened global demand** for high-performance threat detection screening solutions spurred by **public and private sector** mandates

- **Innovative, affordable, and flexible end-to-end offerings** in security screening solutions market
- Superior track record and global presence in **large-scale integrated, turnkey solutions**
- Pipeline of **advanced cost-effective solutions**

## OPTOELECTRONICS



**Strong demand for specialized optoelectronics** resulting from electrification and digitization of **broad range of products**

- Large and growing customer base actively seeking versatile partners offers **higher-margin opportunities across multiple industries**
- **Competitive manufacturing cost structure**
- **New technologies / new products** (e.g., high density flex circuits and hi-rel semiconductors)

## HEALTHCARE



**Increasing demand** for efficient healthcare solutions to serve **aging population**

- **Multi-year contracts** with major Group Purchasing Organizations (GPOs)
- **New product introductions**
- **Clinical Decision Support analytics and Clinical Workflow**
- Positioning for **emerging hospital-to-home health continuum** patient monitoring

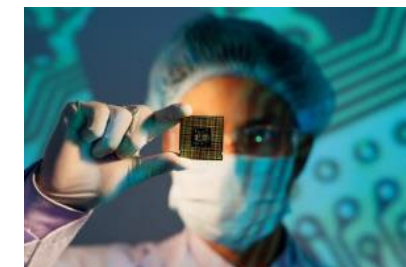
Market Tailwinds

Growth Opportunities / Competitive Strengths

# Technology Leadership is a Primary Competitive Advantage

## BROAD, LEADING TECHNOLOGY PLATFORMS AND PRODUCT LINES PROVIDE HIGHLY ATTRACTIVE ONE-STOP-SHOP ADVANTAGE

- ✓ Deep expertise in critical technologies and a **proven track record of delivering break-through solutions**
- ✓ Security division acquisitions complemented pre-existing technology suite and significantly expanded platform and pipeline
- ✓ **New product introductions and acquisitions with strong revenue potential**
- ✓ Significant ongoing investment in R&D to grow product pipelines and continuously improve performance



Advisor to U.S. Department of Homeland Security on advanced technology development initiatives



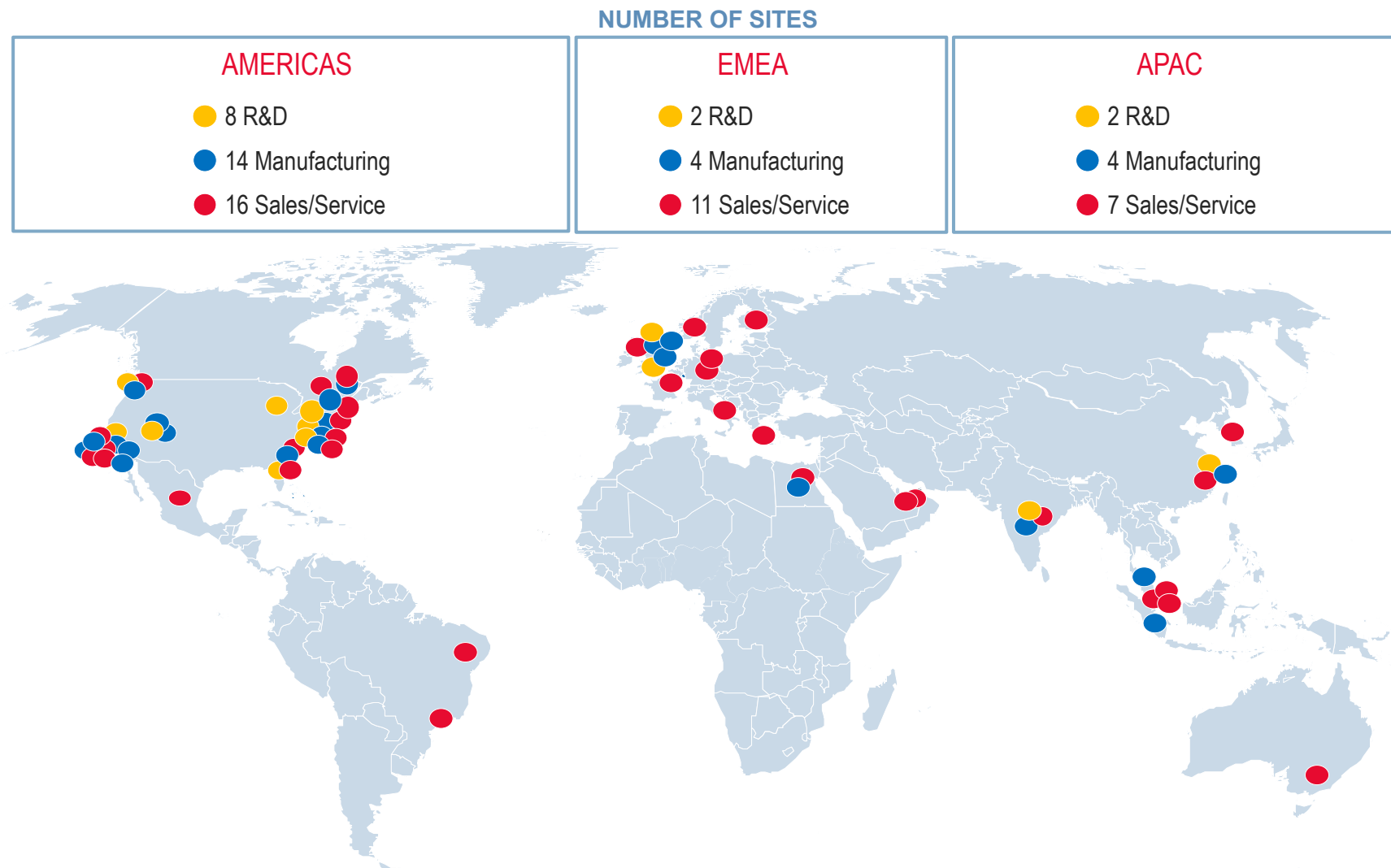
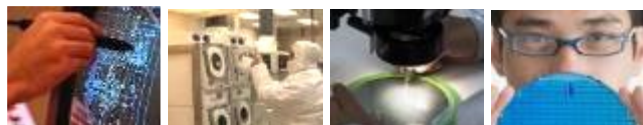
*"...the best equipment we have out there."*

