



VAREX

I M A G I N G

Making the Invisible Visible

Investor Presentation

March 2025

Forward Looking Statements



Forward Looking Statements

This presentation contains “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements concerning the number of products we produce annually; estimated market growth for our products, addressable markets and addressable market size; growth initiatives and growth drivers; new products and application; product development; cost reduction; industry or market segment outlook, including softness due to customer destocking and regulatory headwinds in China; bringing to market, customer acceptance of, and customer transition to new products or technologies such as advanced X-ray tube and digital flat panel detector products; customer engagement; the impact of our investments in India; revenues, earning or other financial results; and any statements using the terms “expect,” “could,” “estimate,” “improve,” “increase,” “drive,” “evolving,” “expand,” “abate,” “reinvigorate”, “leverage,” and “potential” or similar statements are forward-looking statements that involve risks and uncertainties that could cause our actual results and the outcome and timing of certain events to differ materially from management’s current expectations expressed in this presentation.

These forward-looking statements are based on the beliefs of, estimates made by, and information currently available to the management of Varex . Actual results and the outcome or timing of certain events described in these forward-looking statements are subject to risk and uncertainties and may differ materially from those described. Important factors that could cause our actual results and financial condition to differ significantly from our projections or expectations include, among other things, the following: reduction in or loss of business of one or more of our limited OEM customers; loss of business to, and an inability to effectively compete with, competitors; challenges in accurately predicting demand or delivery schedules for our products; pricing pressures and other factors that could result in margin erosion and loss of customers; failure to meet customers’ needs and demands; economic instability, shifting political environments, changing tax treatment, reactionary import/export regulatory regimes, and other risks associated with doing business internationally; supply chain disruptions; inability to maintain or defend our intellectual property rights, and high cost of protecting such right and defending against infringement claims; disruption of critical information systems or material breaches in the security of our systems; noncompliance with product-related regulations and delays in obtaining regulatory clearances or approvals; limitations imposed by operating and financial restrictions of our debt financing agreements; and the other risks listed from time to time in our filings with the U.S. Securities and Exchange Commission, which by this reference are incorporated herein. For a discussion of the factors that could cause actual results and financial condition to differ from forward-looking statements, see “Risk Factors” in Part I, Item 1A. of our Annual Report on Form 10-K for the year ended September 27, 2024.

Any forward-looking statement made in this presentation is based only on information currently available to Varex and our management and speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We assume no obligation to, and you should not expect us to, update or revise the forward-looking statements in this presentation because of new information, future events, or otherwise.



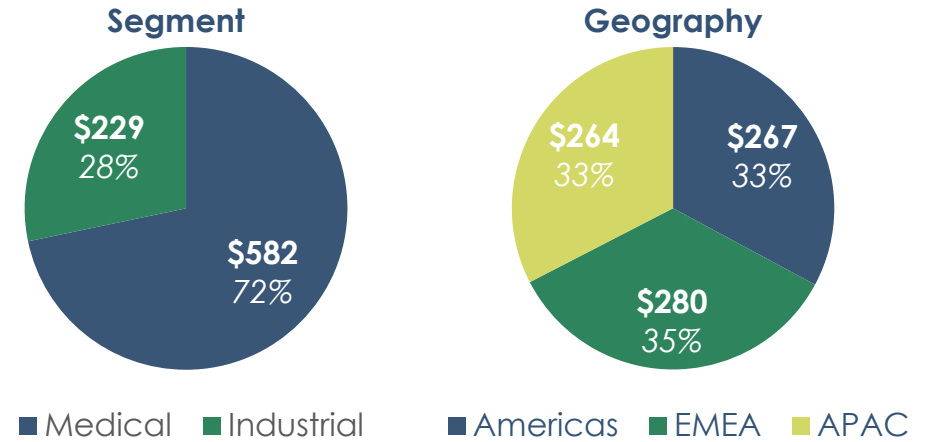
Company Overview

Varex Imaging At-a-glance



- Spun-off from Varian Medical Systems in 2017. Varian was formed in 1948
- **Key products:** X-ray tubes, flat panel and photon counting detectors and accessories, linear accelerators, image software processing solutions
- **Top 5 customers in FY24:** Canon, United Imaging, GE, Rapiscan, Siemens Healthineers representing the top 5 (~41% of FY24 revenue)
- **Installed base:** 160k X-ray tubes, 170k detectors, 600k connect & control components, and 16.5k software instances - drives significant replacement & services demand
- **# of Patents:** Over 635 (~160 pending)

