

LivaNova

Second-Quarter 2024 Earnings Update

July 31, 2024



Safe Harbor

Certain statements in this material, other than statements of historical or current fact, are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. These statements include, but are not limited to, LivaNova’s plans, objectives, strategies, financial performance and outlook, trends, the amount and timing of future cash distributions, prospects or future events, and involve known and unknown risks that are difficult to predict. As a result, the Company’s actual financial results, performance, achievements, or prospects may differ materially from those expressed or implied by these forward-looking statements. Generally, you can identify forward-looking statements by the use of words such as “may,” “could,” “seek,” “guidance,” “predict,” “potential,” “likely,” “believe,” “will,” “should,” “expect,” “anticipate,” “estimate,” “plan,” “intend,” “forecast,” “foresee” or variations of these terms and similar expressions, or the negative of these terms or similar expressions. Such forward-looking statements are necessarily based on estimates and assumptions that, while considered reasonable by LivaNova and its management based on their knowledge and understanding of the business and industry, are inherently uncertain. These statements are not guarantees of future performance, and stockholders should not place undue reliance on forward-looking statements. There are a number of risks, uncertainties, and other important factors, many of which are beyond the Company’s control, that could cause the Company’s actual results to differ materially from the forward-looking statements contained in this Report, and include, but are not limited to, the following risks and uncertainties: volatility in the global market and worldwide economic conditions, including as caused by the invasion of Ukraine, the evolving instability in the Middle East, inflation, changing interest rates, foreign exchange fluctuations, changes to existing trade agreements and relationships between the U.S. and other countries, including the implementation of sanctions; cyber-attacks or other disruptions to the Company’s information technology systems or those of third parties with which the Company interacts; costs of complying with privacy and security of personal information requirements and laws; risks relating to supply chain pressures; changes in technology, including the development of superior or alternative technology or devices by competitors and/or competition from providers of alternative medical therapies; failure to obtain approvals or reimbursement in relation to the Company’s products; failure to establish, expand or maintain market acceptance of the Company’s products for the treatment of the Company’s approved indications; failure to develop and commercialize new products and the rate and degree of market acceptance of such products; unfavorable results from clinical studies or failure to meet milestones; failure to comply with, or changes in, laws, regulations or administrative practices affecting government regulation of the Company’s products; risks relating to recalls, enforcement actions or product liability claims; changes or reduction in reimbursement for the Company’s products or failure to comply with rules relating to reimbursement of healthcare goods and services; failure to comply with anti-bribery laws; losses or costs from pending or future lawsuits and governmental investigations, including in the case of the Company’s 3T Heater-Cooler and SNIA environmental litigations; risks associated with environmental laws and regulations as well as environmental liabilities, violations, protest voting, and litigation; product liability, intellectual property, shareholder-related, environmental-related, income tax and other litigation, disputes, losses and costs; failure to retain key personnel, prevent labor shortages, or manage labor costs; the failure of the Company’s R&D efforts to keep up with the rapid pace of technological development in the medical device industry; the risks relating to the impact of climate change and the risk of ESG pressures from internal and external stakeholders; the risk of quality concerns and the impacts thereof; failure to protect the Company’s proprietary intellectual property; failure of new acquisitions to further the Company’s strategic objectives or strengthen the Company’s existing businesses; the potential for impairments of intangible assets, goodwill, and other long-lived assets; risks relating to the Company’s indebtedness; effectiveness of the Company’s internal controls over financial reporting; changes in the Company’s profitability and/or failure to manage costs and expenses; fluctuations in future quarterly operating results and/or variations in revenue and operating expenses relative to estimates; changes in tax laws and regulations, including exposure to additional income tax liabilities; and other unknown or unpredictable factors that could harm the Company’s financial performance.

The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and the other risks and uncertainties that affect the Company’s business, including those described in the “Risk Factors” section of the Annual Report 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 the United States Securities and Exchange Commission by LivaNova.

Readers are cautioned not to place undue reliance on the Company’s forward-looking statements, which speak only as of the date of this material. The Company undertakes no obligation to update publicly any of the forward-looking statements in this material 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 LivaNova updates one or more forward-looking statements, no inference should be drawn that the Company will make additional updates with respect to those or other forward-looking statements. rations,” and “Risk Factors” contained in LivaNova’s 2023 Form 10-K and in the Company’s Quarterly Reports on Form 10-Q.