- U.S. Customs and Border Protection



# Global **Vertically-Integrated** Footprint

Global engineering and manufacturing expertise, vertical integration, efficient cost structure, global sales channel, and service excellence provide competitive advantage





**OSI** *SYSTEMS, INC.*



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## SECURITY

GLOBAL LEADER IN SECURITY SCREENING SOLUTIONS

# OSI Security Division: Global Leader in Security Screening Market

Rapiscan Systems | AS&E | S2 Global

**OSI** SYSTEMS, INC.

## BUSINESS OVERVIEW

- ✓ **Leading global provider of security inspection solutions, equipment and services** for aviation, ports, rail, customs and border protection, event security, critical infrastructure, public facilities, and law enforcement
- ✓ Superior scale, breadth of offering, and competitive position
- ✓ Leadership in large turnkey projects
- ✓ Leadership in integrated screening solutions
- ✓ Technology leader

## PORTFOLIO POSITION



\* Based on FY23 third-party net sales

## BRANDS

**Rapiscan**  
systems  
An OSI Systems Company

**AS&E**  
An OSI Systems Company

**S2**  
GLOBAL  
An OSI Systems Company

## GLOBAL SECURITY SCREENING LEADERSHIP

**100,000+**  
Systems Installed

**170+**  
Countries  
Supplied

**26**  
Global Service  
Centers

**3M+**  
Manifests Verified

**1,900+**  
Employees

# Integrated Solutions: Leadership in Breadth of Applications Provides Advantage in a Fast-Growing Market

**OSI** SYSTEMS, INC.

End-to-end screening solutions leveraging advanced and next-gen technologies for maximum threat detection, flexibility, ease in procurement and operational success across ports, aviation, checkpoints, government and commercial facilities, and events

**Rapiscan**  
systems  
An OSI Systems Company

**AS&E**  
An OSI Systems Company

**S2**  
GLOBAL  
SECURITY SOLUTIONS

## ADVANCED SECURITY SCREENING SYSTEMS

Baggage, Parcel & Freight  
Hold Baggage  
Fast Parcel  
People Screening  
Explosives, Narcotics &  
Contraband Trace Detection  
Radiation Detection

## CARGO & VEHICLE INSPECTION SYSTEMS

Portal  
Gantry  
Mobile  
Trailer  
Rail  
Under Vehicle  
Pallet  
Handheld

## SCREENING SOLUTIONS

S2 Global Turnkey Security as a  
Service Solution  
S2 Global Software as a Service  
CertScan® Integration Platform  
S2 University



# Large-Scale Turnkey Screening Solutions: Market Leader

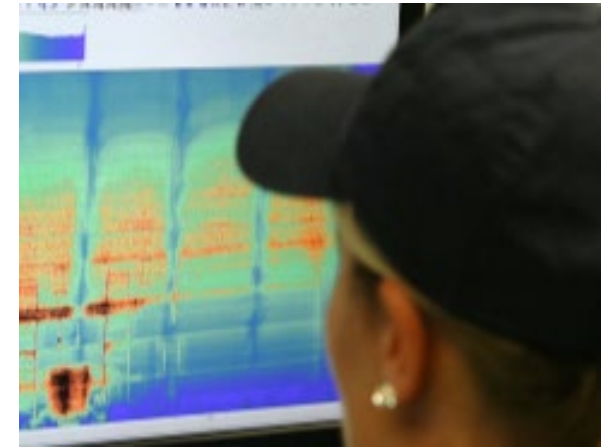
Demonstrated ability to develop, integrate, and operate comprehensive large-scale solutions with cutting-edge screening systems, staffing, and training support

