

First-Quarter 2020 Financial Results

Financial Summary¹

\$242M

Net Sales

68%

Adjusted Gross Margin

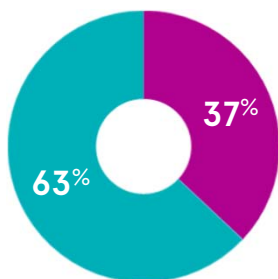
9%

Adjusted Operating Margin

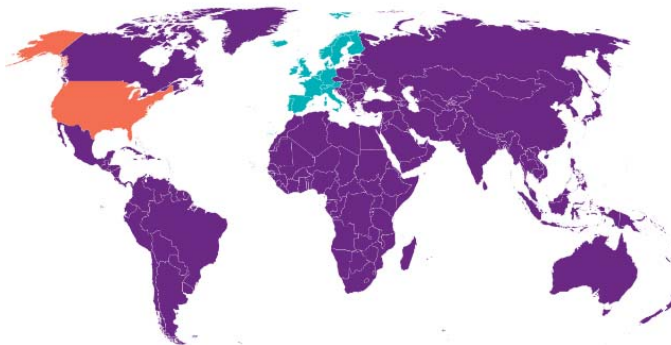
\$0.33

Adjusted Diluted EPS

Sales Summary²



- Neuromodulation
- Cardiovascular



US	\$123M	↓ 4%
EU	\$55M	↓ 1%
ROW	\$64M	↑ 1%

2020 Full-Year Guidance³

Net Sales

-7% to -17%

Most pronounced decline in Q2



Adjusted Diluted EPS

\$1.40 - \$1.70



“As a healthcare company committed to improving the lives of patients around the world, LivaNova is closely monitoring the COVID-19 situation. Being true to our values, we prioritize patients and their well-being, and we are working tirelessly to ensure they have access to the products and services they require. We commend and support our employees for their efforts and commitment to providing life-changing products and therapies during this difficult time.”

- Damien McDonald, CEO

Other Highlights

~30%

Organic Growth in Advanced Circulatory Support

Strong U.S. execution



Low-Single Digit Growth in Oxygenators

Driven by ROW performance



Bi-Flow ECMO Cannula Earned CE Mark Approval

Bidirectional femoral arterial cannula to fight limb ischemia

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Products Received FDA Authorization in Response to COVID-19

FDA Emergency Use Approval

1) Adjusted financial measures are non-GAAP measures and exclude specified items as described and reconciled in the "Reconciliation of GAAP to non-GAAP Financial Measures" contained on the back of this document. All EPS measures in this document refer to diluted EPS from continuing operations. 2) Unless otherwise noted, all sales growth rates in this document reflect constant-currency sales growth, which eliminates the effects of foreign currency fluctuations. Constant-currency growth, a non-GAAP financial measure, measures the change in sales between current and prior-year periods using average exchange rates in effect during the applicable prior-year period. 3) LivaNova calculates forward-looking non-GAAP financial measures based on internal forecasts that omit certain amounts that would be included in GAAP financial measures. For example, forward-looking net sales growth projections are estimated on a constant-currency basis and exclude the impact of foreign currency fluctuations. Forward-looking non-GAAP adjusted diluted earnings per share guidance exclude other items such as, but not limited to, stock-based compensation costs, changes in fair value of contingent consideration arrangements and product remediation costs that would be included in comparable GAAP financial measures. The most directly comparable GAAP measure for constant currency net sales and adjusted diluted earnings per share are net sales and earnings per share, respectively. However, non-GAAP financial adjustments on a forward-looking basis are subject to uncertainty and variability as they are dependent on many factors, including but not limited to, the effect of foreign currency exchange fluctuations, impacts from potential acquisitions or divestitures, gains or losses on the potential sale of businesses or other assets, restructuring costs, merger and integration activities, changes in fair value of contingent consideration arrangements, product remediation costs and the tax impact of the aforementioned items, tax law changes or other tax matters. Accordingly, reconciliations to the most directly comparable forward-looking GAAP financial measures are not available without unreasonable effort.