Intellectual Property, Trademarks and Trade Names

This material may contain references to LivaNova's proprietary intellectual property, including among others:

- Trademarks for LivaNova's Neuromodulation systems, the VNS Therapy™ System and LivaNova's proprietary pulse generator products: Model 102 (Pulse™), Model 102R (Pulse Duo™), Model 103 (Demipulse™), Model 104 (Demipulse Duo™), Model 106 (AspireSR™), Model 1000 (SenTiva™), Model 1000-D (SenTiva™ Duo), and Model 8103 (Symmetry™).
- Trademarks for LivaNova's Cardiopulmonary products and systems: Essenz™, S5™, S5 Pro™, B-Capta™, Inspire™, Heartlink™, XTRA™, 3T Heater-Cooler™, Connect™, and Revolution™.
- Trademarks for LivaNova's advanced circulatory support systems: TandemLife™, TandemHeart™, TandemLung™, ProtekDuo™, LifeSPARC™, ALung™, Hemolung™, Respiratory Dialysis™, and ActivMix™.
- Trademarks for LivaNova's obstructive sleep apnea system: ImThera™ and aura6000™

These trademarks and trade names are the property of LivaNova or the property of LivaNova's consolidated subsidiaries and are protected under applicable intellectual property laws. Solely for convenience, LivaNova's trademarks and trade names referred to in this Report may appear without the ™ symbol, but such references are not intended to indicate in any way that the Company will not assert, to the fullest extent under applicable law, LivaNova's rights to these trademarks and trade names.

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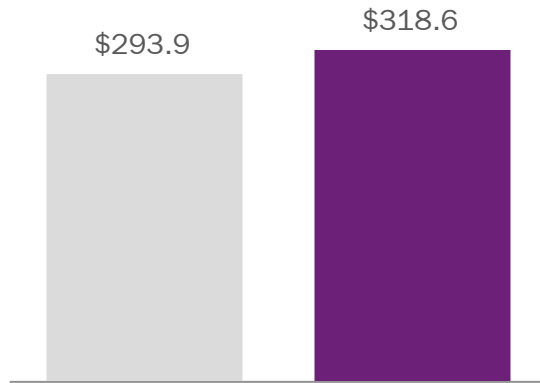
Appendix

Financial Results

2Q24 Financial Summary

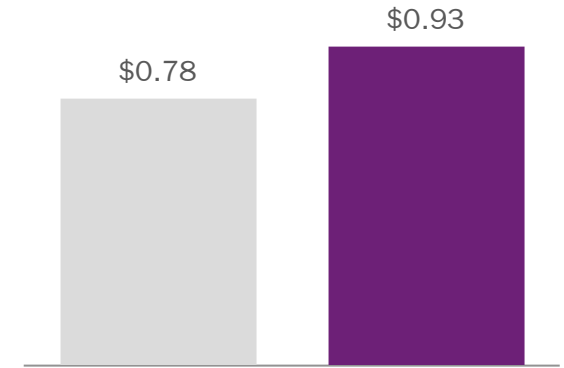
2023 2024

Net Revenue (\$M)

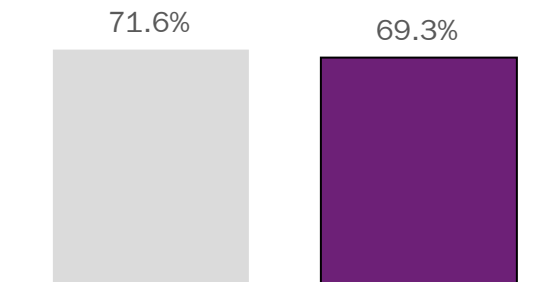


- Net revenue increased 9.6 percent on a constant-currency basis
- Excluding the impact of the ACS segment wind down, revenue increased 10.8 percent on a constant-currency basis
- Foreign currency had an unfavorable impact on net revenue of ~\$3M, or approximately 1 percent