## CHARACTERISTICS

- ✓ Flexible, **service-based revenue model** – scanning industry first
- ✓ **Large-scale, multi-year** projects with recurring revenue
- ✓ Represents a meaningful portion of division revenues
- ✓ **Higher margin** sales
- ✓ Capex requirement in initial build-out phase with solid return on investment
- ✓ Longer sales cycle

## GROWTH OPPORTUNITIES

- ✓ Global demand for large-scale, state-of-the-art, integrated screening solutions in cargo inspection segment
- ✓ Expanding beyond cargo segment over long term, including expansion into air freight, passengers and events
- ✓ Deploying solution tools for integration and training as SaaS model with recurring revenue
- ✓ **Significant opportunity pipeline**



# Focus on Recurring Revenue

## Field Service

- ✓ 24/7 global service team provides expert support to customers from pre-installation operations analysis to operator training
- ✓ Installation, repair, and maintenance of equipment in the field
- ✓ Largest contributor to recurring revenue

## Growth Drivers

- ✓ Growing installed base requiring ongoing maintenance
- ✓ Driving renewals of expiring product warranties
- ✓ Selectively shifting from certain distributors to a direct service and support model in key growth regions
- ✓ Servicing and maintaining third party equipment



## Security as a Service

- ✓ Multi-year comprehensive follow-on service and on-site maintenance support contracts and training programs
- ✓ Global operations
- ✓ Higher margin sales
- ✓ A key factor in recent \$200M+ and \$500M+ contract awards

## Growth Opportunity

- ✓ Global public and private mandates for always-on, effective, advanced technologies and highly-trained operators capable of delivering high-speed inspections at large scale and efficient operating cost
- ✓ Moving into adjacent markets by providing operational expertise, CertScan® integration software and S2 University training platforms



## Software as a Service

- ✓ CertScan® leading inspection integration platform provides automated, real-time insights for borders, trade, transport and events
- ✓ Remote monitoring of multiple inspection sites
- ✓ Automation of inspection operations worldwide
- ✓ Artificial intelligence for inspection operations
- ✓ Seamless integration with third party hardware

## Growth Opportunity

- ✓ Rising demand for innovative information management for scanning and manifest data
- ✓ Leading inspection integration platform driving automation of processes and information delivery for decision making
- ✓ Inter-agency, cross-country, and commercial data sharing
- ✓ Large and growing global installed base



# Cargo and Vehicle Inspection Systems: Significant Global Penetration Opportunity with New Portfolio Additions

## INDUSTRY LEADERSHIP

- ✓ **Strong market share of wide range of scanning technologies enhanced with acquired Z Backscatter® cargo and vehicle scanning systems**
- ✓ Significant contract wins in the U.S., Middle East, and Latin America
- ✓ High image quality with flexible configurations
  - ✓ Mobile, portal, gantry, ruggedized
  - ✓ Integration of transmission and backscatter technologies
- ✓ Proven screening services business model (industry-first): low upfront cost to outsource service; full benefit without cost of ownership

## GROWTH OPPORTUNITIES

- ✓ **Demand in U.S. and international markets for customs enforcement, border and force protection, and narcotics interdiction**
- ✓ Government and private port, border, facility security, and law enforcement applications
- ✓ Customs agencies today scan only a low percentage of inbound containers



**Eagle® P60**  
Cargo and Vehicle  
Scanning System



**CarView® Multi-view**  
Cargo and Vehicle  
Scanning System



**ZBV® Mobile**  
Cargo and Vehicle  
Scanning System



**Z Portal® Multi-view**  
Cargo and Vehicle  
Scanning System



# Two **Major** Recent Contract Awards for Advanced Cargo and Vehicle Inspection Solutions

QUARTER AWARDED	Q2 FY23	Q4 FY23
SIZE OF AWARD	<b>\$200+ million</b>	<b>\$500+ million*</b>
PRODUCTS	Portals (Eagle® P60), Mobile (Eagle® M60), ZBV®, Radiation Portal Monitors (VM500)	Portals (Eagle® P60), Mobile (Eagle® M60), ZBV®, Radiation Portal Monitors (VM500), Z Portal®, Carview® in-lane
CERTSCAN® SOFTWARE / INTEGRATION	✗	✓
SERVICE / TRAINING	✓	✓
CIVIL WORKS	✓	✓



Eagle® P60  
Cargo and Vehicle  
Scanning System



Eagle® M60  
Mobile Cargo and  
Vehicle Scanning  
System



ZBV® Mobile  
Cargo and Vehicle  
Scanning System



Radiation Portal  
Monitors VM500



Z Portal®  
Cargo and Vehicle  
Scanning System



Carview® in-lane  
Vehicle Inspection  
System



Certscan®  
Integration  
Platform



Service &  
Training

\*Approximately \$600 million including 16% value added tax (VAT)

