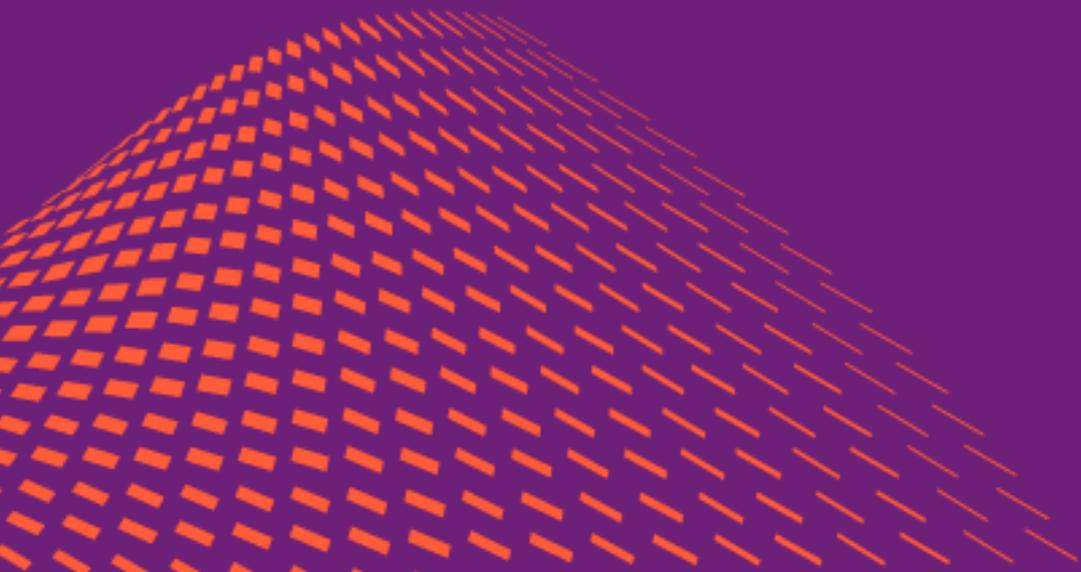


# Investor Presentation

4 March 2017

**LivaNova**

Health innovation that matters



# Safe harbor

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This material contains forward-looking statements within the meaning of Section 21E of the United States Securities Exchange Act of 1934, as amended. Forward-looking statements are not historical facts but are based on certain assumptions of management and describe our future plans, strategies and expectations. Forward-looking statements can generally be identified by the use of forward-looking terminology, including, but not limited to, "may," "could," "seek," "guidance," "predict," "potential," "likely," "believe," "will," "expect," "anticipate," "estimate," "plan," "intend," "forecast," or variations of these terms and similar expressions, or the negative of these terms or similar expressions. Forward-looking statements contained in this press release are based on information presently available to LivaNova and assumptions that LivaNova believes to be reasonable, but are inherently uncertain. As a result, our actual results, performance or achievements may differ materially from those expressed or implied by these forward-looking statements. Investors are cautioned that all such statements involve risks and uncertainties, including without limitation, the factors described in the "Risk Factors" section of LivaNova's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and other documents filed from time to time with, and/or announced or published pursuant to the rules of, the United States Securities and Exchange Commission and/or the United Kingdom Financial Conduct Authority by LivaNova, together with the risk that our internal leadership and organizational realignment will not lead to intended improvements, efficiency or results. This list of factors is not exhaustive. LivaNova does not give any assurance (1) that LivaNova will achieve its expectations, or (2) concerning any result or the timing thereof. These forward-looking statements speak only as of the date on which the statements were made. LivaNova does not undertake or assume any obligation to update publicly any of the forward-looking statements to reflect actual results, new information or future events, changes in assumptions or changes in other factors affecting forward-looking statements, except to the extent required by applicable law. If we update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements. We caution you not to place undue reliance on any forward-looking statements, which are made only as of the date of this presentation.

# Agenda

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Overview

Neuromodulation

Cardiac Surgery

Cardiac Rhythm Management

Looking Forward

Summary

# LivaNova at a glance

a market-leading medical technology and innovation company

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Public since October 2015 (merger between 2 public device companies)

Global leadership in Cardiac Surgery and Epilepsy

\$1.2b

combined annual revenue (2016)