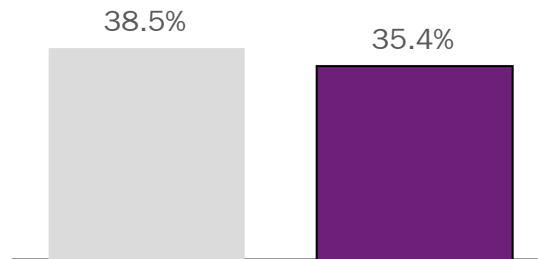
Adjusted Diluted EPS



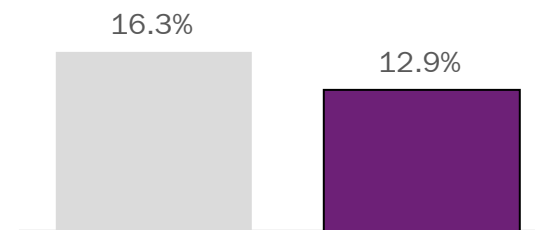
Adjusted Gross Profit %



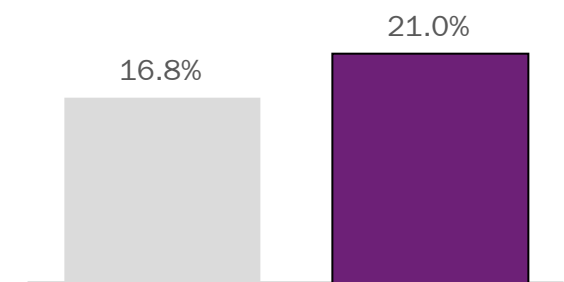
Adjusted SG&A %



Adjusted R&D %



Adjusted Operating Margin %



Note: Net revenue, total revenue excluding revenue from the ACS segment wind down, adjusted diluted EPS and adjusted gross profit, adjusted SG&A, adjusted R&D, and adjusted operating margin all as a percentage of net revenue are non-GAAP measures. All percent change performance is shown on a year-over-year constant-currency basis, which is a non-GAAP measure. Constant currency excludes the effects of foreign currency fluctuations. For reconciliations of certain non-GAAP metrics, see the tables in the appendix. See the section entitled "Supplemental Unaudited Revised Financial Information and Non-GAAP Measures" in the 8-K furnished with the SEC on July 31, 2024 for additional details. Numbers may not add precisely due to rounding. ACS: Advanced Circulatory Support.

2Q24 Net Revenue

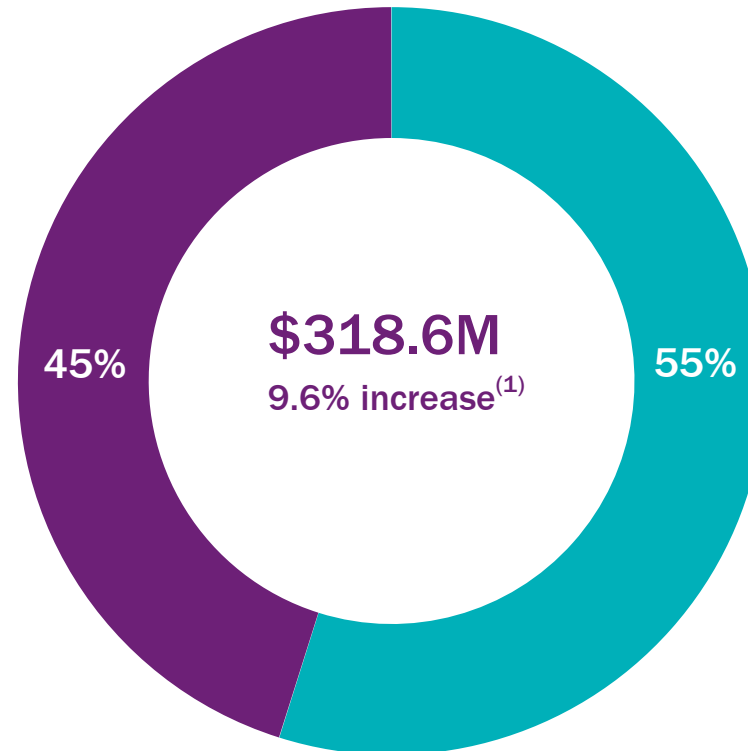
Neuromodulation

Vagus Nerve Stimulation Therapy (VNS Therapy)