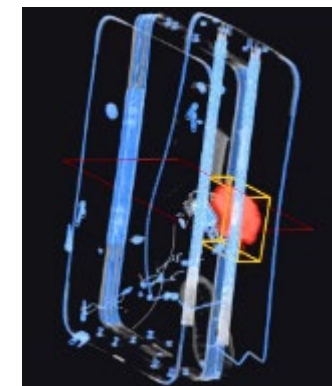
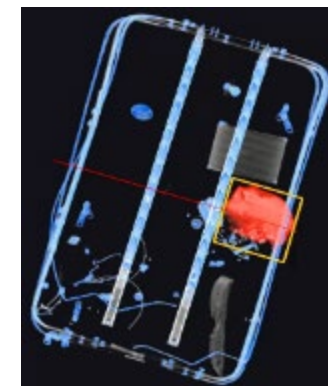
# Hold Baggage Screening Systems: Significant Replacement Opportunity with Patented High-Performance Next-Gen CT Technology – RTT® 110

## GLOBAL HOLD (CHECKED) BAGGAGE SCREENING MARKET OVERVIEW

- ✓ EU mandatory transition from conventional multi-view X-ray (EDS Standard 2) to CT (EDS Standard 3)
- ✓ Air cargo market upgrading to ACSTL and EDS Standard 3
- ✓ New markets developing outside of aviation

## RAPISCAN RTT

- ✓ RTT110 is ECAC, TSA, ACSTL and CAAC approved
- ✓ Leading capability in aviation and parcel screening driven by efficient and reliable integration and detection platforms
- ✓ Large and fast-growing installed base including Paris, Rome, UK, Oslo and Dubai airports together with DHL, FedEx, UPS and other parcel forwarders
- ✓ Detection and imaging utilizing patented Real Time Tomography (RTT) technology
- ✓ Low life-cycle cost – proving highly attractive to customers
- ✓ Recent algorithm development of the RTT110 has enabled branching into bio-security



# High-Performance Baggage and Parcel Inspection Systems: Well-Positioned in Expanding Government and Commercial Markets

## INDUSTRY LEADERSHIP

- ✓ Checkpoint X-ray system – **strong worldwide market share**
  - Significant installed base
  - Single and dual-view technology, superior imaging, and high efficiency
  - Pipeline of competitive products with industry-leading image quality
    - Ergonomic industrial design to suit contemporary airport concourse architectures
  - **Global regulatory approvals**
    - Wide set of aviation and cargo certifications support U.S. and international deployment

## GROWTH OPPORTUNITIES

- ✓ Approved air cargo screening systems
- ✓ **Replacement life cycle business**
- ✓ **Emerging market opportunities**
- ✓ **Latest ORION® suite of products**
- ✓ Non-aviation (sports / public venues, government, critical infrastructure)
- ✓ Integrated checkpoint solutions
- ✓ CT at the checkpoint (initial focus on international opportunities)





# Trace Detection: Opportunity to Capitalize with Leading Products

## INDUSTRY LEADERSHIP

- ✓ Suite of industry-leading, patented technologies with high sensitivity and low false alarm rates
- ✓ Itemiser® 5X – Added to TSA Air Cargo Screening Technology List in 2023. Certified by the Civil Aviation Administration of China (CAAC) in 2022.
- ✓ Desktop, handheld, and walk-through portal products
- ✓ Trusted partner to international governments for critical infrastructure protection
- ✓ Global service and training organization

## GROWTH OPPORTUNITIES

- ✓ International aviation market opportunity
- ✓ Additional opportunities beyond aviation for critical infrastructure, events, transportation hubs, first responders and borders
- ✓ Narcotics (including opioids) detection market for prisons
- ✓ Profitable, recurring service and consumable revenue stream as well as replacement market opportunities
- ✓ New certifications open up new markets

**Rapiscan®**  
systems  
An OSI Systems Company



Itemiser® 5X



EntryScan® 4e



Hardened Mobile Trace®



Hardened Mass Spectrometer



Metrohm Raman Spectrometer

# Top Provider of Certified Compliant Technologies with Large and Growing U.S. Installed Base (Partial List)



## ✓ DEPT OF DEFENSE

- ✓ Pentagon
- ✓ Air Force
- ✓ Army
- ✓ Navy
- ✓ Marines

## ✓ DEPT OF AGRICULTURE

## ✓ DEPT OF COMMERCE

- ✓ U.S. Census Bureau

## ✓ DEPT OF ENERGY

## ✓ DEPT OF HEALTH & HUMAN SERVICES



## ✓ DEPT OF HOMELAND SECURITY

- ✓ Customs and Border Protection (CBP)
- ✓ Federal Protective Service
- ✓ FEMA
- ✓ Secret Service
- ✓ TSA

## ✓ DEPT OF JUSTICE

- ✓ ATF
- ✓ DEA
- ✓ U.S. Attorney's Office



## ✓ DEPT OF LABOR

## ✓ DEPT OF STATE

- ✓ NAS

## ✓ DEPT OF TRANSPORTATION

## ✓ DEPT OF TREASURY

- ✓ U.S. Mint
- ✓ IRS

## ✓ DEPT OF VETERANS AFFAIRS



## ✓ SPORTING VENUES

## ✓ INDEPENDENT AGENCIES

- ✓ CIA
- ✓ Federal Reserve
- ✓ FDIC
- ✓ National Archives
- ✓ NASA
- ✓ Smithsonian
- ✓ U.S. Postal Service

