



Second Quarter 2017 Financial Results

April 28, 2017

Enhancing outcomes for
patients and their caregivers:



Forward Looking Statements

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

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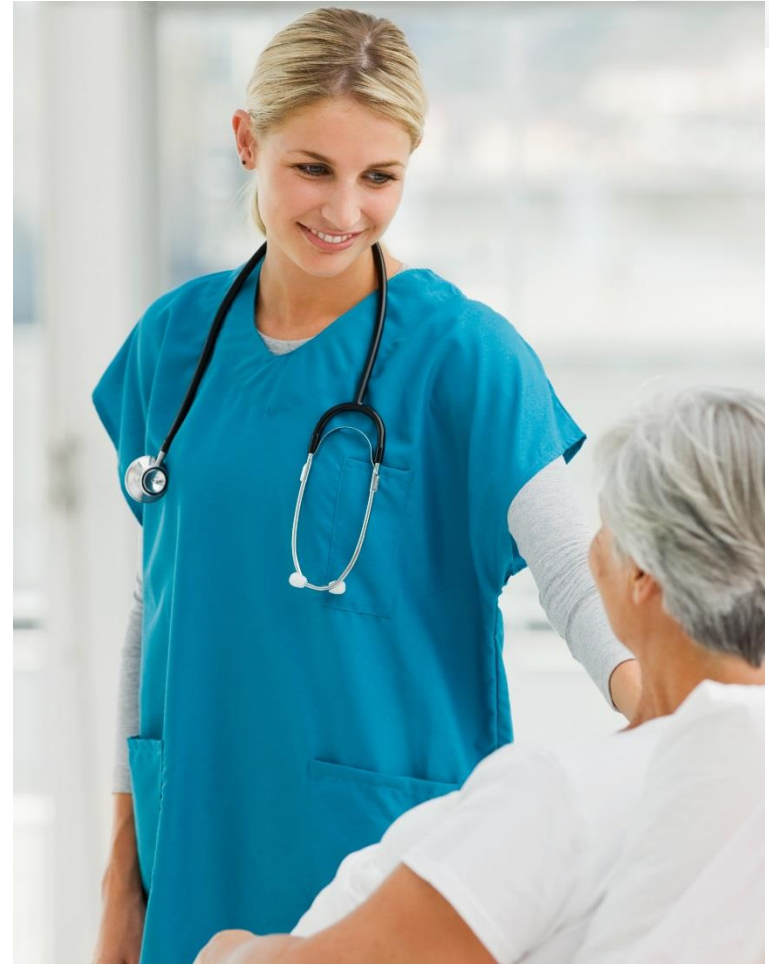
Q2 2017 Highlights

Financial Summary

2017 Financial Outlook

Revenue Reconciliation

Appendix



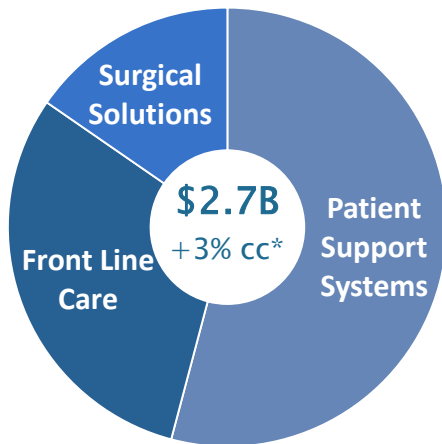
Q2 2017 Highlights

Hill-Rom: Trusted Medical Technology Innovator

Leadership

\$2.7B global medical technology leader with market-leading positions

2016 Revenue By Business US\$ Billions

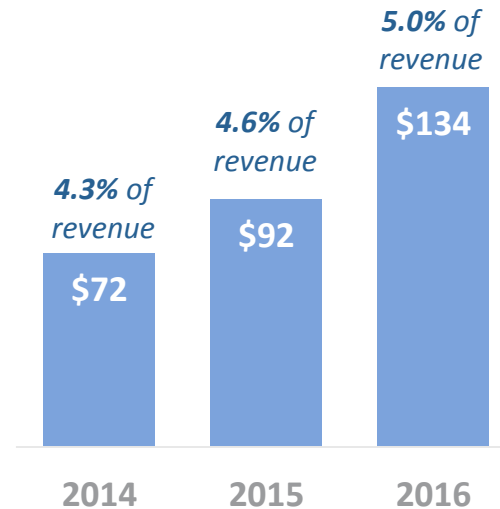


*Pro-forma growth including Welch Allyn in both 2015 and 2016

Innovation

Leveraging global scale and brand equity while enhancing outcomes

Increased Investment in R&D US\$ Millions



Note: Hill-Rom fiscal year end is September 30

Value

Transforming to drive sustainable profitable growth and shareholder value

Key Valuation Metrics As of 3/31/2017

\$4.6B Market Capitalization

\$6.5B Enterprise Value

+42% LTM 3/31/2017 Total Shareholder Return

\$53M YTD 3/31/2017 Returned to Shareholders**

**Includes dividends and share repurchases

Q2 2017 Highlights



Leveraging strong brands and geographic footprint across diversified portfolio

- Demonstrating commercial and operational execution with core revenue growth of 7%*
- Driving double-digit growth outside the U.S. through integrated One Hill-Rom approach



Innovating to enhance outcomes for patients and their caregivers

- Launching TruSystem™ 3000 Mobile Operating Table, Monarch™ Airway Clearance System, and Hill-Rom® 900 Accella bed system
- Capitalizing on recent introductions with Integrated Table Motion, RetinaVue™, Connex® Spot Monitor, Spot™ Vision Screener, Welch Allyn® Home Hypertension Program and others



Transforming the portfolio with disciplined M&A and business development

- Expanding existing capabilities in diagnostic cardiology with acquisition of Mortara Instrument
- Optimizing product portfolio by divesting non-core assets



Enhancing shareholder value with disciplined financial management

- Accelerating revenue growth, expanding margins and exceeding guidance with adjusted EPS growth of 24% to \$0.88 per diluted share
- Raising full-year revenue and adjusted EPS guidance to \$3.82 to \$3.88 per diluted share