- Drug-Resistant Epilepsy (DRE)
- Difficult-to-Treat Depression (DTD)

Hypoglossal Nerve Stimulation Therapy (HGNS Therapy)

- Obstructive Sleep Apnea (OSA)



Cardiopulmonary (CP)

- Heart-lung machines (HLM)
- Oxygenators
- Autotransfusion systems (ATS)
- Cannulae

Numbers may not add precisely due to rounding.
Percentages by segment exclude "Other" revenue.

Other revenue primarily includes revenue from the Company's former ACS reportable segment, as well as rental and site services income not allocated to segments.

⁽¹⁾ All percent change performance is shown on a year-over-year constant-currency basis, which is a non-GAAP measure. Constant-currency percent change excludes the impact from fluctuations in the various currencies in which the Company operates as compared to reported percent change. For reconciliations of certain non-GAAP metrics, see the tables in the appendix.

Segment Net Revenue Comparisons by Region

(\$M)	Three Months Ended June 30,		% Change	Constant-Currency % Change ⁽¹⁾
	2024	2023		
Cardiopulmonary				
United States	\$64.9	\$50.0	29.7%	29.7%
Europe ⁽²⁾	38.6	39.3	(2.0)%	(1.3)%
Rest of World	70.3	64.8	8.5%	12.3%
	<u>173.7</u>	<u>154.1</u>	12.7%	14.5%
Neuromodulation				
United States	111.7	104.1	7.3%	7.3%
Europe ⁽²⁾	15.6	15.1	3.1%	3.2%
Rest of World	15.6	14.0	11.5%	16.7%
	<u>142.9</u>	<u>133.2</u>	7.3%	7.8%
Other Revenue ⁽³⁾	2.0	6.6	(69.9)%	(69.9)%
Total Net Revenue	\$318.6	\$293.9	8.4%	9.6%
Less: ACS ⁽⁴⁾	3.0	5.9	(49.7)%	(49.7)%
Total Net Revenue, Excluding ACS⁽¹⁾	\$315.6	\$288.0	9.6%	10.8%

Numbers may not add precisely due to rounding. Segment financial information presented herein reflects LivaNova's change in segments, effective in the first quarter 2024, for all periods presented. ACS: Advanced Circulatory Support.

⁽¹⁾ Constant-currency percent change and total net revenue excluding revenue from the ACS segment wind down are non-GAAP measures. Constant-currency percent change excludes the impact from fluctuations in the various currencies in which the Company operates as compared to reported percent change. For reconciliations of certain non-GAAP metrics, see the tables in the appendix.

⁽²⁾ Includes countries in Europe where the Company has a direct sales presence. Countries in Europe where sales are made through distributors are included in "Rest of World."