FY24* Revenue Breakdown (\$M)



Global Headquarters
Salt lake City, Utah, USA



Stock Ticker
NASDAQ: VREX



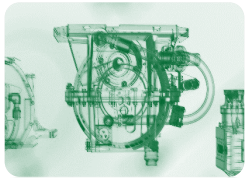
Workforce
~2,300 Employees



20+ Worldwide
Locations

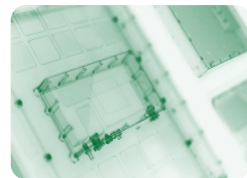
Each year we produce in excess of...

Sources



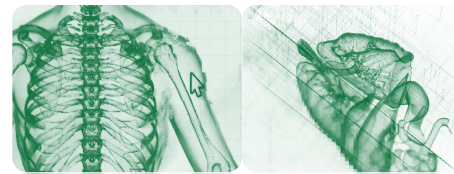
27,000 X-ray tubes

Detectors



20,000 digital flat panels

Software & Services



16,500 software instances

Connect & Control



1,200km of HV cables

... and other imaging components

Medical Segment Overview



FY24 Revenue: \$582M
72% of Varex Revenue

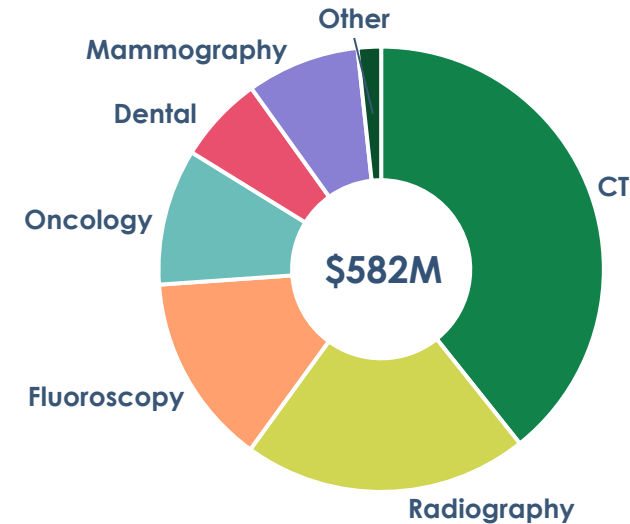
Current Addressable Market: ~\$3B
Market Growth: ~2 – 3%
Large, Stable & Growing

Key products: X-ray tubes, connect & control systems, detectors, and software & services

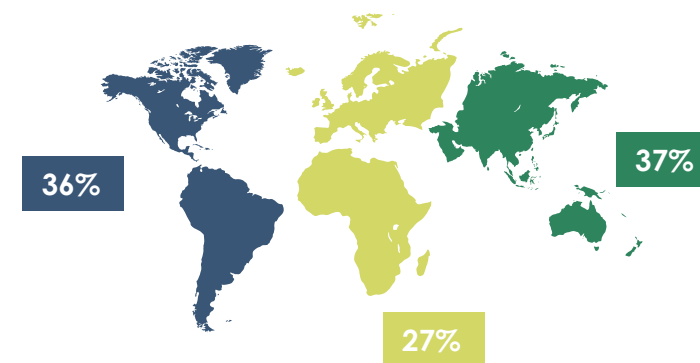
Modalities: CT, mammography, oncology, cardiac, surgery, dental, fluoroscopy, and other diagnostic radiography uses