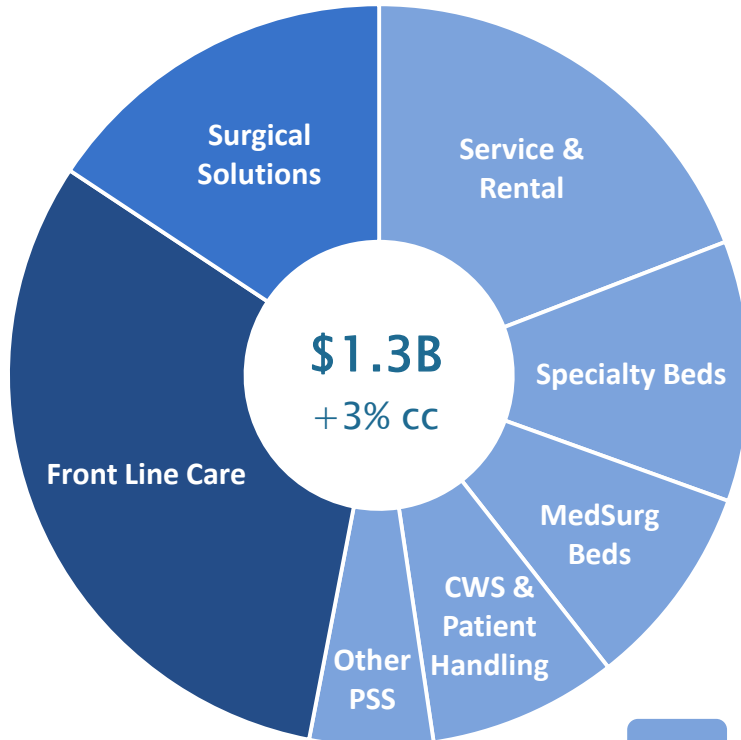
Creating shareholder value by executing our strategy

*Core revenue growth is constant currency, and excludes Mortara and the revenue impact from completed and potential divestitures (with FY2016 annual revenue of ~\$75 million).

Transforming Our Portfolio With Diversified Revenue Stream

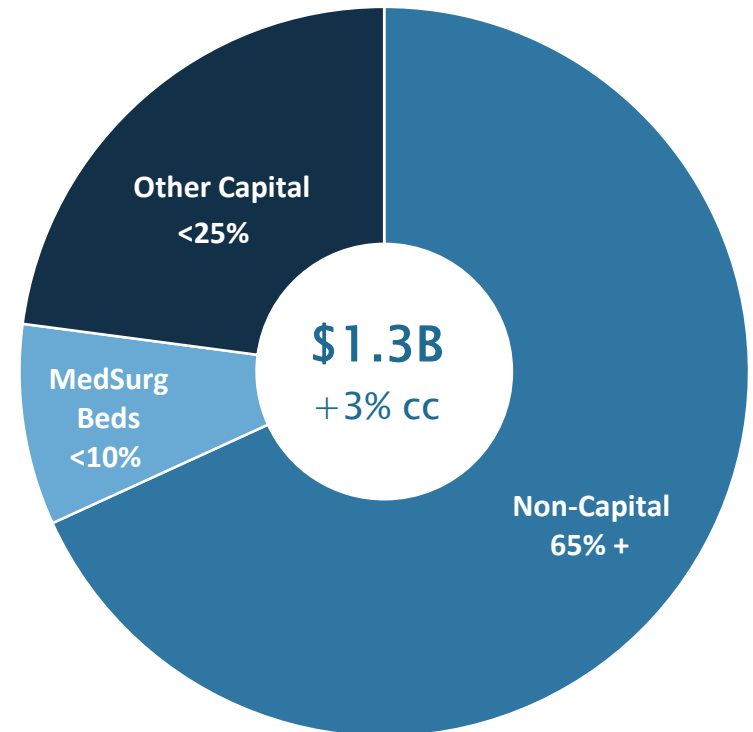
YTD Q2 2017 Revenue By Product Line

US\$ Billions



YTD Q2 2017 Revenue By Type

US\$ Billions



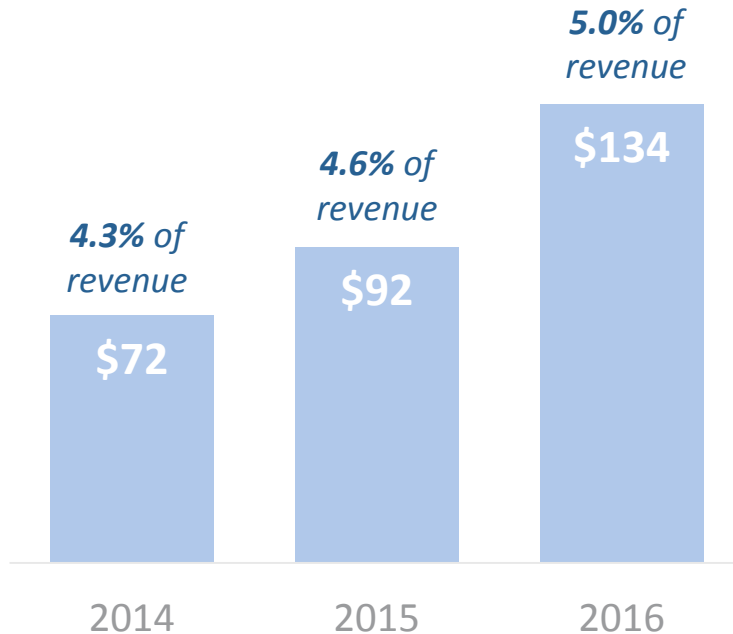
Patient Support Systems (PSS)

Benefiting from portfolio optimization and diversification efforts

Advancing Patient Care With Innovative Solutions

Increased R&D Investment

US\$ Millions



Capitalizing on recent introductions

- ✓ Connex® Spot Monitor
- ✓ Spot™ Vision Screener
- ✓ RetinaVue™ Network
- ✓ VisiVest™ System
- ✓ Integrated Table Motion
- ✓ Compella™ Bariatric Frame
- ✓ Envella™ Air Fluidized Therapy Bed

Launching new products in 2017

- ✓ Welch Allyn® Home Hypertension Program
- ✓ Monarch™ Airway Clearance System
- ✓ TruSystem™ 3000 Mobile Operating Table
- ✓ Hill-Rom® 900 Accella bed system
- WatchCare™ Incontinence Management
- Next-generation Med-Surg Bed