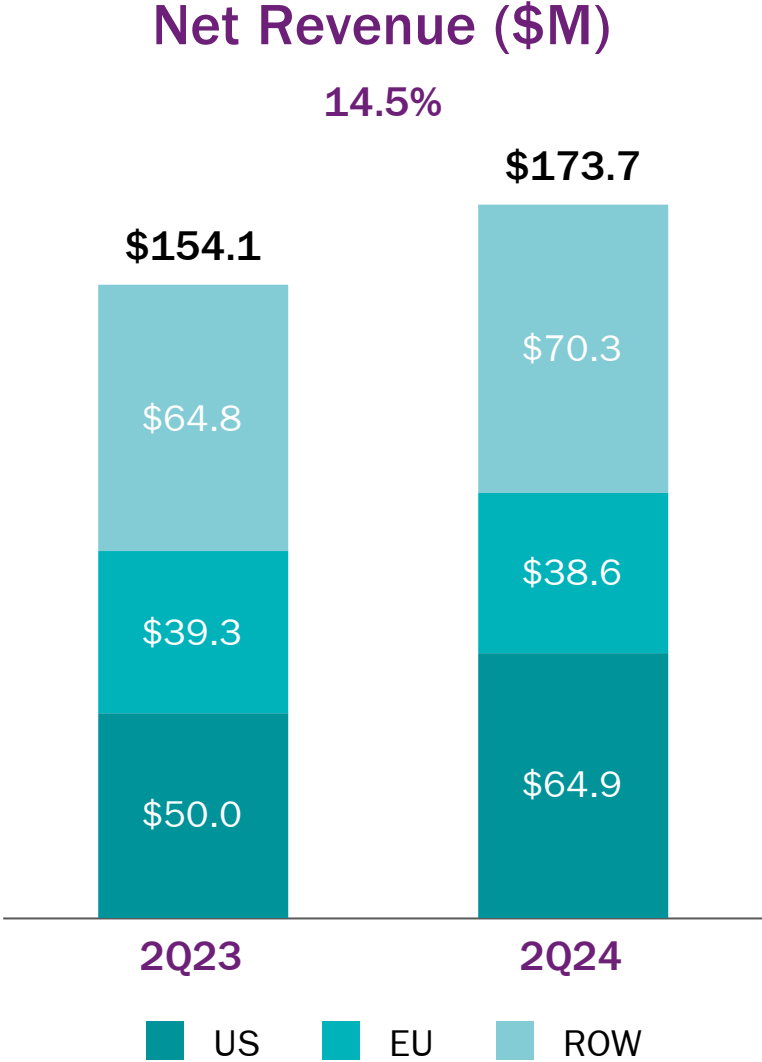
⁽³⁾ Other revenue primarily includes revenue from the Company's former ACS reportable segment, as well as rental and site services income not allocated to segments.

⁽⁴⁾ Includes the results from the wind down portion of the Company's former ACS reportable segment.

2Q24 Cardiopulmonary Revenue⁽¹⁾

Drivers/Impacts

- Revenue increased 14.5% with strength in the U.S. and Rest of World regions. Growth in Europe was unfavorably impacted by provision for Italian payback measure.
- Strong global demand for consumables, including oxygenator revenue growth of more than 15%.
- HLM revenue grew more than 25% driven by Essenz sales.



Numbers may not add precisely due to rounding.

⁽¹⁾ All percent change performance is shown on a year-over-year constant-currency basis, which is a non-GAAP measure. Constant-currency percent change excludes the impact from fluctuations in the various currencies in which the Company operates as compared to reported percent change. For reconciliations of certain non-GAAP metrics, see the tables in the appendix.

2Q24 Neuromodulation Revenue⁽¹⁾

Drivers/Impacts

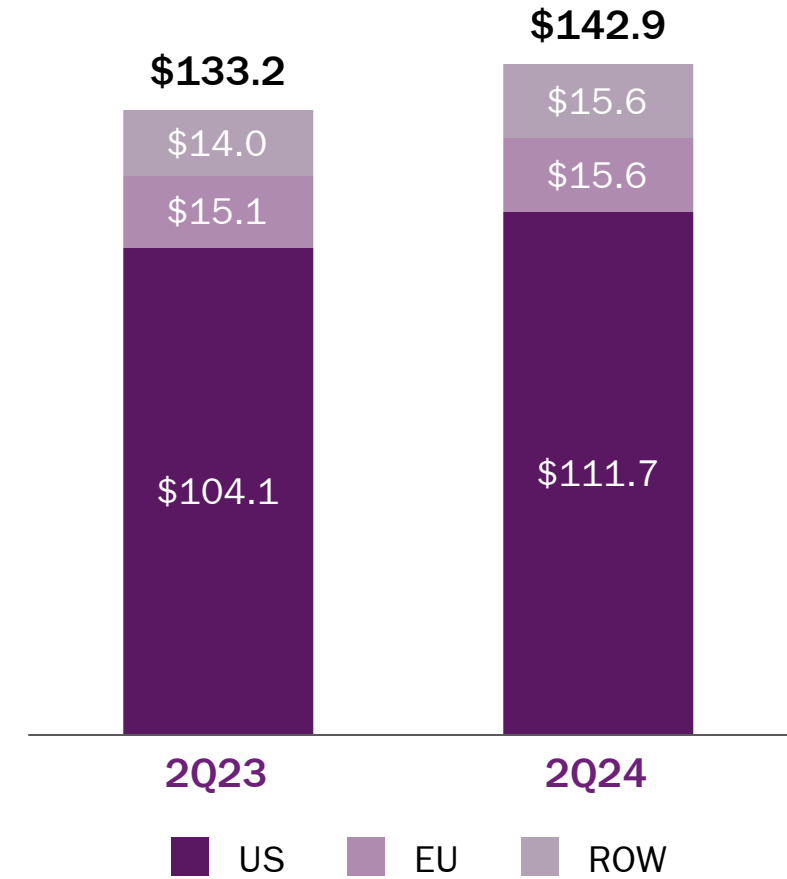
Revenue increased 7.8% with growth across all regions.