Customers: majority of medical X-ray imaging OEMs globally, independent service companies and distributors, as well as direct to end-users for replacement purposes

FY2024 Revenue by Modality








FY2024 Revenue by Geography



Medical Imaging Technologies



Varex Domain		Other Imaging Mediums		
<p>X-ray</p> 	<p>Computed Tomography (CT)</p> 	<p>MRI</p> 	<p>Ultrasound</p> 	<p>PET Scan</p> 
<p>Uses X-ray to quickly produce images of structures inside the body, especially bones</p>	<p>Uses a series of X-rays to create cross-sections of the inside of the body, including bones, blood vessels and soft tissue</p>	<p>Uses magnetic fields and radio waves to create detailed images of organs and tissues in the body</p>	<p>Uses high-frequency sound waves to produce images of organs and structures within the body</p>	<p>Uses radioactive drugs (tracers) and a scanning machine to show how your tissues and organs are functioning</p>
<ul style="list-style-type: none"> • Bone fractures • Arthritis/Osteoporosis • Infections • Breast cancer • Digestive system • Surgery • Catheterization 	<ul style="list-style-type: none"> • Injuries from trauma • Bone fractures • Tumors or cancers • Heart or vascular disease • Infections • Guide biopsies 	<ul style="list-style-type: none"> • Aneurysms • MS • Stroke • Spinal cord disorders • Tumors • Blood vessel issues • Joint or tendon injuries 	<ul style="list-style-type: none"> • Gallbladder disease • Breast/genital/prostate • Monitoring pregnancy • Joint inflammation • Guide biopsies 	<ul style="list-style-type: none"> • Cancer • Heart or coronary artery disease • Alzheimer's disease • Seizures • Epilepsy

Medical X-ray Imaging System



Sources (Tubes)

X-Ray tube



Collimator



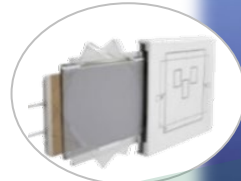
Interconnect



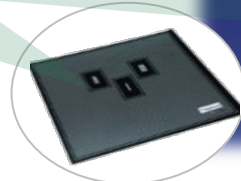
Software & Services

Connect & Control

Bucky system



Automatic Exposure Control (AEC)



Console

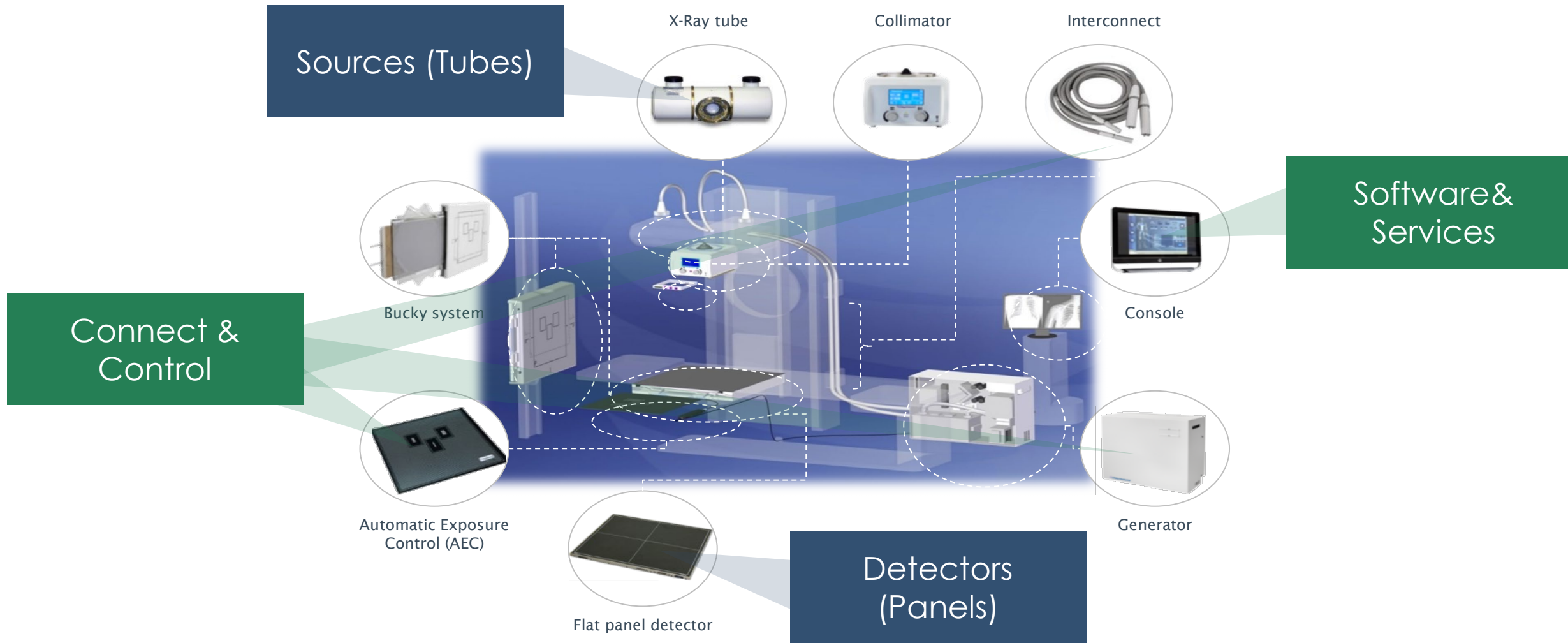
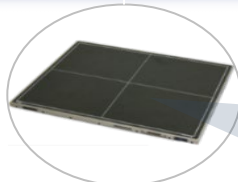