Clinical Focus Areas

Advancing
Mobility

Wound Care &
Prevention

Patient
Diagnostics &
Monitoring

Surgical Safety &
Efficiency

Respiratory
Health

✓ Launched

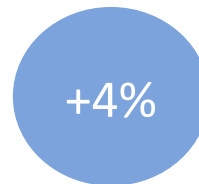
Completing Acquisition of Mortara Instrument

Strategic Rationale

- ✓ Provides high quality products to existing diagnostic cardiology portfolio
- ✓ Accelerates new growth platform in cardiology-focused patient monitoring
- ✓ Complements and enhances Hill-Rom's presence in vital signs monitoring
- ✓ Deepens connectivity relationships
- ✓ Creates significant value with enhanced scale, commercial and R&D capabilities, and operational efficiencies

Transaction Summary & Financial Benefits

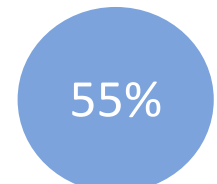
- \$330 million cash consideration
- Accelerates revenue growth; accretive to gross and operating margins
- Modestly accretive for fiscal 2017
- Generating cost synergies of at least \$10 million over two years
- Double-digit ROIC by Year 3



**Historical
Revenue Growth**



**Total
Revenue**



**Adjusted
Gross Margin %**

Accelerating growth with highly attractive and accretive acquisition

Well-Positioned To Deliver On Long-Range Financial Objectives

Key Metric	2015 ¹ Results	2016 Results	2015-2018 ³ Long-Range Plan
Revenue	\$2B	\$2.7B	CAGR 3% - 5%
Adjusted GM %*	45.3%	48.1%	+350-450 bps
Adj. Operating Margin %*	11.8%	15.3%	+450-550 bps
Adjusted EPS*	\$2.64	\$3.38	Mid-to-high teens CAGR
Operating Cash Flow	\$214M	\$281M ²	\$1B+ cumulative (FY 16-18)
Leverage	4.5x	3.9x	~3.2x ⁴

* Refer to the appendix for reconciliations of GAAP to adjusted metrics

1 Includes Welch Allyn financial results since September 8, 2015 transaction completion, including interest associated with new borrowings, but excludes one-time costs associated with the transaction and the impact of a non-cash stock compensation charge. Operating cash flow includes one time Welch Allyn related transaction costs of \$21M.

2 2016 Operating Cash Flow includes \$30M funding to U.S. pension plan and \$4M incurred to refinance credit facility. Adjusting for these outflows, Operating Cash Flow was \$315M

3 Revenue CAGR relative to full-year 2015 pro-forma revenue of ~\$2.6B. All other metrics are relative to 2015 results, which includes contribution from Welch Allyn only during the period since the transaction completion.

4 Includes the acquisition of Mortara Instrument and assumes no further M&A activity

Enhancing shareholder value through sustainable growth

Hill-Rom: A Compelling Investment Opportunity

1 We are successfully transforming to drive sustainable profitable growth

2 We are expanding our leading market positions through our innovative solutions, leveraging our brand equity

3 We are driving solid operational execution and significant operating margin expansion

Q2 2017 Financial Summary

Financial Performance: Q2 2017

<i>Adjusted P&L</i>	Q2 2016	Q2 2017	YOY Change
Revenue	\$633M	\$679M	+8% <i>constant currency</i> +7%* <i>core growth</i>
Gross Margin	47.9%	48.0%	+10 bps
Operating Margin	13.9%	15.0%	+110 bps
Diluted EPS	\$0.71	\$0.88	+24%
YTD Cash Flow From Operations	\$88M	\$126M	+\$39M

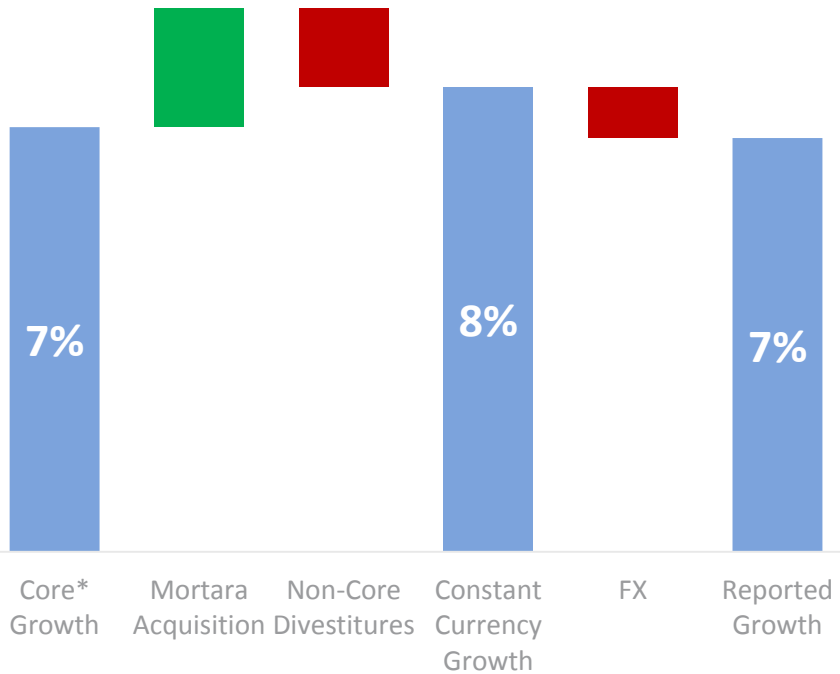
Exceeding expectations with +7% core revenue growth and 24% adjusted EPS growth

*Core revenue growth is constant currency, and excludes Mortara and the revenue impact from completed and potential divestitures (with FY2016 annual revenue of ~\$75 million).

Strong Q2 2017 Revenue Growth

Q2 2017 Revenue Growth

% Growth Year-over-Year



Q2 2017 Revenue Drivers

- Realizing benefits from portfolio optimization and diversification
- Accelerating momentum across all three global businesses
- Improving international growth trends
- Capturing value from new product introductions

+7%

Core Revenue Growth

Core revenue growth exceeds guidance of 4% - 5%

*Core revenue growth is constant currency, and excludes Mortara and the revenue impact from completed and potential divestitures (with FY2016 annual revenue of ~\$75 million).


Revenue By Business: Q2 2017

Patient Support Systems

+4%
Q2 2017

+1%
YTD 2017

 Core growth of 6%*

 Solid core capital revenue, up +7% in the U.S.