60%

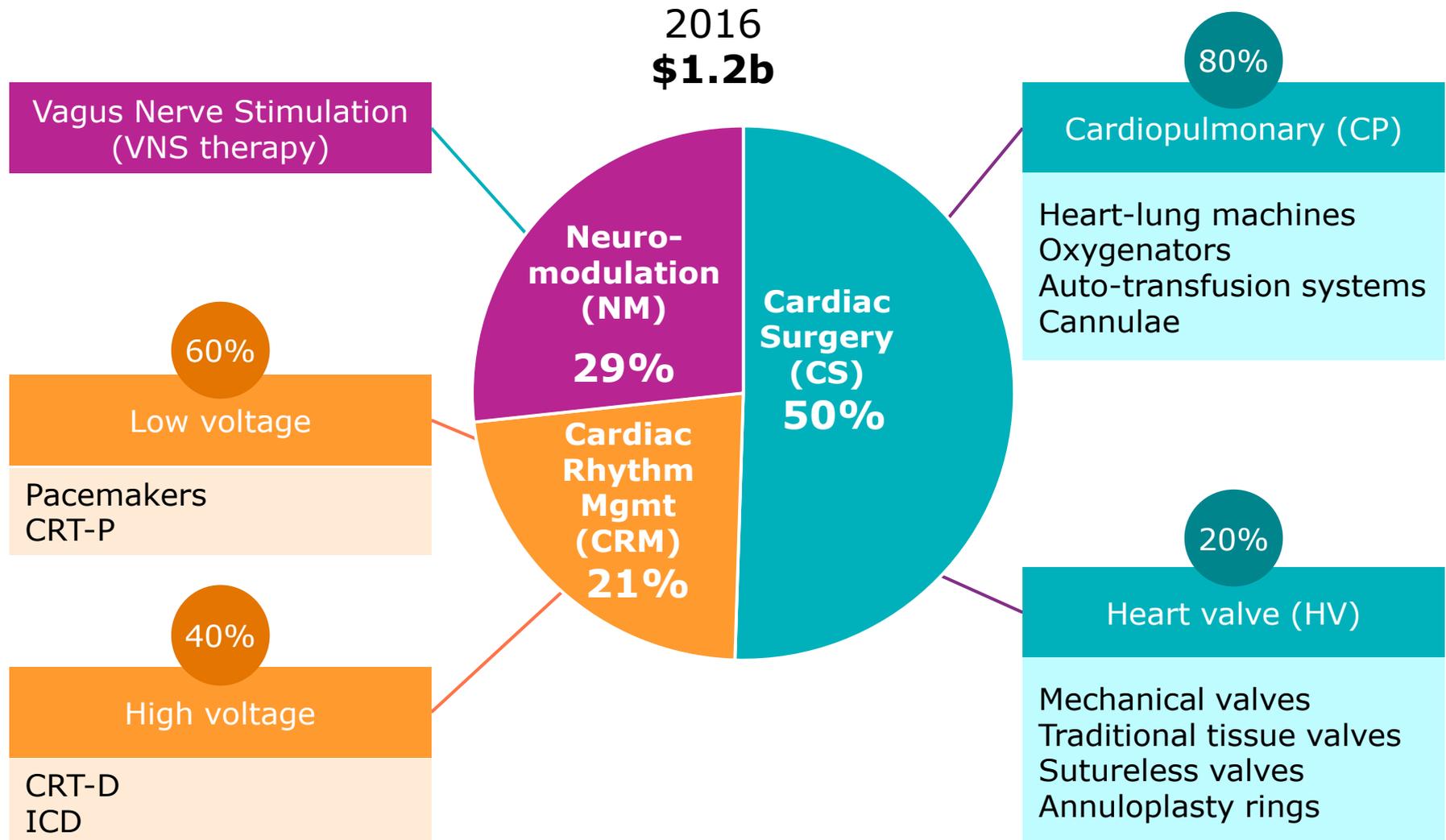
of sales in top market share positions

60%

of sales in implantable devices



# A broad portfolio of products



# Leaders in many of the markets we serve

GLOBAL LEADERSHIP

**NM**

Pioneer in VNS therapy

**CS - CP**

#1 market share position in heart-lung machines and oxygenators

**CS - HV**

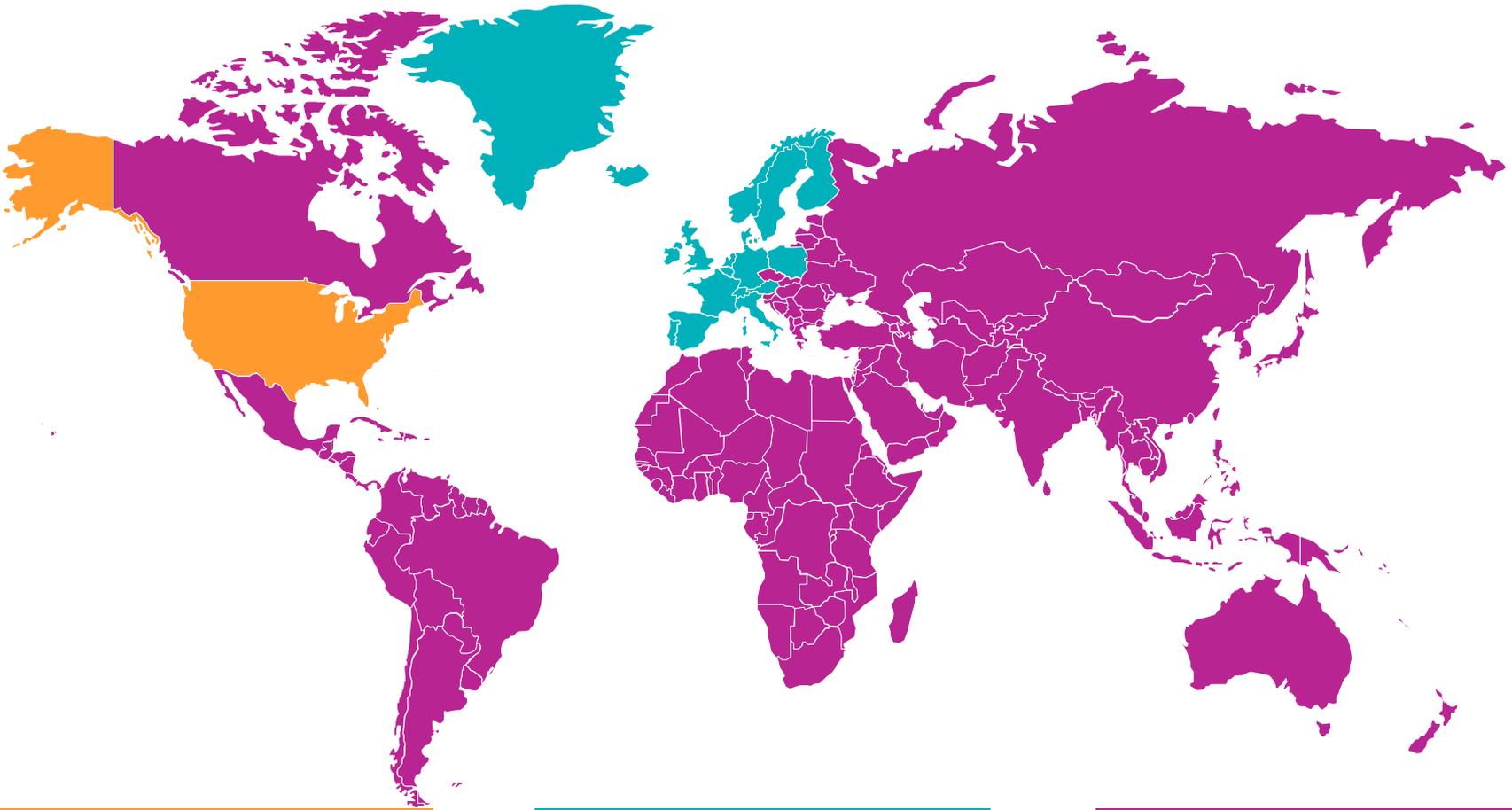
Only sutureless valve available for aortic surgery

**CRM**

Innovative products in high voltage device market

# An attractive geographic footprint

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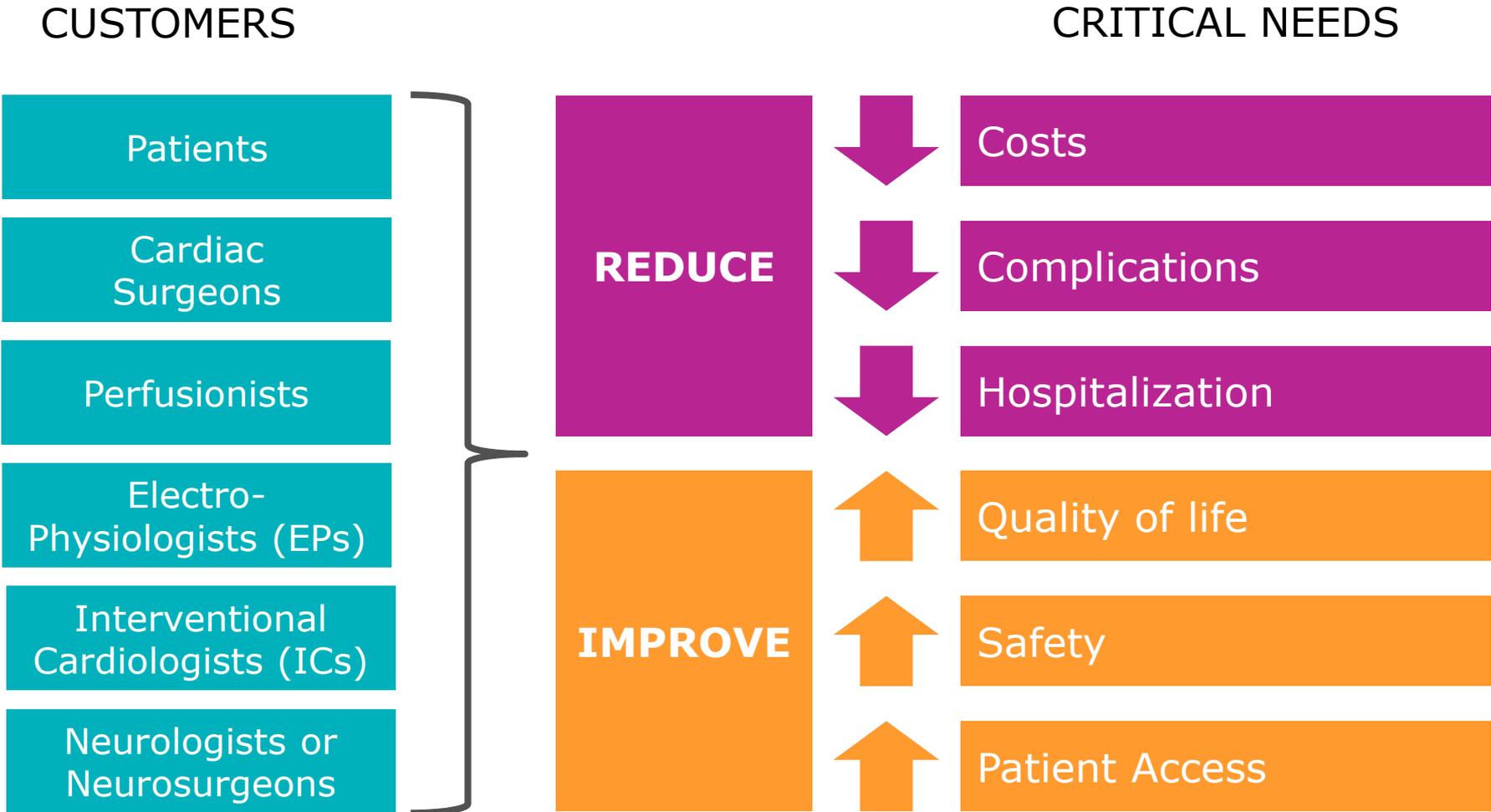