Generator



Detectors (Panels)

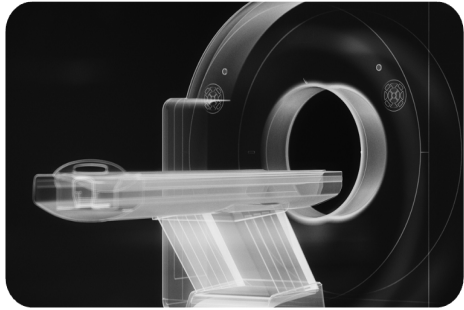
Flat panel detector



Medical – Growth Initiatives



Potential TAM



Photon Counting Detectors

- Release PC-CT detectors to production
- Expand applications/customer base in Industrial

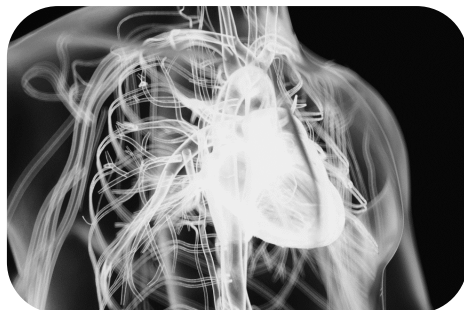
~\$500M
FY2029



High Volume Radiographic Components

- Reinvigorate radiographic market penetration
- Cost reduction across products

~\$600M
Current



Nanotube Technology

- Nanotube technology transferred from Micro-X in Australia
- Shipping test kits to global customers