## ✓ FORTUNE 500 COMPANIES

## ✓ NUCLEAR FACILITIES

## ✓ LAW ENFORCEMENT AGENCIES



# Large and Growing International Customer Base (Partial List)



## AMERICAS (EXCLUDING U.S.)

- ✓ Secretary of the Mexican Ministry of National Defense (SEDENA)
- ✓ Puerto Rico Ports Authority
- ✓ Canada Border Services Agency (CBSA)
- ✓ Canadian Air Transport Security Authority (CATSA)
- ✓ Brazil Federal Police
- ✓ Chilean Customs
- ✓ Colombian Customs
- ✓ Peru Ministry of Interior
- ✓ Guatemala Port of Santo Tomás de Castilla
- ✓ Dominican Customs (Port of Caucedo)



## MIDDLE EAST AND AFRICA

- ✓ Abu Dhabi Customs
- ✓ Dubai Police
- ✓ Saudi Arabia Customs
- ✓ Qatar Petroleum
- ✓ Qatar Airport
- ✓ Iraqi Government
- ✓ Egyptian Customs
- ✓ Tunisian Customs
- ✓ Israel Airports Authority
- ✓ Ghana Port Authority
- ✓ South Africa Customs



## EUROPEAN UNION / UK

- ✓ North Atlantic Treaty Organization (NATO)
- ✓ European Civil Aviation Conference (ECAC)
- ✓ Albania
- ✓ Bulgaria
- ✓ Vatican
- ✓ Buckingham Palace
- ✓ UK Department for Transport (DfT)
- ✓ UK Border Agency
- ✓ Dutch Customs