 Double-digit growth across key geographies


 Lower volumes in rental business

Front Line Care


+15%
Q2 2017

+2%
YTD 2017

 Capitalizing on recent product introductions

 Strong gains with Thermometry and Vital Signs portfolio

 Integrating the Mortara acquisition

 Launching innovative Monarch™ Airway Clearance System


Surgical Solutions

+12%
Q2 2017

+8%
YTD 2017

 Continued adoption of Integrated Table Motion

 Double-digit growth in key geographies (U.S., Europe)

 Strong momentum in surgical positioning equipment

 Investing in innovation to drive future growth

Note: All revenue growth rates are constant currency

*Core revenue growth is constant currency, and excludes Mortara and the revenue impact from completed and potential divestitures (with FY2016 annual revenue of ~\$75 million).

Patient Support Systems

Growth Drivers

- Leveraging relationships and broad, differentiated portfolio across installed base
- Placing commercial focus on higher growth and margin opportunities (CWS, patient handling, ICU, Service)
- Diversifying revenue while creating operational flexibility to address capital volatility
- Innovating to provide caregivers predictive insights that result in lower costs and efficiencies



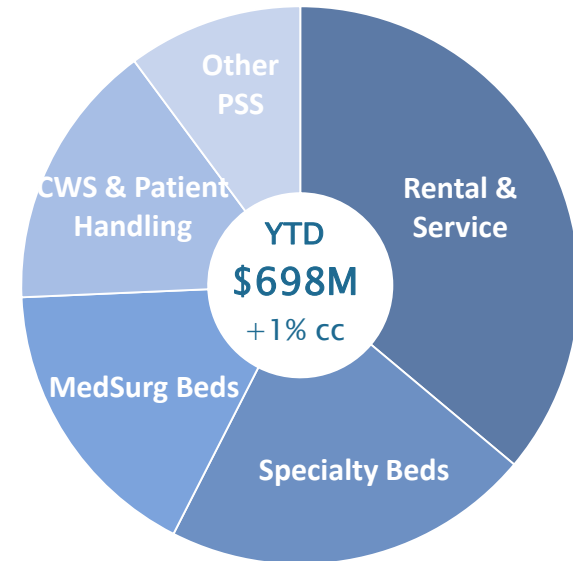
Frames & Surfaces



Clinical Workflow Solutions



Patient Handling



US\$M	Quarter			Year to Date		
	Q2 2017 Revenue	Rev. Growth	CC Growth	YTD Revenue	Rev. Growth	CC Growth
US	\$263.1	+1.8%	+1.8%	\$511.5	+2.3%	+2.3%
OUS	\$99.8	+6.4%	+9.2%	\$186.6	(3.9%)	(1.1%)
Total	\$362.9	+3.0%	+3.8%	\$698.1	+0.6%	+1.4%

Diversified portfolio drives stable long-term growth and reduces volatility

Front Line Care

Growth Drivers

- Providing solutions that improve clinical outcomes and patient safety
- Leveraging Hill-Rom's global reach, brand and commercial capabilities
- Combining Welch Allyn technological leadership to further advance sensing and connectivity solutions
- Expanding portfolio leadership in ambulatory care with new diagnostic screening products (RetinaVue™, Spot™ Vision Screener)



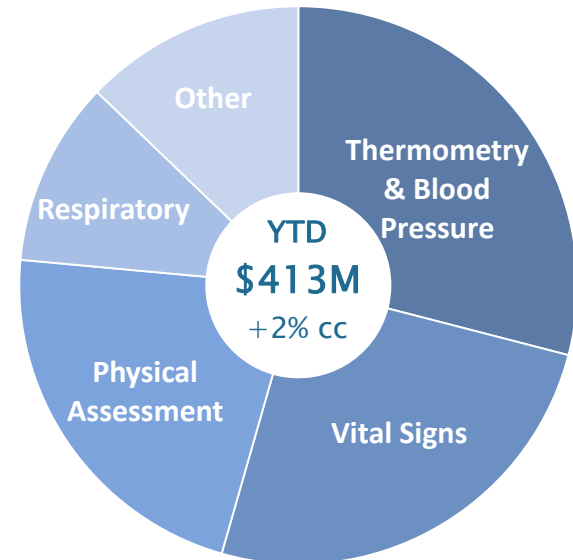
Physical Assessment



Vital Signs



Respiratory Care



US\$M	Quarter			Year to Date		
	Q2 2017 Revenue	Rev. Growth	CC Growth	YTD Revenue	Rev. Growth	CC Growth
US	\$146.9	+11.1%	+11.1%	\$294.6	+2.5%	+2.5%
OUS	\$64.1	+20.7%	+22.8%	\$118.2	0.0%	+1.6%
Total	\$211.0	+13.9%	+14.5%	\$412.8	+1.8%	+2.3%

Significant opportunity to drive commercial value and innovation

Surgical Solutions

Growth Drivers

- Optimizing position with key customers while leveraging commercial presence in targeted geographic markets
- Capitalizing on comprehensive service infrastructure to support critical surgical equipment
- Focusing on patient safety and efficiency in the OR and peri-operative environment
- Expanding portfolio for minimally invasive surgical access with launch of Integrated Table Motion