Significant
Potential

Industrial Segment Overview



FY24 Revenue: \$228M
28% of Varex Revenue

Current Addressable Market: ~\$1.3B
Market Growth: ~5 – 7%
Greenfield & Evolving

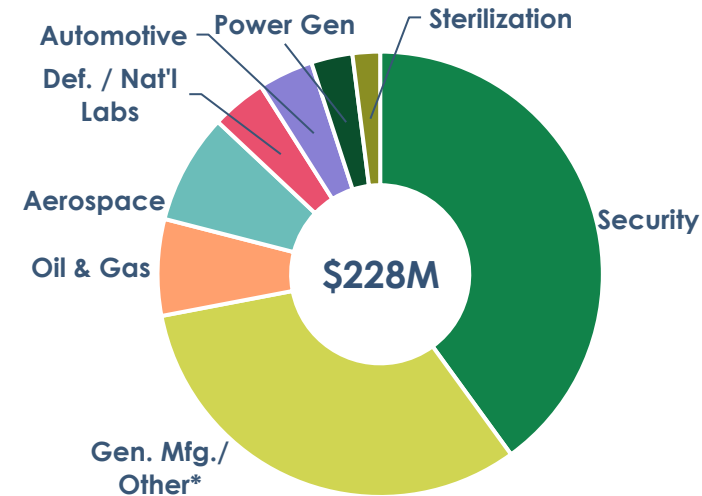
Key products: X-ray linear accelerators, X-ray tubes, flat panel and photon counting detectors, computed radiography scanners, high voltage connectors and coolers

Security applications: cargo screening at ports and borders, baggage screening at airports, and nondestructive testing, irradiation, and inspection

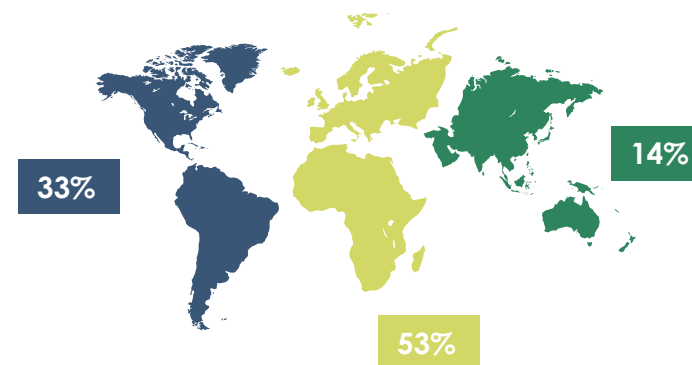
Non-destructive testing & inspection: aerospace, automotive, electronics, oil and gas, food packaging, metal castings, and additive manufacturing

Customers: OEMs, system integrators, and manufacturers

FY2024 Revenue by Vertical



FY2024 Revenue by Geography



* Other includes: Battery inspection, Electronics inspection, Food inspection, 3D printing inspection, Casting inspection