**US - 40%**

**EU - 35%**

**ROW - 25%**

# Addressing our customer needs



# Distinct competitive advantages

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A broad implantable portfolio

Innovative products with unique patient/physician benefits

Deeply penetrated in many markets & strong market development capabilities

Significant barriers to entry

Strong customer relationships

Differentiated technologies: significant investment opportunities in early stage device companies

# Neuromodulation (VNS Therapy)



# The epilepsy market is large and growing

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**4<sup>th</sup>**

most common neurological disease  
(after migraine, stroke, Alzheimer's)

**1 in 26**

people in the US affected

**10M**

patients in US, Europe, and Japan

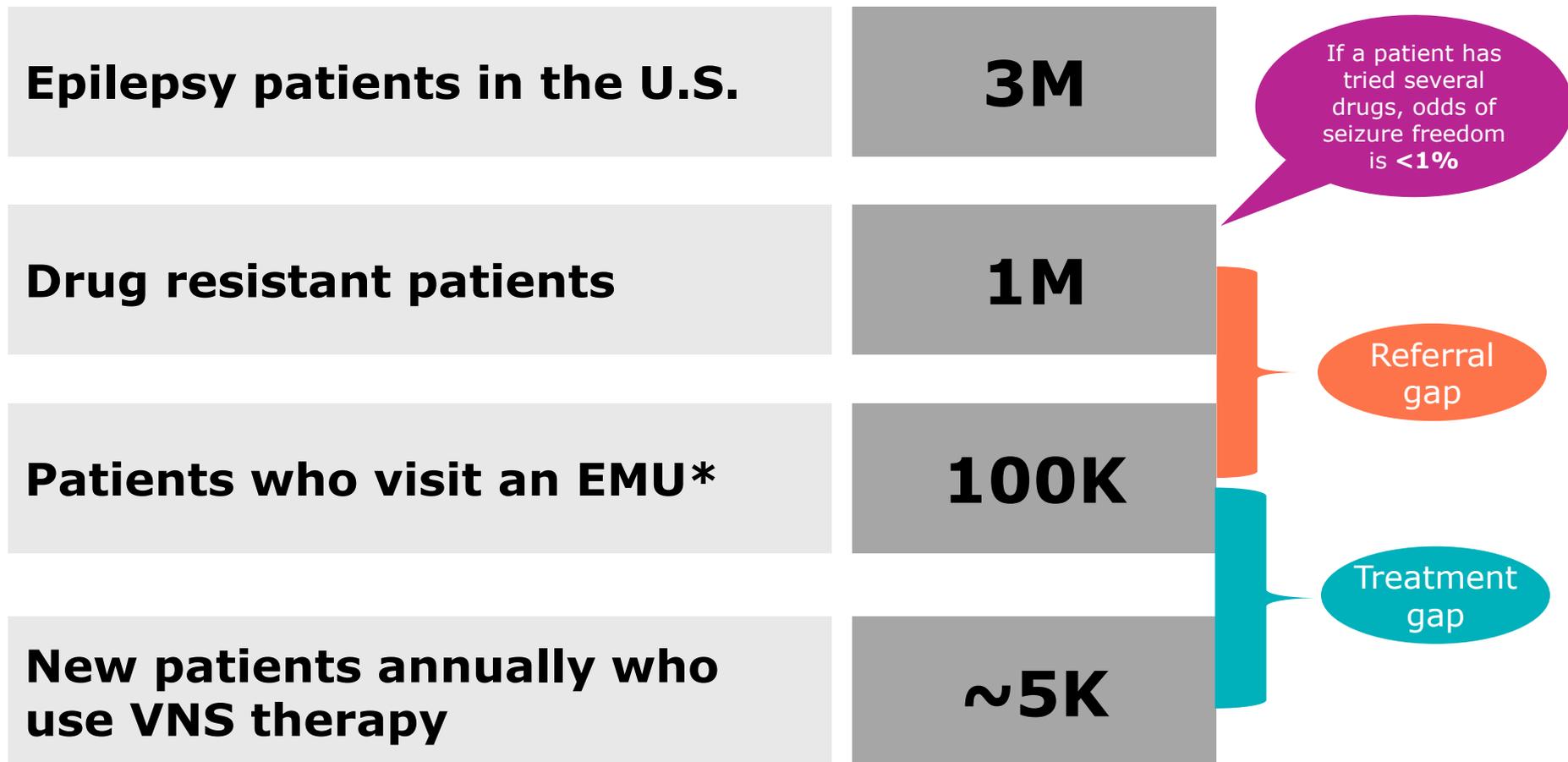
**150K**

new cases every year in the US

**1 in 3**

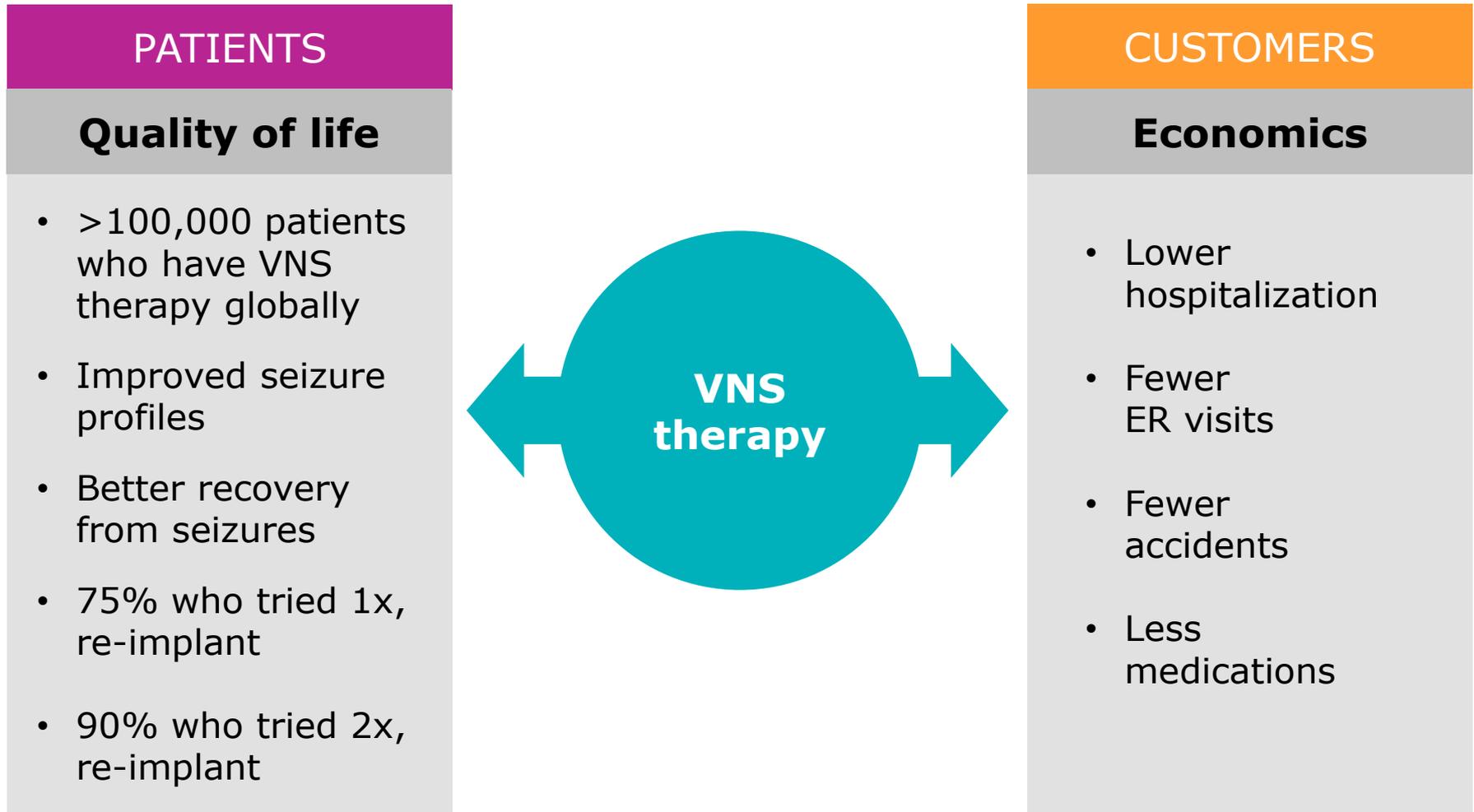
patients live with uncontrolled seizures

# There is significant opportunity for VNS therapy



# The benefits of VNS therapy are proven

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# The AspireSR® has been revolutionary

## PATIENTS

### Quality of life

- Reduce seizure severity
- Shorter seizures
- 60%+ of seizures treated ended during automatic stimulation



Automatically detects changes in heart rate which are strong indication of seizure

## CUSTOMERS

### Economics

- Device pays for itself in first 18 months
- Lower healthcare system costs after 18 months

# Pipeline: we are innovating & expanding our footprint

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## Next-gen devices

Track record of new product every 18 to 24 months

Innovative models provide strong health economics and ability to support price premium for additional benefits

## OUS

Lower OUS penetration, but US market access knowledge can be applied elsewhere

Leverage infrastructure and invest in market capabilities in key markets

# Cardiac Surgery

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# Perceval: the surgical valve of choice in AVR