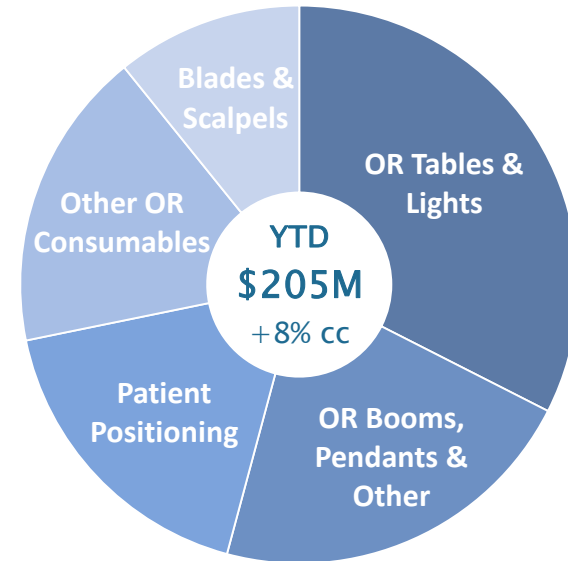
Operating Tables



Operating Lights



Consumables

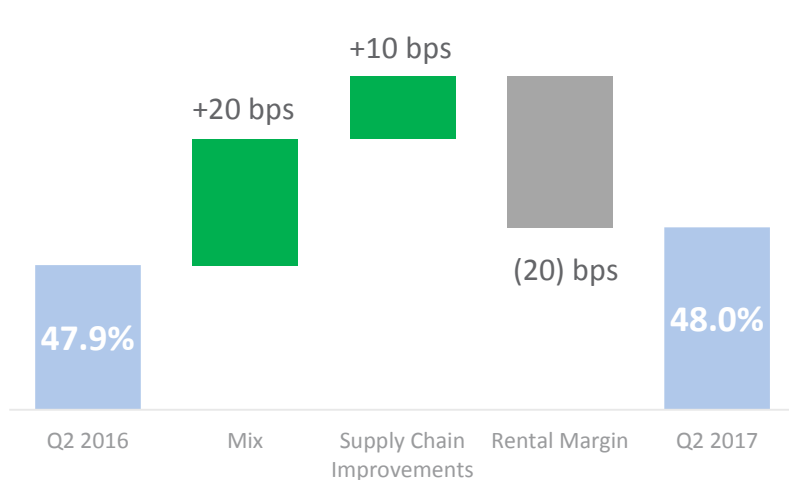


US\$M	Quarter			Year to Date		
	Q2 2017 Revenue	Rev. Growth	CC Growth	YTD Revenue	Rev. Growth	CC Growth
US	\$53.8	+13.0%	+13.0%	\$105.3	+11.5%	+11.5%
OUS	\$51.2	+7.8%	+11.8%	\$100.1	+0.1%	+4.1%
Total	\$105.0	+10.4%	+12.4%	\$205.4	+5.7%	+7.7%

Accelerating long-term growth of strong, innovative portfolio across global footprint

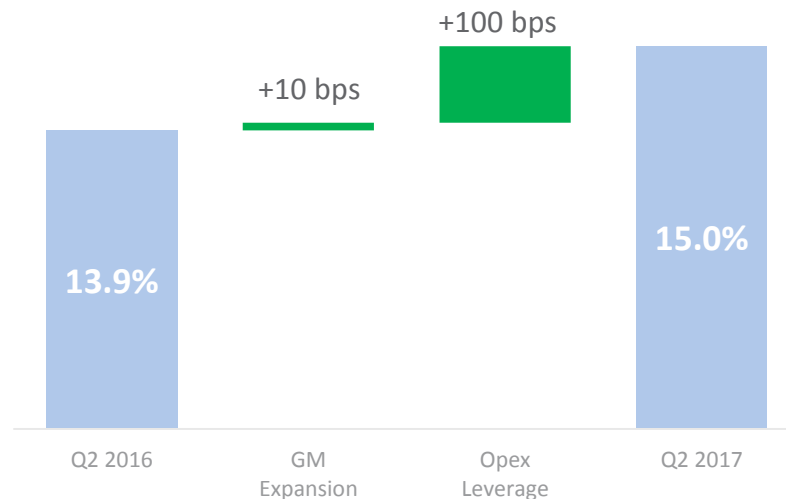
Driving Continued Margin Expansion

Q2 2017 Adjusted Gross Margin



+10 bps
Gross Margin Expansion

Q2 2017 Adjusted Operating Margin



+110 bps
Operating Margin Expansion

Achieving SEVEN consecutive quarters with 100+ bps of operating margin expansion

Note: Axis not to scale

Growing Adjusted Earnings per Share

Q2 2017 Adjusted EPS Drivers

- Diversified revenue growth across portfolio
- Improving international growth trends and gross margins
- Executing margin expansion initiatives, with mix benefits and supply chain initiatives
- Managing costs resulting in SG&A leverage
- Investing in R&D to support future growth

\$0.88

Adjusted Earnings Per Diluted Share

Q2 2017 Adjusted EPS

US\$

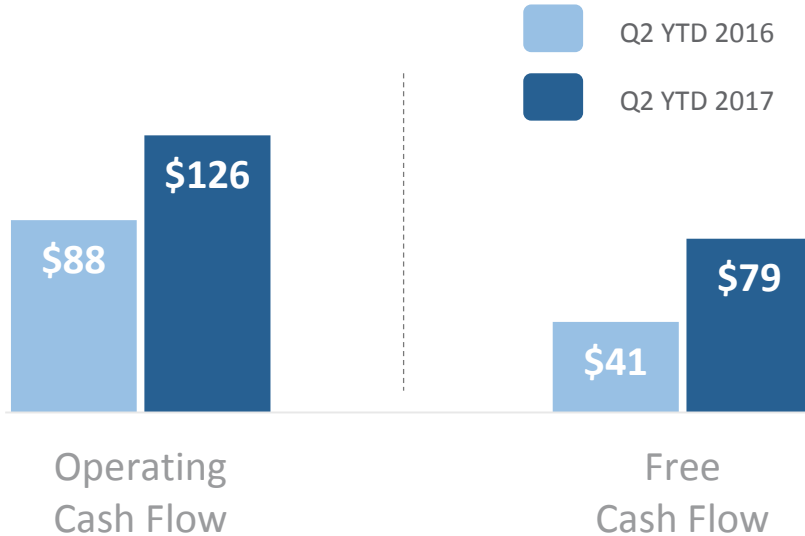


Exceeding expectations with 24% adjusted EPS growth

Driving Significant Cash Flow With Disciplined Capital Allocation

Strong Cash Flow Generation

US\$ Millions



90%+ Growth
Q2 YTD Free Cash Flow

Capital Allocation Priorities

- Reducing debt levels
- Raising dividend by 6% in FY2017
- Re-investing in business (R&D and CapEx)
- Executing disciplined M&A strategy emphasizing:
 - ✓ Accelerated growth with diversified revenue streams and accretive P&L profile
 - ✓ Products and services that strengthen clinical and economic value with customers

~3.2x*
Leverage by 2018

*Includes the acquisition of Mortara Instrument and assumes no further M&A activity

Enhancing financial flexibility with strong cash flow generation

2017 Financial Outlook

2017 Financial Guidance Update

3.5% - 4.0%*

Core Revenue Growth

125+ bps

Operating Margin
Expansion

13% - 15%

Growth in
Adjusted EPS

<i>Adjusted P&L</i>	2017 Guidance (Q1 Conference Call)	2017 Guidance (Q2 Conference Call)
Revenue Growth (constant currency)	~2%	4.5% - 5.0%
Revenue Growth (reported)	~1%	3.5% - 4.0%
Gross Margin	~49%	~49%
Operating Margin	125+ bps	125+ bps
Diluted EPS	\$3.74 - \$3.82	\$3.82 - \$3.88
Operating Cash Flow	\$330M - \$340M	\$330M - \$340M
Capital Expenditures	\$120M - \$130M	\$120M - \$130M

Raising guidance for fiscal 2017

*Core revenue growth is constant currency, and excludes Mortara and the revenue impact from completed and potential divestitures (with FY2016 annual revenue of ~\$75 million).