Industrial Growth Drivers



Evolving verticals driving growth for Industrial markets

Security



Improved border security through X-ray inspection

- Terrorism threats
- Smuggling
- Illegal drugs
- Tariffs

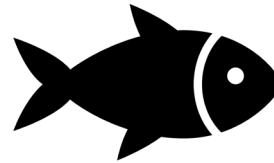
Energy



Periodic X-ray inspection for weld and structural integrity

- Pipelines
- Refineries
- Power plants
- High value assets

Food Quality



Foreign object identification and quality determination

- Fish
- Poultry
- Packaged food
- Canned food

Electronics



Increased utilization of in-line X-ray inspection to test product quality

- Electronics
- Batteries
- Printed circuit boards
- Electronic components

Consumer Safety

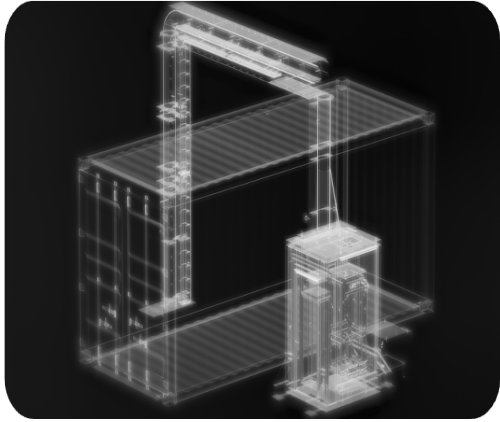


X-ray irradiation is a preferred solution in sterilization markets

- Packaged Foods
- Fish, Poultry, Meat
- Plant Products



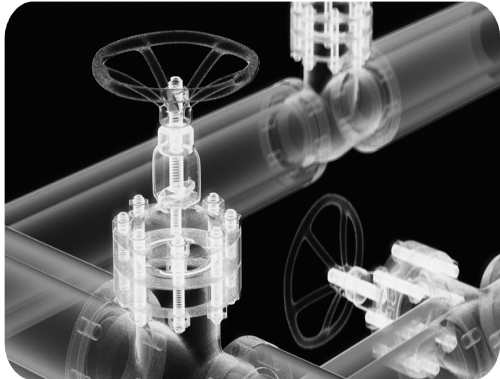
Potential TAM



Industrial Scanning Systems

- Vertically integrated cargo scanning systems
- Portal, gantry, mobile scanner and car scanner
- Leverage core imaging component expertise
- Provide differentiated value directly to end customers

>\$1B
Current



Industrial Flat Panel Detectors

- Drive film to digital conversion with flexible detectors
- Bring to market new detectors with high-resolution, large area & high energy capabilities.

~\$600M
Current

Varex's Portfolio of Cargo and Vehicle Inspection Systems

Solid interest and adoption in newly launched security screening systems business



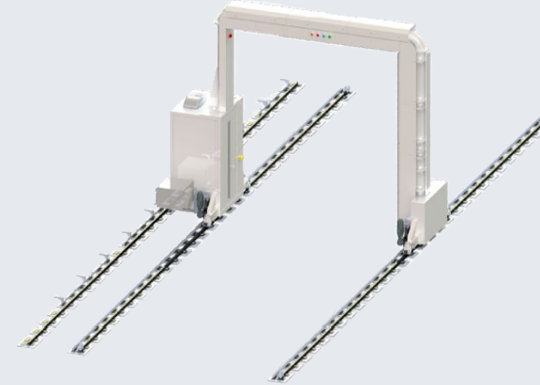
Mobile System



VXM-6

Mobile Cargo and Vehicle Inspection System

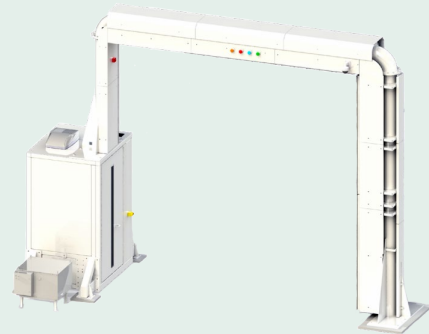
Gantry System



VXG-6

Gantry Cargo and Vehicle Inspection System

Portal System



VXP-6

Drive Through Cargo and Vehicle Inspection System

Car Scanner



VXC-300

Drive Through Car and Small Vehicle Scanning System

Recently received orders for Mobile and Portal Systems valued at approximately \$14M

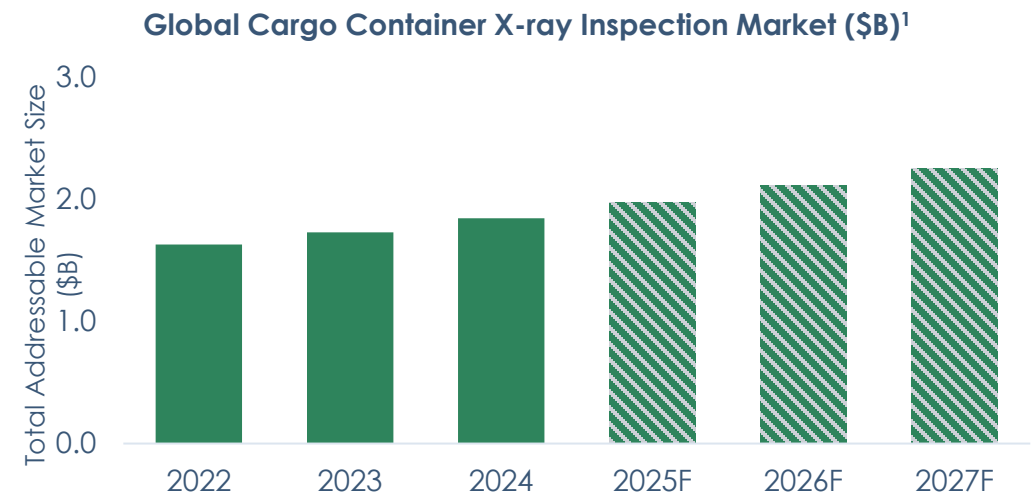
Security and Cargo Inspection Systems Update