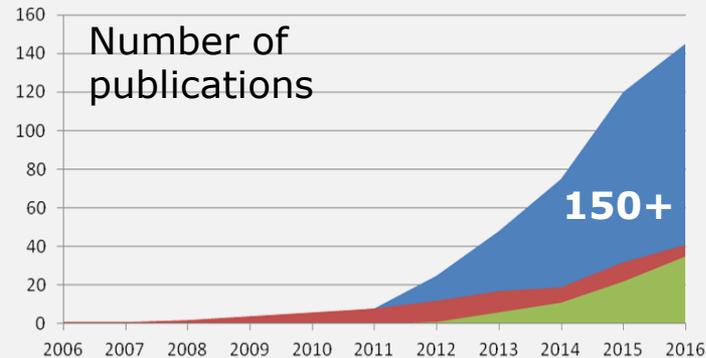
On-market in US/EU

20k+ patient implants

310+ centers

80+ countries

The broadest clinical history available in sutureless technology



Perceval

Enable

Intuity

5 yrs publications

9 yrs clinical experience

PERSIST-AVR: the largest controlled randomized trial for Perceval

# Perceval: significant opportunity to increase adoption

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Global growth 2015 to 2016

**Over  
50%**

Deep penetration in U.S. hospitals

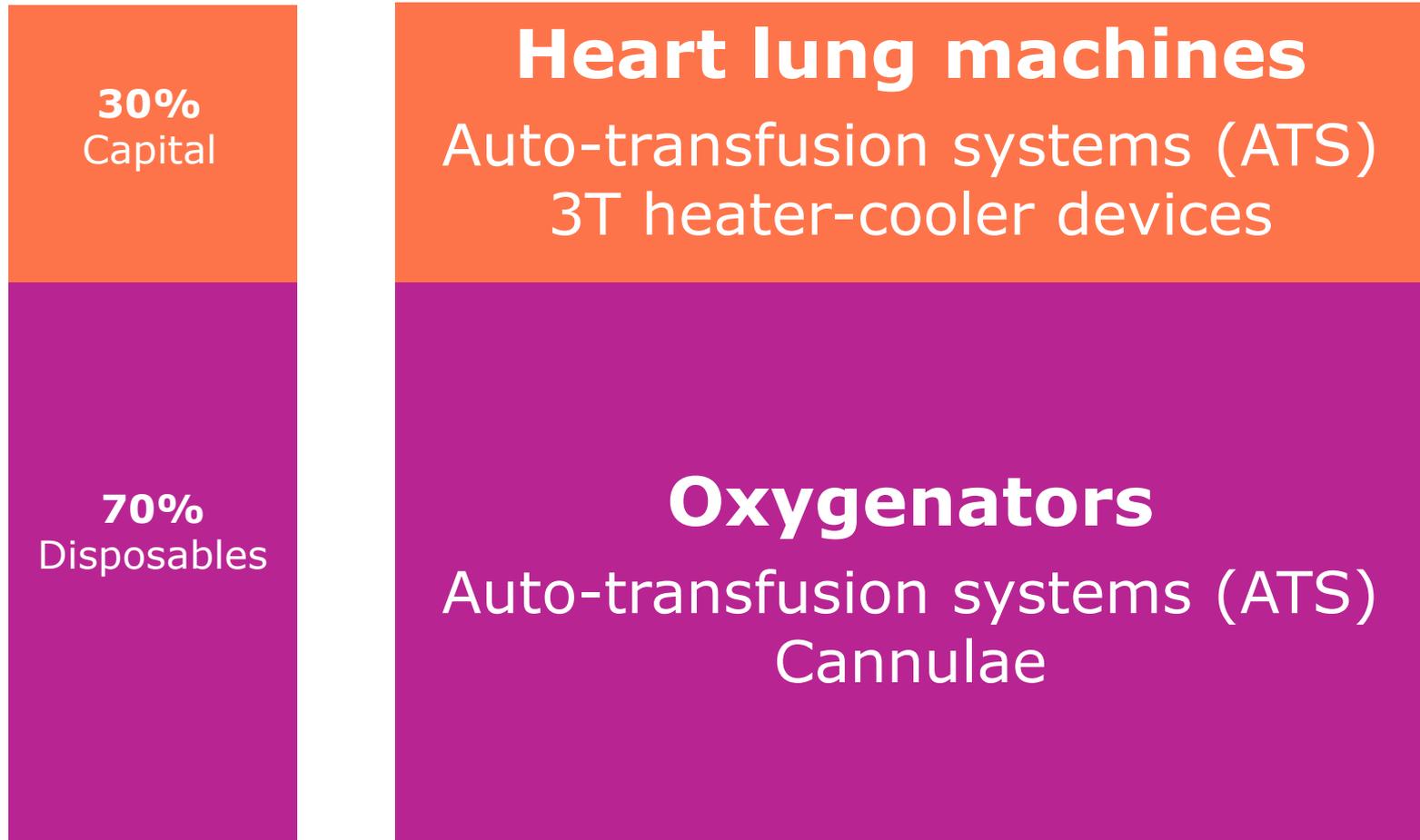
Increase adoption by center in EU

Focus on early adoption in emerging markets

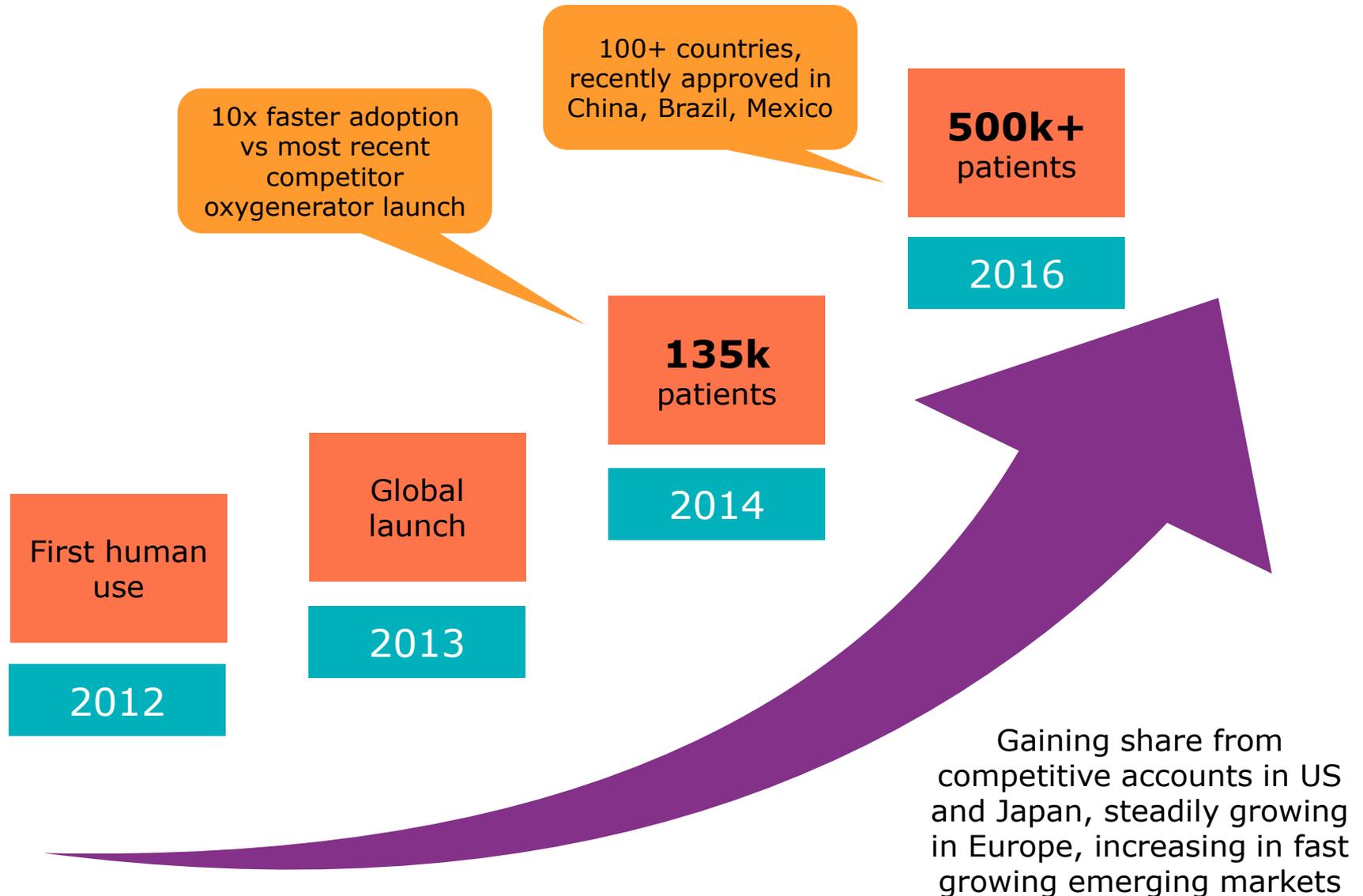
Launch in Japan by end of 2017/early 2018

# Cardiopulmonary: growth driven by oxygenators

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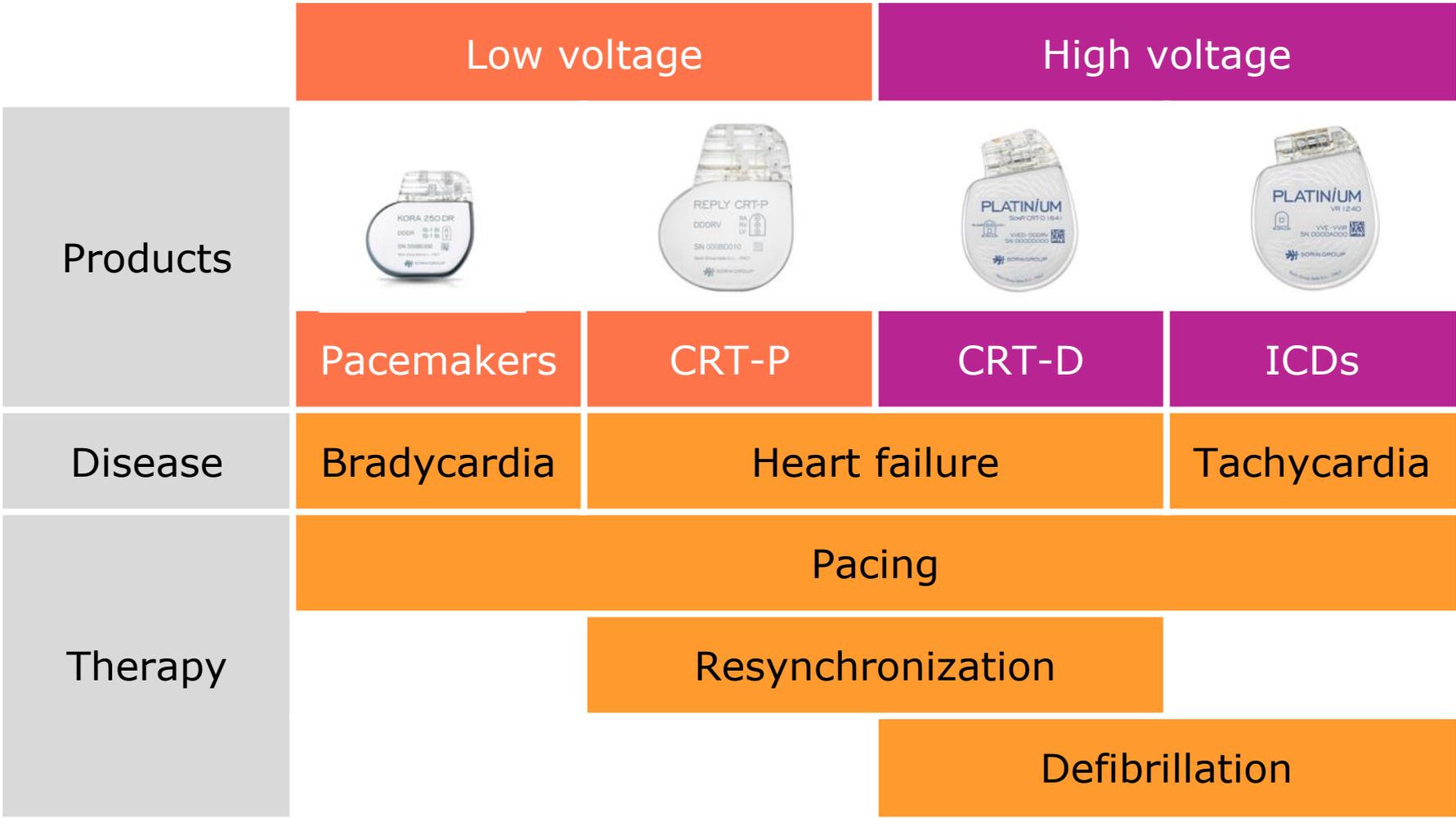
# INSPIRE: a record global clinical adoption