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES – UNAUDITED

Three Months Ended March 31, 2020

	GAAP Financial Measures	Merger and Integration Expenses (A)	Restructuring Expenses (B)	Depreciation and Amortization Expenses (C)	Product Remediation Expenses (D)	Acquisition Costs (E)	Non-recurring Legal and Contingent Consideration (F)	Stock-based Compensation Costs (G)	Certain Tax Adjustments (H)	Certain Interest Adjustments (I)	Adjusted Financial Measures
Gross Margin	71.0%	--	--	0.2%	0.6%	--	(3.6)%	0.2%	--	--	68.3%
Operating Margin	0.3%	1.4%	0.7%	4.4%	0.6%	--	(2.5)%	3.7%	--	--	8.7%
Diluted EPS – Continuing Operations	\$0.79	\$0.07	\$0.03	\$0.19	\$0.02	--	(\$0.15)	\$0.16	(\$0.84)	\$0.05	\$0.33

Three Months Ended March 31, 2019

	GAAP Financial Measures	Merger and Integration Expenses (A)	Restructuring Expenses (B)	Depreciation and Amortization Expenses (C)	Product Remediation Expenses (D)	Acquisition Costs (E)	Non-recurring Legal, Contingent Consideration and Other Reserves (J)	Stock-based Compensation Costs (G)	Certain Tax Adjustments (H)	Certain Interest Adjustments (I)	Adjusted Financial Measures
Gross Margin	65.2%	--	--	0.3%	1.2%	--	2.5%	0.1%	--	--	69.3%
Operating Margin	(8.3)%	1.3%	1.0%	4.1%	1.2%	0.8%	10.1%	2.7%	--	--	12.9%
Diluted EPS – Continuing Operations	(\$0.31)	\$0.05	\$0.04	\$0.16	\$0.04	\$0.03	\$0.37	\$0.11	\$0.05	--	\$0.54

GAAP results include:

- (A) Merger and integration expenses related to our legacy companies and recent acquisitions
- (B) Restructuring expenses related to organizational changes
- (C) Includes depreciation and amortization associated with purchase price accounting
- (D) Costs related to the 3T Heater-Cooler remediation plan
- (E) Costs related to acquisitions
- (F) Legal expenses primarily related to 3T Heater-Cooler defense, settlements and other matters and remeasurement of contingent consideration related to acquisitions
- (G) Non-cash expenses associated with stock-based compensation costs
- (H) Primarily relates to discrete tax items and the tax impact of intercompany transactions
- (I) Primarily relates to intellectual property migration, interest related to 3T Heater-Cooler matter and other non-recurring impacts to interest expense
- (J) Contingent consideration related to acquisitions and legal expenses primarily related to 3T Heater-Cooler defense and other matters

NET SALES: COMPARISON OF ACTUAL RESULTS TO CONSTANT CURRENCY – UNAUDITED ⁽¹⁾

(U.S. dollars in millions)

Business / Product Line	Three months ended March 31,		% Change at Actual Currency Rates	% Change at Constant-Currency Rates
	2020	2019		
Cardiovascular	152.1	155.5	(2.2)%	(0.2)%
Neuromodulation	89.7	94.6	(5.3)%	(4.6)%
Other	0.7	0.7	1.5%	4.5%
Total Net Sales	242.4	250.8	(3.4)%	(1.8)%

Region	Three months ended March 31,		% Change at Actual Currency Rates	% Change at Constant-Currency Rates
	2020	2019		
US	123.6	128.4	(3.8)%	(3.8)%
Europe	54.7	56.9	(3.8)%	(0.8)%
Rest of World	64.1	65.5	(2.2)%	1.0%
Total Net Sales	242.4	250.8	(3.4)%	(1.8)%

(1) Constant-currency growth, a non-GAAP financial measure, measures the change in sales between current and prior-year periods using average exchange rates in effect during the applicable prior-year period. The sales results presented are unaudited. Numbers may not add up or recalculate precisely due to rounding.