Varex's Entry into Large Established and Growing Global Security Systems Market

- Leveraging imaging component expertise as a global leader in linear accelerator and high energy imaging technologies
- Vertically integrated systems and services
- Provide differentiated value directly to end customers
- Systems installations expected to drive future service revenues

- **>\$1B TAM** expected to grow at **7% CAGR** over next 5 years
- Demand driven by global security threats & correct declaration of goods transported across borders





Key Investment Highlights

Key Investment Highlights



1

Market leader with a comprehensive product portfolio and roots dating back to 1948, a sizeable global installed base which drives replacement & services demand

2

High barriers to entry given intellectual property portfolio, strong track record of innovation, need for significant capital investments in R&D and manufacturing to produce at scale, and regulatory barriers

3

Deep customer relationships that lead to high switching costs given custom-built hardware and software and Varex's development capabilities

4

Diversified revenue across geographic markets including Americas, EMEA, and APAC supported by a global supplier base and global manufacturing footprint

5

Proven operating track record with long-term history of revenue growth, stable core revenue base and gross margin, moderate capital expenditures, and cash flow generation

6

Experienced management team with over 35 years on average of experience in medical and industrial verticals



Market Leader with a Comprehensive Product Portfolio

Varex is a market leader with a comprehensive product portfolio and a history of market defining innovation

75+
years of innovation

~10%
of sales reinvested in R&D

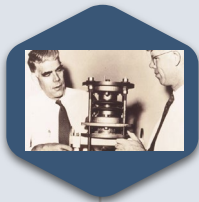
350+
product development FTEs

~635 (~160 pen.)
Patents



		Company A	Company B	Company C	Company D	Company E	Company F
X-ray Tubes	✓			✓	✓		
X-ray Detectors	✓	✓	✓	✓		✓	
Software & Workstations	✓	✓		✓		✓	
Connectors & Other Components	✓						
High-energy Detectors	✓		✓				
Linear Accelerators	✓						✓

Roots Dating Back to 1948



1948

Varian
Founded

1970

Start of
X-ray Tube
Production

1999

Start of
Flat Panel
Detector
Production

2012

Infimed
Acquisition

2015

Claymount
Acquisition

2015

MeVis
Acquisition

2017

Varex
Imaging
Spin from
Varian

2017

PerkinElmer
Acquisition

2019



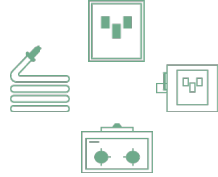


Direct
Conversion
Acquisition

2024

Launch
Cargo
Screening
Systems
Business

Sizable Global Installed Base Driving Replacement & Services Demand



	Hardware			Software	
	<p>X-Ray Sources</p>  <ul style="list-style-type: none"> Complete Range of X-ray Tubes Complete Range of Linear Accelerators 	<p>X-Ray Detectors</p>  <ul style="list-style-type: none"> Full Spectrum of Digital X-ray Detectors 	<p>Connect & Control</p>  <ul style="list-style-type: none"> Exposure Control Sensors Collimators, Buckys High Voltage Connectors Other Components 	<p>Image Acquisition and Processing</p>  <ul style="list-style-type: none"> Processing Correction Image Reconstruction Algorithms (CBCT, Tomo, etc.) 	<p>Diagnostic, Workflow, and AI Platforms</p>  <ul style="list-style-type: none"> Development Platform Visualization/ Rendering AI/CAD Segmentation Distance Learning
Recurring Features	Regular replacement cycle every ~1-2 years	Ongoing repair and service revenue, with longer replacement cycle every ~5 years	Up to 5% replaced when replacing X-Ray tubes	Image acquisition platform requires repairs	Consistent maintenance revenue from software licenses
Installed Base	160,000+ Installed Base	170,000+ Installed Base	600,000+ Installed Base	2,000+ Installed Base	14,500+ Installed Base