# Cardiac Rhythm Management



# We have a broad portfolio of products



# Our differentiated products are driving growth

## Kora 250



- Commercially available in Europe and ROW
- Full-body MRI solution with Auto MRI mode
- Smallest device on the market
- Next-generation of active and passive leads

## Platinum



- Commercially available in U.S., Europe and ROW
- Longest battery life\*
- Premium positioning due to product differentiation

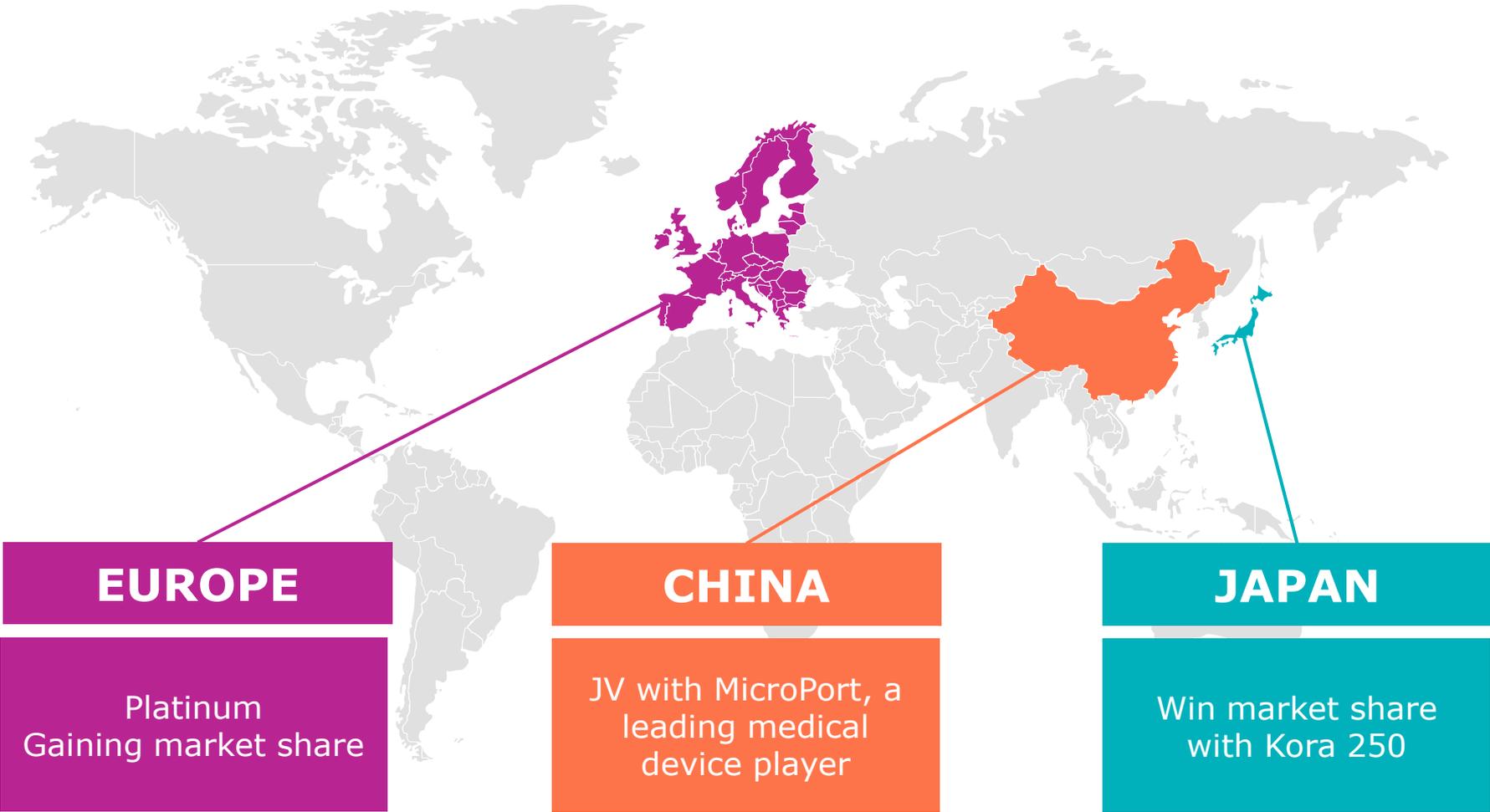
## SonR



- Commercially available in Europe
- Leverage successful results from Respond trial
- Unique features - automatic and continuous
- Further penetration in developed markets

# We are focused on select geographies

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# Looking Forward



# 2016: Made progress in our first year

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Adjusted gross margin<sup>(1)</sup> in mid-60s, 150 basis points higher than in 2015

Reduced operating expenses<sup>(1)</sup> by over \$20M

- disciplined spending
- eliminated duplicate R&D
- reprioritized investments

Improved in-channel inventory levels and enhanced distributor relationships

Met commitment of \$19M in merger synergies

Restructured less profitable businesses

Tax rate<sup>(2)</sup> in mid-20s, down from mid-30s in 2015

# 2017: Full-year guidance

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Worldwide net sales growth <sup>(1)</sup>	1% - 3%
Adjusted gross margin <sup>(2)</sup>	Mid-60%
Adjusted operating margin <sup>(2)</sup>	High teens
Effective tax rate <sup>(3)</sup>	24% - 25%
Adjusted diluted EPS <sup>(2)</sup>	\$3.25 - \$3.45
Diluted weighted average shares	~49M
Cash flow from operations <sup>(4)</sup>	\$190M - \$210M
Capital spending	\$40M - \$50M