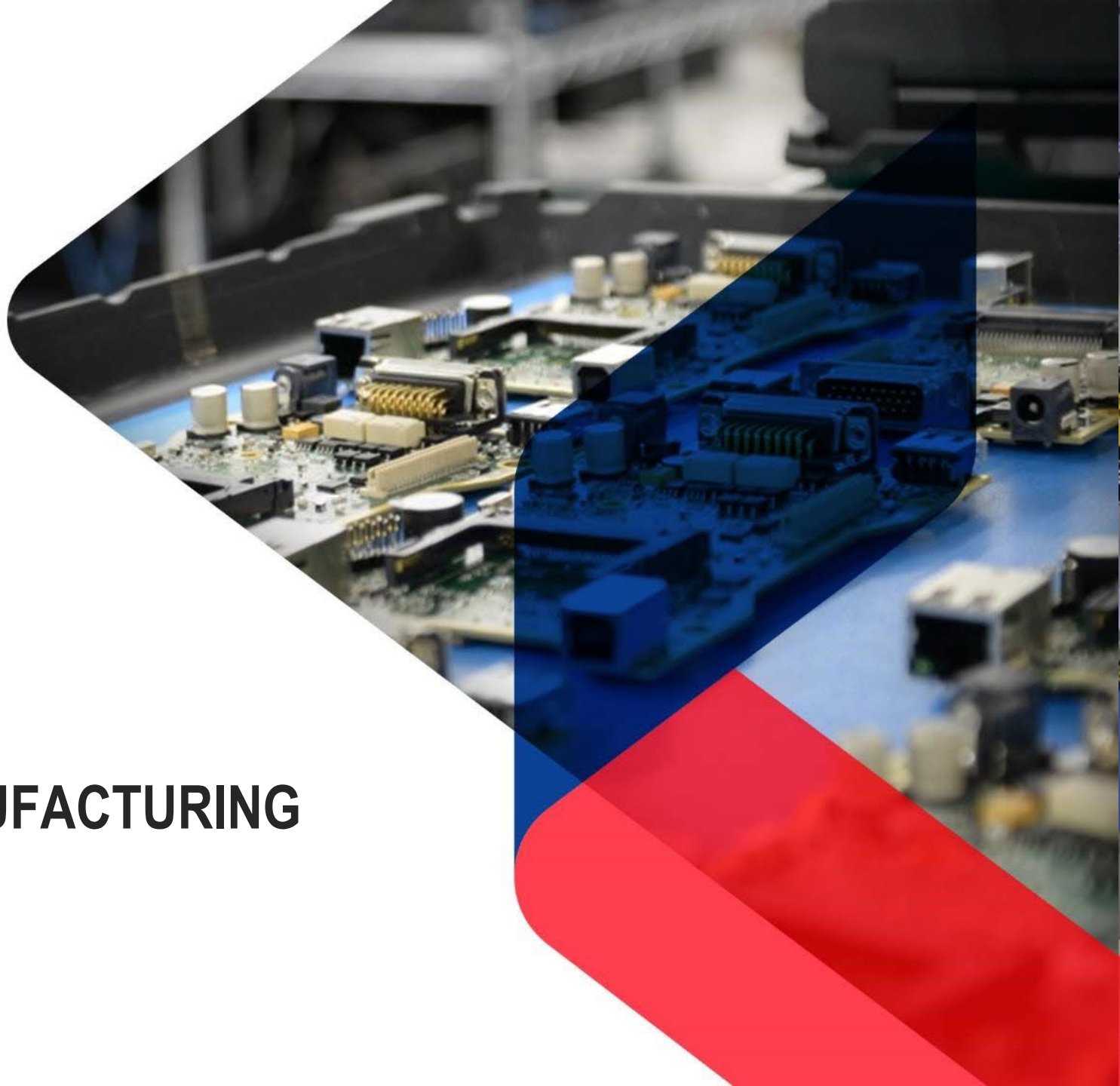


## ASIA PACIFIC

- ✓ China Customs
- ✓ Civil Aviation Administration of China
- ✓ Airport Authority Hong Kong
- ✓ Hong Kong SAR Customs
- ✓ Taiwan Aviation Police
- ✓ Royal Thai Police
- ✓ Singapore Jurong Town Corp
- ✓ Australian Customs Service
- ✓ New Zealand
- ✓ Japan Customs
- ✓ Korea Customs Service
- ✓ Airport Authority of India
- ✓ Vietnam Customs







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## OPTOELECTRONICS AND MANUFACTURING

SENSORS, DETECTORS, AND ELECTRONICS

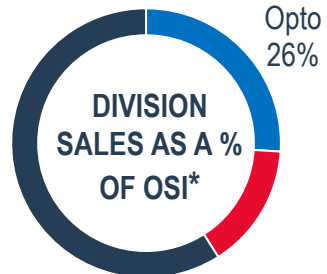


# Leading Provider of Advanced, Custom, High-Precision Optoelectronic and Electronic Assembly Systems

## BUSINESS OVERVIEW

- ✓ Sought-after, trusted partner of leading, innovative sensors, detectors and electronics for global OEMs that demand **high-reliability, high-performance engineered electronics solutions**
- ✓ **Efficient, low-cost global manufacturing footprint that minimizes exposure to China**
- ✓ **Portfolio targets high-margin opportunities in high tech industries and value-added services** including engineering support, sub-assembly and electronic device manufacturing
- ✓ **Top-tier customers** in aerospace & defense, homeland security, medical, clinical diagnostics, communications, automotive, automation, gaming, consumer products, and industrial markets
- ✓ **Intercompany sales** to Security and Healthcare divisions enhance consolidated margin

## PORTFOLIO POSITION

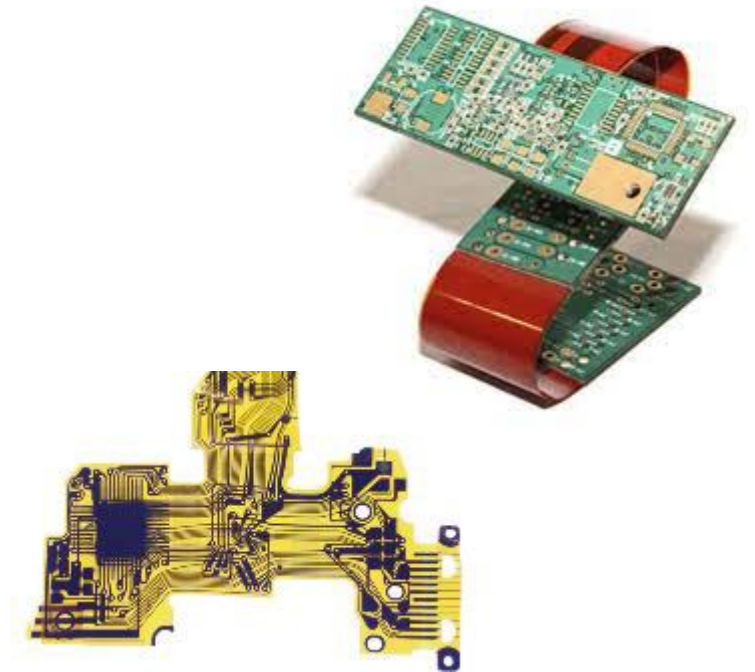
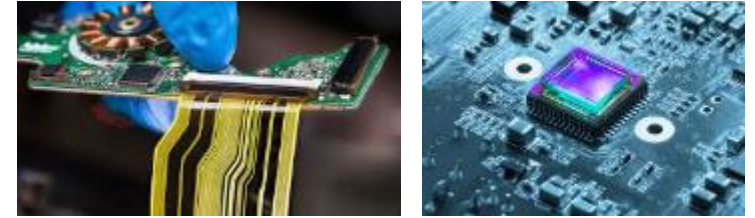