Enhancing outcomes for
patients and their caregivers:

Hill-Rom

2017 Financial Guidance (Revenue by Business)


Patient Support Systems


Low-single digit

FY 2017
(constant currency growth)

 Monitoring U.S. healthcare landscape

 Driving growth of higher margin platforms

 Divesting non-core assets with lower growth and margin profile

 Continuing international momentum in second half

Front Line Care


Mid-single digit*

FY 2017
(constant currency growth)

 Leveraging Hill-Rom global commercial platform

 Continuing momentum in U.S. Vital Signs portfolio

 Driving adoption of new diagnostic screening portfolio

 Expanding recurring revenue streams in Respiratory Care


Surgical Solutions


Mid-single digit

FY 2017
(constant currency growth)

 Assuming modest growth in surgical procedures

 Accelerating revenue of Integrated Table Motion

 Launching new products in patient positioning

 Driving OUS growth following recent commercial realignment

Note: All revenue growth rates are constant currency

*Revenue guidance for legacy Front Line Care business. Does not reflect addition of ~\$70 million revenue from Mortara in FY 2017

Q3 2017 Financial Guidance

<i>Adjusted P&L</i>	Q3 2017 Guidance
Core Revenue Growth* (constant currency)	4% - 5%
Revenue Growth (constant currency)	6% - 7%
Revenue Growth (reported)	5% - 6%
Diluted EPS	\$0.89 - \$0.91

*Core revenue growth is constant currency, and excludes Mortara and the revenue impact from completed and potential divestitures (with FY2016 annual revenue of ~\$75 million).

Q3 2017 Guidance Reflects...

- Continued momentum and revenue growth outside of the U.S.
- ~\$30 million of Mortara revenue
- Investing to support recent product launches and growth initiatives
- Adjusted EPS growth of 10% to 12%

Accelerating revenue growth while investing to drive future growth

Revenue Reclassification

2017 Reported Revenue

	Q1 2017			Q1 2016			% Growth @ Actual Rates			% Growth @ Constant Rates		
	United States	International	Total	United States	International	Total	United States	International	Total	United States	International	Total
Patient Support Systems	\$ 248.4	\$ 86.8	\$ 335.2	\$ 241.4	\$ 100.3	\$ 341.7	2.9%	-13.5%	-1.9%	2.9%	-10.7%	-1.1%
Front Line Care	147.7	54.1	201.8	155.1	65.1	220.2	-4.8%	-16.9%	-8.4%	-4.8%	-15.7%	-8.0%
Surgical Solutions	51.5	48.9	100.4	46.8	52.5	99.3	10.0%	-6.9%	1.1%	10.0%	-2.9%	3.2%
Total Hill-Rom	\$ 447.6	\$ 189.8	\$ 637.4	\$ 443.3	\$ 217.9	\$ 661.2	1.0%	-12.9%	-3.6%	1.0%	-10.3%	-2.7%

	Q2 2017			Q2 2016			% Growth @ Actual Rates			% Growth @ Constant Rates		
	United States	International	Total	United States	International	Total	United States	International	Total	United States	International	Total
Patient Support Systems	\$ 263.1	\$ 99.8	\$ 362.9	\$ 258.4	\$ 93.8	\$ 352.2	1.8%	6.4%	3.0%	1.8%	9.2%	3.8%
Front Line Care	146.9	64.1	211.0	132.2	53.1	185.3	11.1%	20.7%	13.9%	11.1%	22.8%	14.5%
Surgical Solutions	53.8	51.2	105.0	47.6	47.5	95.1	13.0%	7.8%	10.4%	13.0%	11.8%	12.4%
Total Hill-Rom	\$ 463.8	\$ 215.1	\$ 678.9	\$ 438.2	\$ 194.4	\$ 632.6	5.8%	10.6%	7.3%	5.8%	13.5%	8.2%

	YTD 2017			YTD 2016			% Growth @ Actual Rates			% Growth @ Constant Rates		
	United States	International	Total	United States	International	Total	United States	International	Total	United States	International	Total
Patient Support Systems	\$ 511.5	\$ 186.6	\$ 698.1	\$ 499.8	\$ 194.1	\$ 693.9	2.3%	-3.9%	0.6%	2.3%	-1.1%	1.4%
Front Line Care	294.6	118.2	412.8	287.3	118.2	405.5	2.5%	0.0%	1.8%	2.5%	1.6%	2.3%
Surgical Solutions	105.3	100.1	205.4	94.4	100.0	194.4	11.5%	0.1%	5.7%	11.5%	4.1%	7.7%
Total Hill-Rom	\$ 911.4	\$ 404.9	\$ 1,316.3	\$ 881.5	\$ 412.3	\$ 1,293.8	3.4%	-1.8%	1.7%	3.4%	0.9%	2.6%

Note: Segment revenue by U.S. and International for Fiscal Year Ended 9/30/2016 and 9/30/2017 in US\$ million

2015 & 2016 Reported Revenue

	Q1 2016			Q1 2015			% Growth @ Actual Rates			% Growth @ Constant Rates		
	United States	International	Total	United States	International	Total	United States	International	Total	United States	International	Total
Patient Support Systems	\$ 241	\$ 100	\$ 342	\$ 219	\$ 119	\$ 338	10%	-16%	1%	10%	-7%	4%
Front Line Care	155	65	220	21	1	22	N/M	N/M	N/M	N/M	N/M	N/M
Surgical Solutions	47	53	99	45	60	105	5%	-13%	-5%	5%	-3%	0%
Total Hill-Rom	\$ 443	\$ 218	\$ 661	\$ 284	\$ 181	\$ 465	56%	21%	42%	56%	34%	47%