High Barriers to Entry Given Innovation Track Record and Regulatory Requirements

25+ Years of Innovation



Anode End Grounded CT Tubes



Dynamic Digital Detectors



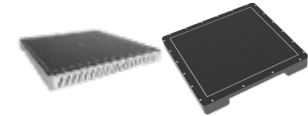
Industrial Linear Accelerators



Mammo 3D Tomosynthesis X-ray Tubes



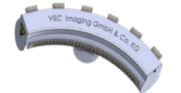
AI/CAD Artifact Detection Software



Next Gen Rad & Dynamic Detectors



Photon Counting Detectors



Nanotube Multi-emitter X-ray Source

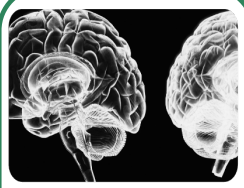
150 Patents

635+ Patents

1999

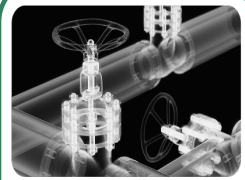
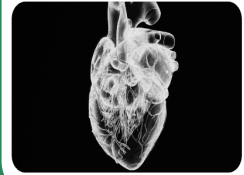
2024

Current Research & Development Areas



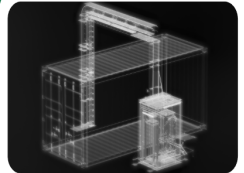
CT Tubes: Extend Premium End

Dynamic Medical Detectors



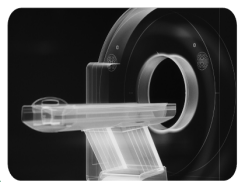
Industrial Detectors: Flexible & Large Area

Radiographic Components



Industrial Scanning Systems

Photon Counting Detectors



Nanotube Technology

Regulatory Requirements

- Components are integrated into medical imaging systems subject to regulatory clearance
- Subject to regulation by FDA, NRC, state and local regulatory agencies and other international agencies, to ensure devices are safe and effective and comply with other applicable laws

Deep Customer Relationships with Multi-year Contracts



Customer Engagement Cycle

- Early engagement in customer Product Development Cycles
- Continuous Product Replacement / Refresh Cycles
- Typically engaged in multiple development projects with each customer
- Highly customized hardware and software

Strong Customer Relationships

(Many Are 25+ Years)

Top 5 Customers	#of Years
Customer #1	45+
Customer #2	7+
Customer #3	45+
Customer #4	20+
Customer #5	45+

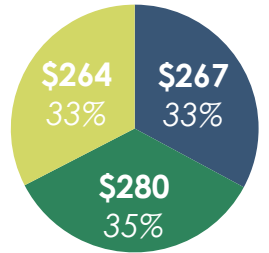
Diversified & Scaled Global Manufacturing & Sales Footprint



- Global sales, R&D, and manufacturing footprint with over 30 facilities spanning ~1.4 million square feet with ability to originate sales worldwide
- Manufacturing of certain sub-assemblies is outsourced while still performing system design, final assembly, and testing in-house to reduce fixed costs
- Recent manufacturing investments in India further enhances Varex's local-for-local manufacturing and supplier diversification strategy



FY24 Revenue by Geography (\$M)



- ★ Corporate HQ
- Sales & Service Offices
- Manufacturing & Product Dev.
- Manufacturing, Sales & Service

■ Americas ■ EMEA ■ APAC

Proven Operating Track Record with Long-Term History of Revenue Growth



- Strong historical performance highlighting the Company's growing sales profile across cycles
- FY24 softness due to destocking and regulatory headwinds in China which are abating





VAREX
IMAGING

Making the Invisible Visible