\* Based on FY23 third-party net sales

## BRANDS



## PRODUCTS & SERVICES



# Global Electronics Design, Manufacturing Services and Support Focused on Intricate, High-Value Add Applications

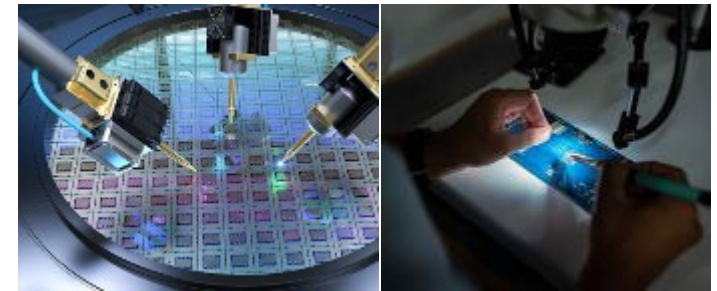
## CUSTOM SOLUTIONS

- ✓ **Recognized leader in higher-value custom engineering solutions** for leading technologies for use in a broad range of applications
- ✓ Complete semiconductor fabrication, PCB electronics, flexible circuits, and manufacturing services with **exceptional flexibility to handle varying process demands**
- ✓ **Diversified customer-base** across broad industry spectrum
- ✓ **Long-term leading customer relationships** drive account growth
- ✓ **Supporting market trend towards innovative flex circuit technology solutions**
- ✓ **Driving innovation in photonic modules and instruments** providing premium photodetectors, laser diodes, imaging and medical sensors, photonic modules and instruments
- ✓ **World-class and cost-efficient, global manufacturing footprint**

## VALUE & STRENGTHS

- ✓ **Customer-centric** solutions focus
- ✓ **Vertical integration** enables tremendous flexibility to meet evolving customer demands

## SELECTED CUSTOMERS & RELATIONSHIPS



### DEFENSE

**NORTHROP  
GRUMMAN**

**LEONARDO DRS**

**Honeywell**

**Raytheon**

### TECH & INDUSTRIAL

**Meta**

**Google**

**DANAHER**



### MEDICAL

**verathon  
icumedical**

**Medtronic  
Dräger**

# Capitalizing on High Growth Opportunities Through Our Broad Offering of World-Class Solutions

## GROWTH OPPORTUNITIES

### ✓ High-growth applications:

- Analytics
- Imaging
- Monitoring
- Test & Measurement
- Tracking

### ✓ Next-gen technologies:

- Device miniaturization and wearables
- Critical space missions
- High-reliability defense electronics
- Free-space optics (FSO)
- Autonomous vehicles
- Augmented reality

### ✓ Growth with attractive **existing customer base** (high repeat order rate)

### ✓ Growth opportunities with **new customers**



AEROSPACE



MEDICAL AND BIOTECH



DEFENSE AND HOMELAND SECURITY



INDUSTRIAL AND AUTOMATION



TRANSPORTATION



CONSUMER PRODUCTS



GAMING AND VIRTUAL REALITY



TECHNOLOGY AND IoT



OPTICAL COMMUNICATIONS



**OSI** *SYSTEMS, INC.*



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## HEALTHCARE

MEDICAL MONITORING SYSTEMS AND DEVICES



# OSI Healthcare Division: Global Supplier of Medical Monitoring Systems & Devices

## BUSINESS OVERVIEW

- ✓ **Broad portfolio of connected care solutions**, for patient monitoring, cardiology & remote monitoring
- ✓ **Expanding addressable market with strategic investments in digital health solutions**
- ✓ **Multi-year contracts with major healthcare GPOs, IDNs, and ACOs**
- ✓ **Large installed base** of products providing **recurring revenue** through SaaS, services and supplies
- ✓ **Acquisition of FDA cleared AI/ML predictive analytics platform**
- ✓ **New product introductions in the pipeline** for patient and remote monitoring
- ✓ **Strong reputation with ~60 years of experience** providing enterprise solutions to major healthcare systems
- ✓ **Positioned for growth with newer leadership and new products/business models**
- ✓ **Highest gross margin OSI division**

## SELECTED CUSTOMERS & RELATIONSHIPS



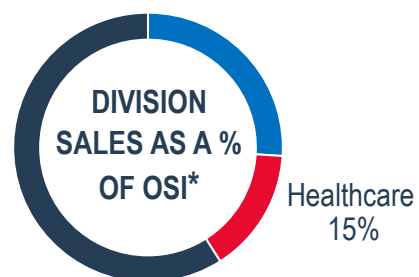
PREMIER



HEALTHTRUST™



## PORTFOLIO POSITION



## BRAND



\* Based on FY23 third-party net sales

# Market Penetration Opportunity with Expanding Portfolio in Patient Monitoring & Connectivity

## GROWTH OPPORTUNITIES

- Aging population, rising chronic conditions and increased government investments driving demand for patient monitoring
- Growing focus on **subscription-based revenue** with rollout of new **“monitoring as a service” model**
- Continued investment in cloud and digital health expands connected care capabilities to assist clinicians in coordination across the care continuum
- Recent acquisition of AI clinical decision support software enhances the value proposition of SafeNSound™ and new product introductions
- Focusing on large system opportunities with new business models
- Multiple customer touchpoints through service and supplies & accessories
- Strategic alliances allow Spacelabs' solutions to assist providers in achieving the goal of improving outcomes with enhanced patient experience, higher staff satisfaction, and lower costs