	Q2 2016			Q2 2015			% Growth @ Actual Rates			% Growth @ Constant Rates		
	United States	International	Total	United States	International	Total	United States	International	Total	United States	International	Total
Patient Support Systems	\$ 258	\$ 94	\$ 352	\$ 232	\$ 121	\$ 353	11%	-22%	0%	11%	-20%	1%
Front Line Care	132	53	185	21	2	22	N/M	N/M	N/M	N/M	N/M	N/M
Surgical Solutions	48	48	95	44	55	99	8%	-14%	-4%	8%	-12%	-3%
Total Hill-Rom	\$ 438	\$ 194	\$ 633	\$ 297	\$ 178	\$ 475	48%	9%	33%	48%	13%	35%

	Q3 2016			Q3 2015			% Growth @ Actual Rates			% Growth @ Constant Rates		
	United States	International	Total	United States	International	Total	United States	International	Total	United States	International	Total
Patient Support Systems	\$ 259	\$ 102	\$ 361	\$ 240	\$ 114	\$ 354	8%	-10%	2%	8%	-10%	2%
Front Line Care	139	54	193	21	1	22	N/M	N/M	N/M	N/M	N/M	N/M
Surgical Solutions	53	49	102	47	52	99	13%	-6%	3%	13%	-6%	3%
Total Hill-Rom	\$ 451	\$ 204	\$ 655	\$ 308	\$ 167	\$ 475	47%	23%	38%	47%	24%	39%

	Q4 2016			Q4 2015			% Growth @ Actual Rates			% Growth @ Constant Rates		
	United States	International	Total	United States	International	Total	United States	International	Total	United States	International	Total
Patient Support Systems	\$ 279	\$ 103	\$ 382	\$ 269	\$ 113	\$ 382	4%	-8%	0%	4%	-8%	0%
Front Line Care	158	53	212	54	18	72	N/M	N/M	N/M	N/M	N/M	N/M
Surgical Solutions	60	53	112	61	59	120	-2%	-10%	-6%	-2%	-8%	-5%
Total Hill-Rom	\$ 497	\$ 209	\$ 706	\$ 384	\$ 190	\$ 574	29%	10%	23%	29%	12%	24%

	YTD 2016			YTD 2015			% Growth @ Actual Rates			% Growth @ Constant Rates		
	United States	International	Total	United States	International	Total	United States	International	Total	United States	International	Total
Patient Support Systems	\$ 1,037	\$ 400	\$ 1,437	\$ 959	\$ 468	\$ 1,427	8%	-15%	1%	8%	-11%	2%
Front Line Care	585	225	810	117	22	139	N/M	N/M	N/M	N/M	N/M	N/M
Surgical Solutions	207	201	408	197	226	423	5%	-11%	-3%	5%	-7%	-1%
Total Hill-Rom	\$ 1,829	\$ 826	\$ 2,655	\$ 1,273	\$ 715	\$ 1,988	44%	15%	34%	44%	20%	35%

Note: Segment revenue by U.S. and International for Fiscal Year Ended 9/30/2015 and 9/30/2016 in US\$ million

Enhancing outcomes for patients and their caregivers:

Hill-Rom

2015 & 2016 Pro Forma Revenue

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Front Line Care Pro Forma	132	53	185	120	55	176	10%	-4%	5%	10%	1%	7%
Surgical Solutions	48	48	95	44	55	99	8%	-14%	-4%	8%	-12%	-3%
Total Hill-Rom	\$ 438	\$ 194	\$ 633	\$ 397	\$ 232	\$ 628	10%	-16%	1%	11%	-13%	2%

	Q3 2016			Q3 2015			% Growth @ Actual Rates			% Growth @ Constant Rates		
	United States	International	Total	United States	International	Total	United States	International	Total	United States	International	Total
Patient Support Systems	\$ 259	\$ 102	\$ 361	\$ 240	\$ 114	\$ 354	8%	-10%	2%	8%	-10%	2%
Front Line Care Pro Forma	139	54	193	141	50	190	-1%	8%	1%	-1%	10%	2%
Surgical Solutions	53	49	102	47	52	99	13%	-6%	3%	13%	-6%	3%
Total Hill-Rom	\$ 451	\$ 204	\$ 655	\$ 427	\$ 216	\$ 643	6%	-5%	2%	6%	-4%	2%

	Q4 2016			Q4 2015			% Growth @ Actual Rates			% Growth @ Constant Rates		
	United States	International	Total	United States	International	Total	United States	International	Total	United States	International	Total
Patient Support Systems	\$ 279	\$ 103	\$ 382	\$ 269	\$ 113	\$ 382	4%	-8%	0%	4%	-8%	0%
Front Line Care Pro Forma	158	53	212	142	57	200	11%	-7%	6%	11%	-7%	6%
Surgical Solutions	60	53	112	61	59	120	-2%	-10%	-6%	-2%	-8%	-5%
Total Hill-Rom	\$ 497	\$ 209	\$ 706	\$ 472	\$ 229	\$ 701	5%	-9%	1%	5%	-8%	1%

	YTD 2016			YTD 2015			% Growth @ Actual Rates			% Growth @ Constant Rates		
	United States	International	Total	United States	International	Total	United States	International	Total	United States	International	Total
Patient Support Systems	\$ 1,037	\$ 400	\$ 1,437	\$ 959	\$ 468	\$ 1,427	8%	-14%	1%	8%	-11%	2%
Front Line Care Pro Forma	585	225	810	543	231	774	8%	-3%	5%	8%	2%	6%
Surgical Solutions	207	201	408	197	226	423	5%	-11%	-3%	5%	-7%	-1%
Total Hill-Rom	\$ 1,829	\$ 826	\$ 2,655	\$ 1,699	\$ 924	\$ 2,623	8%	-11%	1%	8%	-7%	3%

Note: Segment revenue by U.S. and International for Fiscal Year Ended 9/30/2015 and 9/30/2016 in US\$ million
 * Pro Forma includes Welch Allyn in both periods

Enhancing outcomes for patients and their caregivers:

Hill-Rom

Appendix

Reconciliations of Non-GAAP Disclosures

Reconciliation: Operating Expenses

(\$ in millions)	Quarter Ended March 31		Year To Date Ended March 31	
	2017	2016	2017	2016
Selling and Administrative Expenses (As Reported)	\$ 222.4	\$ 209.4	\$ 431.2	\$ 430.6
Acquisition and integration costs	(7.2)	(4.4)	(13.1)	(10.7)
Acquisition-related intangible asset amortization	(26.6)	(23.8)	(52.1)	(48.0)
Selling and Administrative Expenses (Adjusted)	<u>\$ 188.6</u>	<u>\$ 181.2</u>	<u>\$ 366.0</u>	<u>\$ 371.9</u>
Selling and Administrative Expenses (Adjusted) As Percent of Total Revenue	27.8%	28.6%	27.8%	28.7%
Year Over Year % Change	<u>4.1%</u>		<u>-1.6%</u>	
Year Over Year Change	<u>(80) bps</u>		<u>(90) bps</u>	

Reconciliation: Gross Margin, Operating Margin and Earnings Per Share

(\$ in millions, except EPS)

	Quarter Ended March 31, 2017					Quarter Ended March 31, 2016				
	Gross Margin	Operating Margin ¹	Income Before Income Taxes	Income Tax Expense	Diluted EPS	Gross Margin	Operating Margin	Income Before Income Taxes	Income Tax Expense	Diluted EPS
GAAP Basis	47.8%	9.4%	\$ 41.3	\$ 7.3	\$ 0.51	48.1%	7.9%	\$ 28.1	\$ 6.0	\$ 0.33
Adjustments:										
Acquisition and integration costs	0.1%	1.1%	7.2	3.4	0.06	-	0.7%	4.4	1.4	0.05
Acquisition-related intangible asset amortization	-	3.9%	26.6	9.0	0.26	-	3.8%	23.8	8.2	0.24
Field corrective actions	0.1%	0.1%	0.5	(0.1)	0.01	-0.2%	-0.2%	(1.0)	(0.3)	(0.01)
Litigation settlements and expenses	-	0.1%	0.9	0.3	0.01	-	-	-	-	-
Special charges	-	0.5%	3.1	0.9	0.03	-	1.7%	10.7	3.8	0.10
Adjusted Basis	<u>48.0%</u>	<u>15.0%</u>	<u>\$ 79.6</u>	<u>\$ 20.8</u>	<u>\$ 0.88</u>	<u>47.9%</u>	<u>13.9%</u>	<u>\$ 66.0</u>	<u>\$ 19.1</u>	<u>\$ 0.71</u>
	Year to Date Ended March 31, 2017					Year to Date Ended March 31, 2016				
	Gross Margin	Operating Margin ¹	Income Before Income Taxes	Income Tax Expense	Diluted EPS	Gross Margin	Operating Margin	Income Before Income Taxes	Income Tax Expense	Diluted EPS ¹
GAAP Basis	47.6%	9.1%	\$ 76.6	\$ 19.1	\$ 0.87	46.0%	6.1%	\$ 33.9	\$ 7.5	\$ 0.41
Adjustments:										
Acquisition and integration costs	0.1%	1.0%	13.2	5.6	0.11	1.5%	2.3%	30.2	9.0	0.32
Acquisition-related intangible asset amortization	-	4.0%	52.1	17.3	0.52	-	3.7%	48.0	16.5	0.47
Field corrective actions	-	-	0.5	(0.1)	0.01	-	-	0.1	(0.1)	-
Litigation settlements and expenses	-	0.1%	0.9	0.3	0.01	-	-	-	-	-
Special charges	-	0.7%	8.9	2.8	0.09	-	1.4%	17.8	5.8	0.18
Foreign tax law change	-	-	-	(2.2)	0.03	-	-	-	-	-
Gain on disposition	-	-	(1.0)	(0.4)	(0.01)	-	-	-	-	-
Adjusted Basis	<u>47.7%</u>	<u>14.8%</u>	<u>\$ 151.2</u>	<u>\$ 42.4</u>	<u>\$ 1.63</u>	<u>47.5%</u>	<u>13.5%</u>	<u>\$ 130.0</u>	<u>\$ 38.7</u>	<u>\$ 1.39</u>

¹ Total does not add due to rounding.

Reconciliation: Gross Margin, Operating Margin and Earnings Per Share

	Year Ended September 30, 2016					Year Ended September 30, 2015				
	Gross Margin	Operating Margin ¹	Income Before Income Taxes	Income Tax Expense	Diluted EPS ¹	Gross Margin	Operating Margin ¹	Income Before Income Taxes	Income Tax Expense	Diluted EPS
GAAP Basis	47.3%	8.7%	\$ 138.3	\$ 15.5	\$ 1.86	44.3%	4.2%	\$ 65.1	\$ 18.3	\$ 0.82
Adjustments:										
Acquisition and integration costs	0.8%	1.5%	38.9	11.3	0.41	0.8%	3.2%	62.8	18.0	0.76
Acquisition-related intangible asset amortization	-	3.6%	95.9	31.7	0.96	-	1.7%	34.1	9.8	0.42
FDA remediation expenses	-	-	-	-	-	-	0.2%	3.8	1.2	0.04
Field corrective actions	-	-	0.2	(0.1)	-	0.2%	0.2%	4.5	1.4	0.05
Litigation settlements and expenses	-	-	-	-	-	-	-	(0.6)	(0.2)	(0.01)
Special charges	-	1.5%	39.9	13.4	0.40	-	2.1%	41.2	10.7	0.52
Supplemental stock compensation charge	-	-	-	-	-	-	0.3%	6.1	2.2	0.07
Foreign valuation allowance	-	-	-	19.5	(0.29)	-	-	-	1.9	(0.03)
Debt refinancing	-	-	12.9	4.7	0.12	-	-	-	-	-
Gain on disposition	-	-	(10.1)	(3.7)	(0.10)	-	-	-	-	-
Adjusted Basis	<u>48.1%</u>	<u>15.3%</u>	<u>\$ 316.0</u>	<u>\$ 92.3</u>	<u>\$ 3.38</u>	<u>45.3%</u>	<u>11.8%</u>	<u>\$ 217.0</u>	<u>\$ 63.3</u>	<u>\$ 2.64</u>

¹ Total does not add due to rounding.