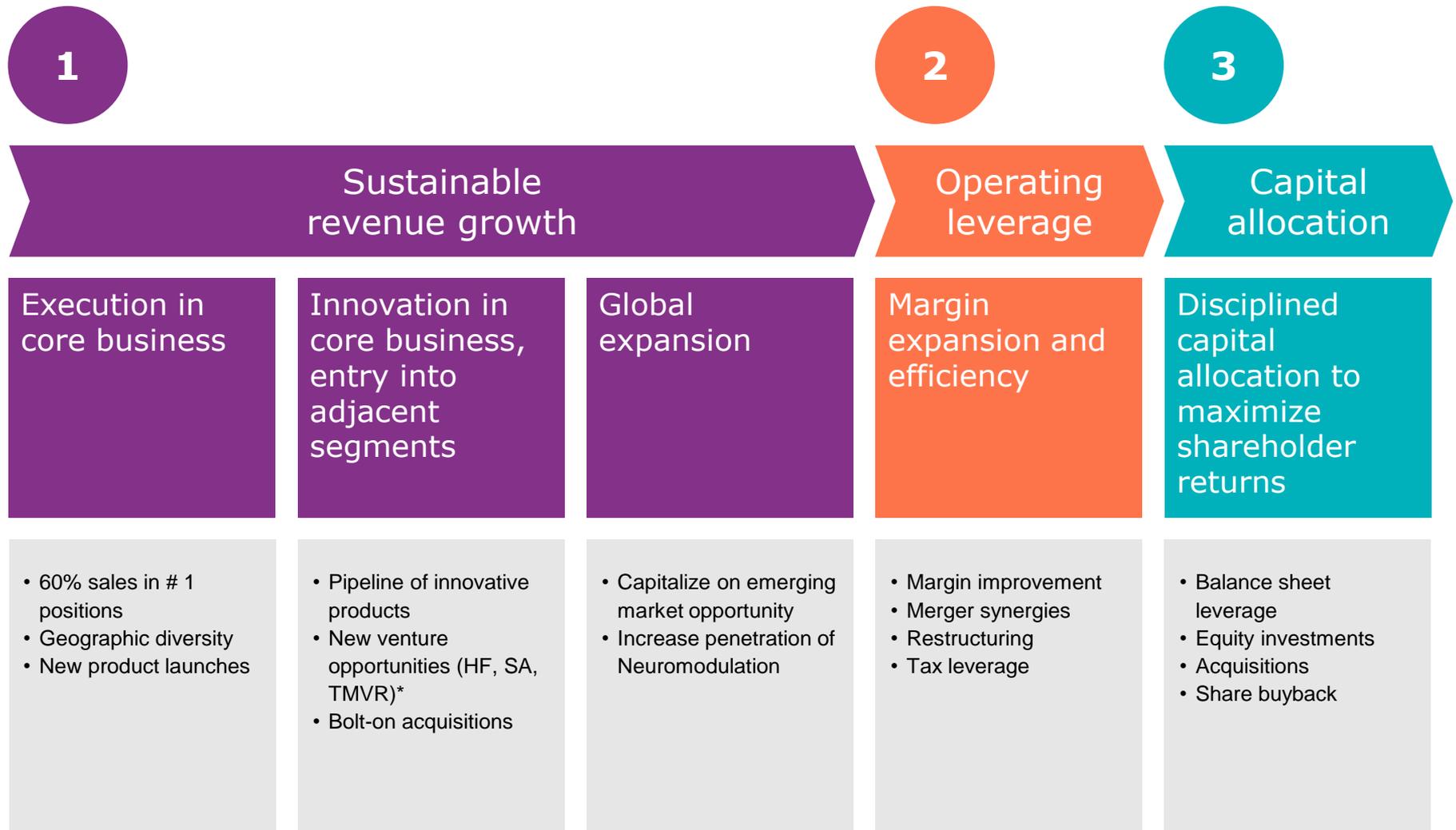
1. Net sales are on a constant-currency basis, which excludes the impact of foreign currency. The impact from foreign currency is expected to be negative 1% to 0% if current rates prevail.

2. Adjusted gross margin, operating margin and diluted earnings per share are non-GAAP measures.

3. Tax expense excludes interest in minority investments.

4. Excludes integration, restructuring and 3T remediation payments.

# Strategic roadmap



# Growing base business + new market opportunities

**Base  
business**

NM  
CS  
CRM



Solid base  
with several  
recent product  
launches

**New venture  
opportunities**

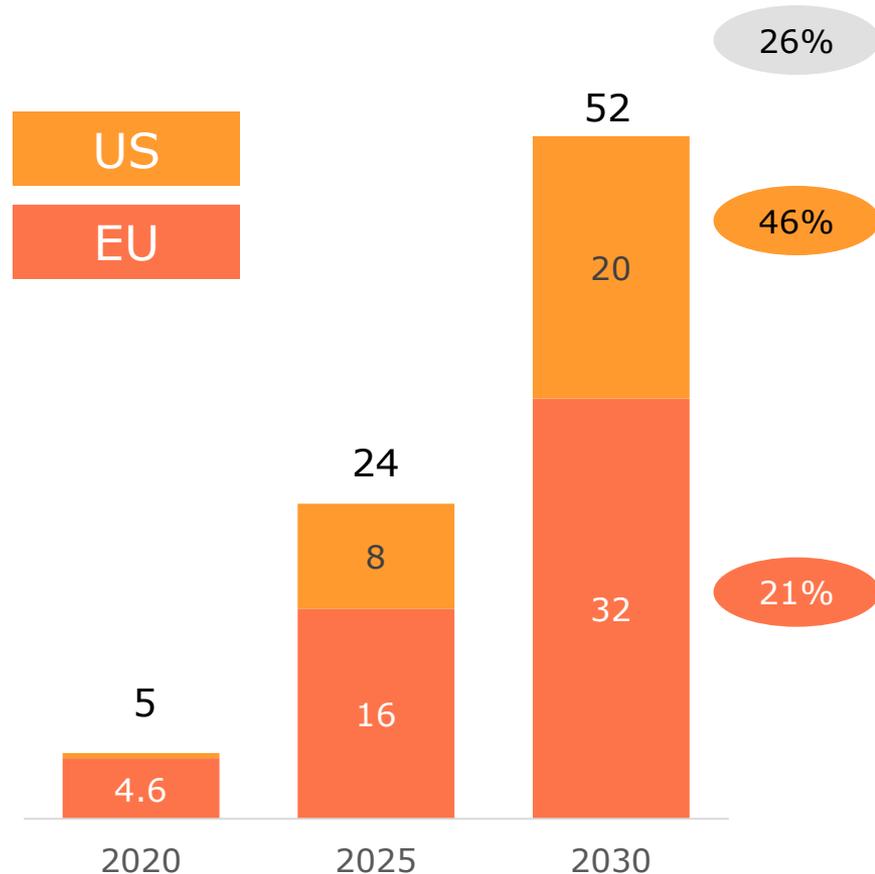
Mitral valve  
Heart failure  
Sleep apnea