## INDUSTRY LEADERSHIP

- ✓ **Leading supplier** with expanding product lines and strategic alliances that provide Spacelabs customers a differentiated patient monitoring solution
- ✓ **Technology innovator**
  - Solutions that promote **clinical efficacy** with improved analytics, workflow and communications
  - Easy **integration** with unique open architecture platform for **faster deployment and increased connectivity**
  - Seamless implementation with the customer's existing IT infrastructure, leading to lower total cost and increased overall value



# New Innovations and Introductions Provide Opportunity in Cardiology Systems and Accessories Markets

## GROWTH OPPORTUNITIES

- **Cardiology Systems:** Increasing demand for ECG carts and ambulatory cardiology monitoring with data management solutions and connectivity
  - ✓ Growing adoption of consumer wellness wearables driving growth in physician prescribed long-term ambulatory cardiac monitoring
  - ✓ ECLIPSE® Mini U.S. launch to enhance portfolio of newly launched ECLIPSE® Pro, CARDIOPULSE® Go, CARDIOPULSE® Prime, and LIFESCREEN® Pro
  - ✓ Advanced arrhythmia analytics and diagnostics solutions provide access to the expanding atrial fibrillation and stroke risk health-check markets
  - ✓ Sentinel® 11 cardiology information management: scalable and flexible; combines optimized workflow and patient management with enhanced cybersecurity and ease of interoperability with EHR systems
- **Accessories:** For large installed base of Ambulatory Blood Pressure, Event Monitoring, Holter recording, and 12-lead ECG systems

## INDUSTRY LEADER ACROSS MARKETS

- **Broad range of offerings and distribution network with large installed base** allows for technology innovation, improved clinical outcomes, diagnostics and information management solutions





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## SUMMARY



# OSI Systems – Technology Leader Well-Positioned for Continued Growth

- ✓ Scale, momentum in large contract awards, significant backlog, and high-performance culture to deliver continued profitable growth and increased visibility
- ✓ Attractive and growing markets
- ✓ Diversified revenue model: turnkey, systems, services and components
- ✓ Competitive strengths in technology leadership, integrated operations experience, SaaS and vertically-integrated, low-cost manufacturing
- ✓ Acquisitions enhanced competitive position in security business
- ✓ Expanding and attractive global footprint and customer base
- ✓ Attractive business development pipeline with strong cash flow and liquidity for continued investment

## Robust Product Pipeline

Delivering next-gen solutions

## Increasing Competitive Position

Contract wins continue to expand global reach

## Operating Margin Improvement

Scale and efficiency

## Strong Balance Sheet & Cash Flow

Provide financial flexibility

## FY24 Revenue Guidance

**>19% growth**

## FY24 Non-GAAP Adj EPS Guidance

**>29% growth**

## CATALYSTS FOR CONTINUED GROWTH IN PLACE

- ✓ Global terrorism threats
- ✓ Security – turnkey & SaaS models
- ✓ Security – large government contracts
- ✓ Security – RTT® new product sales
- ✓ Optoelectronics – attractive customer base
- ✓ Healthcare – monitoring as a service
- ✓ Macro tailwinds
- ✓ New markets for existing technologies
- ✓ New product launches



***OSI* SYSTEMS, INC.**

**CREATING SOLUTIONS FOR  
A SAFER AND HEALTHIER WORLD**



# Reconciliation of GAAP to Non-GAAP Diluted EPS

DILUTED EPS	FY17	FY18	FY19	FY20	FY21	FY22	FY23
GAAP basis*	\$ 1.07	\$ (1.57)	\$ 3.46	\$ 4.05	\$ 4.03	\$ 6.45	\$ 5.34
Impairment, restructuring, and other charges	2.37	1.88	0.20	0.35	0.55	0.42	0.44
Amortization of acquired intangible assets	0.43	0.85	0.84	0.88	0.85	0.75	0.87
Non-cash interest expense	0.13	0.40	0.42	0.47	0.48	0.03	0.03
Gain from sale of business / property	(0.11)	-	-	-	-	(1.53)	-
Tax benefit of above adjustments	(0.78)	(0.84)	(0.41)	(0.47)	(0.50)	0.08	(0.30)
Discrete income tax items	(0.12)	3.02	(0.19)	(0.68)	(0.09)	(0.39)	(0.17)
Impact of diluted shares	-	(0.13)	-	-	-	-	-
Non-GAAP basis	\$ 2.99	\$ 3.61	\$ 4.32	\$ 4.60	\$ 5.32	\$ 5.81	\$ 6.21

\* For fiscal year ended June 30, 2018, the weighted average diluted shares used to calculate EPS on a GAAP basis excluded potential common shares (stock options and restricted stock units) due to their antidilutive effect resulting from the Company's reported net loss. For the fiscal year ended June 30, 2018, the weighted average diluted shares used to calculate EPS on a non-GAAP basis were approximately 19,274,000 shares.