Investment in  
early stage  
development  
companies to  
accelerate  
growth

# Mitral valve (TMVR): a multi-million dollar market opportunity

## TMVR procedures Thousands



Investment in two promising early clinical phase TMVR technologies



**Caisson:**  
TMVR  
transseptal  
delivery



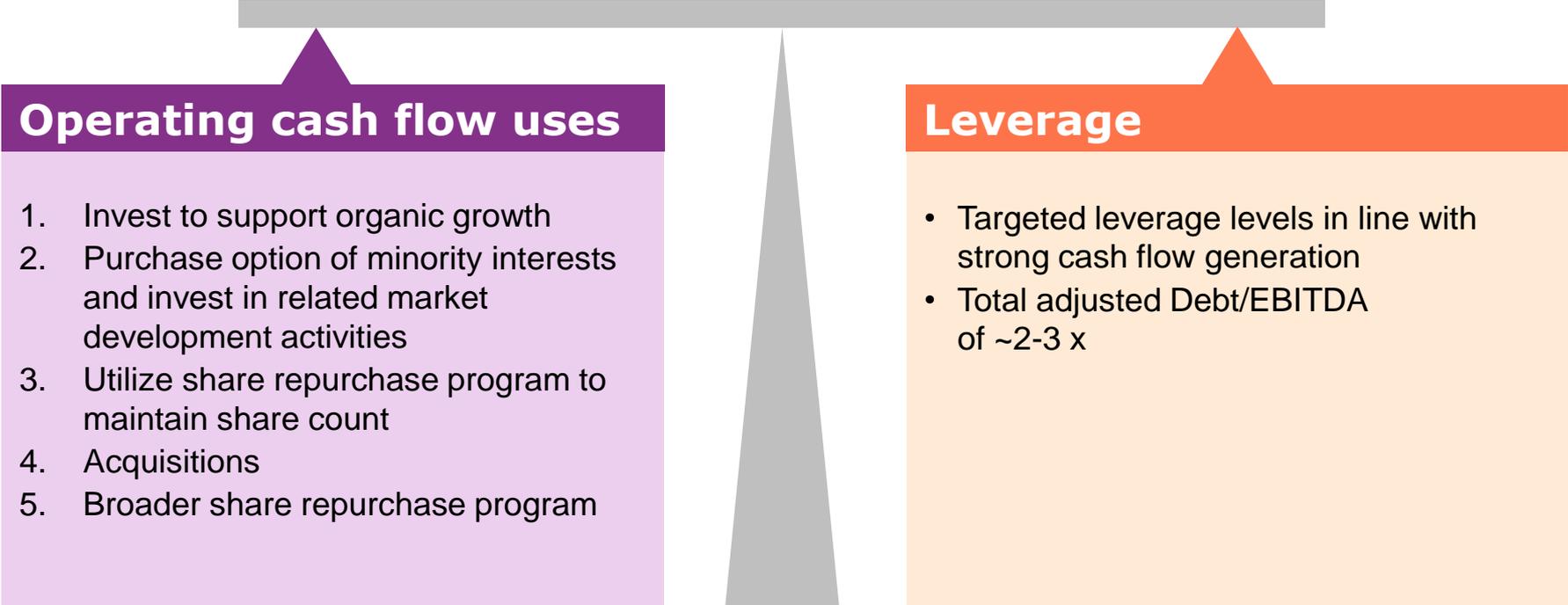
**HighLife:**  
TMVR  
transapical  
delivery

# Capital allocation priorities

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## Implications

- Provides liquidity to support business strategy
- Creates a capital structure that flexes with business
- Flexibility in global capital markets



## Operating cash flow uses

1. Invest to support organic growth
2. Purchase option of minority interests and invest in related market development activities
3. Utilize share repurchase program to maintain share count
4. Acquisitions
5. Broader share repurchase program

## Leverage

- Targeted leverage levels in line with strong cash flow generation
- Total adjusted Debt/EBITDA of ~2-3 x



# Summary

# LivaNova: an attractive investment

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## Opportunity

### Large global markets

- Our markets are large and expanding
- Through innovation and targeted investments, we have significant opportunity for growth

## Position

### Leveraging leadership position in strong base business

- Leader in VNS therapy; #1 position in heart lung machines and oxygenators; innovative and unique products in CRM
- Broad geographic presence
- Unique technology & proven market access capabilities
- Strong balance sheet

## Growth

### Long-term growth potential

- Multiple growth drivers in base business
- Incremental opportunities with new venture investments

# Appendix

# GAAP to Non-GAAP Reconciliations

U.S. dollars in millions, except per share amounts

Twelve Months Ended December 31, 2016	Sales	Gross Profit	Income From Operations	Net Income	Diluted EPS
GAAP Financial Measures	\$1,213.9	\$704.4	(\$27.6)	(\$62.8)	(\$1.29)
Specified Items					
Merger and integration expense (A)		—	20.5	14.6	0.30
Restructuring expense (B)		—	55.9	45.5	0.93
Amortization of intangible assets (C)		6.8	52.4	42.5	0.87
Impairment of goodwill (D)		—	18.3	18.3	0.37
3T product remediation (E)		37.5	37.5	24.8	0.51
Other Income Expenses & Litigations (F)		—	6.9	4.7	0.10
Write-off of investment in minorities (G)		—	—	9.2	0.19
Impact of inventory step-up (H)		35.2	35.2	26.3	0.54
Equity compensation (I)		0.7	19.3	14.5	0.30
Certain tax adjustments (J)		—	—	11.4	0.23
Adjusted financial measures	\$1,213.9	\$784.6	\$218.6	\$149.3	\$3.05

## GAAP results for the twelve months ended December 31, 2016 include:

- (A) Expenses related to merger and integration activities
- (B) CRM restructuring announced March 10, 2016, corporate-related severance, shared-service synergies and recent organizational changes
- (C) Amortization expense associated with intangible assets recorded at fair value in purchase accounting
- (D) Impairment of CRM segment goodwill
- (E) Costs related to the 3T Heater-Cooler Remediation Plan
- (F) Includes a gain recognized for the reimbursement of \$4.7M of earthquake damages incurred in Mirandola (Italy) in 2012; \$5.0M for the reserve of certain receivables from a Greece distributor; \$2.6M related to the reassessment of earn-out provisions for two legacy distributor acquisitions; \$0.8M related litigation settlements with two independent sales agent; \$0.7M related to accruals for tax penalties related to previous years; \$2.5M related to other litigation
- (G) \$9.2M related to the impairment of a purchase option for Respicardia
- (H) Includes amortization of inventory step-up associated with purchase accounting
- (I) Includes \$17.7M related to SG&A, \$0.9M related to R&D, and \$0.7M related to Cost of Sales
- (J) Relates to the impact of restructuring initiatives, including IP migration

# GAAP to Non-GAAP Reconciliations

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The preceding tables reconcile the most comparable U.S. Generally Accepted Accounting Principles (GAAP) measures to the non-GAAP financial and operating measures presented in LivaNova's second-quarter 2016 press release and during the conference call held in conjunction with the announcement of second-quarter 2016 results.

LivaNova uses various non-GAAP financial measures including, among others, net sales on a constant-currency basis, adjusted gross profit, adjusted operating margin, adjusted net income and adjusted diluted earnings per share. These non-GAAP measures adjust for certain specified items that are described in the press release and attached schedules. LivaNova's management believes that these non-GAAP financial measures facilitate a more complete analysis and greater transparency into LivaNova's ongoing results of operations, particularly in comparing underlying results from period to period. Management uses these non-GAAP financial measures internally in financial planning to monitor business unit performance and in evaluating management performance. All non-GAAP financial measures are intended to supplement the applicable GAAP measures and should not be considered in isolation from, or a replacement for, financial measures prepared in accordance with GAAP.