Total Epilepsy revenue grew 6.8% with U.S. Epilepsy revenue growth of 6.5% driven by new and replacement implants.

Europe and Rest of World Epilepsy revenue increased 8.1%.

Net Revenue (\$M)

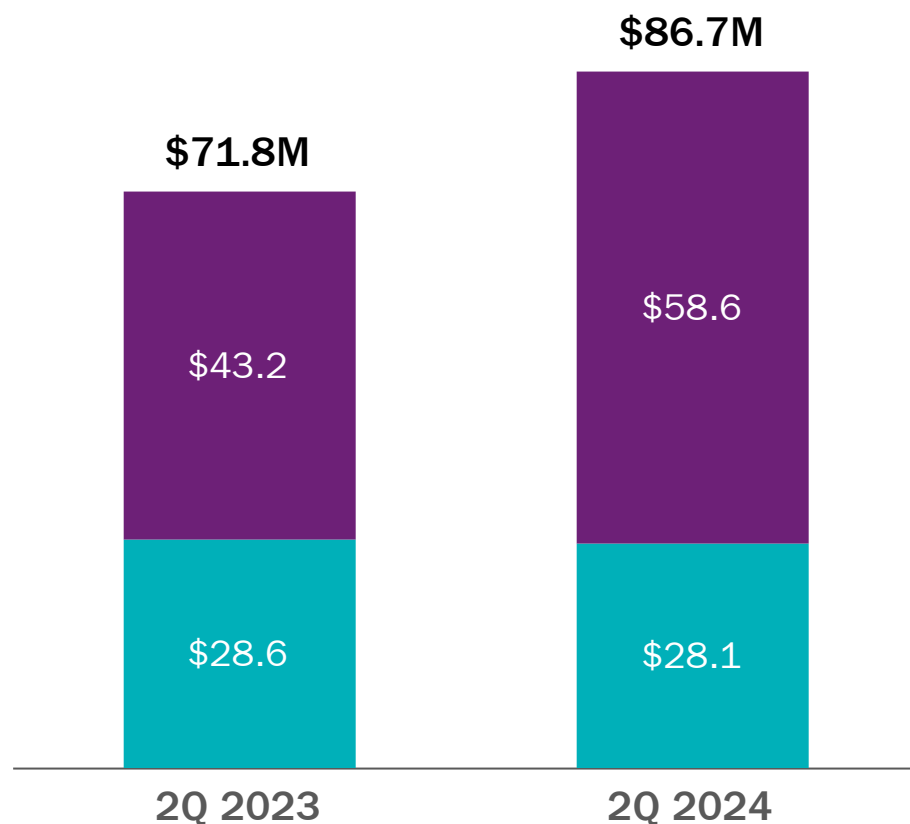
7.8%



Numbers may not add precisely due to rounding.

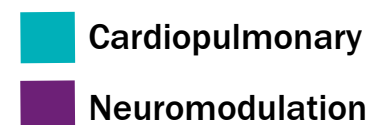
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2Q24 Adjusted Segment Income and Margin⁽¹⁾



	% to Revenue	
	2Q23	2Q24
Cardiopulmonary	18.6%	16.2%
Neuromodulation	32.4%	41.0%
Total Segment Margin	25.0%	27.4%
Total Operating Margin⁽²⁾	16.8%	21.0%

2Q24 adjusted operating margin favorably impacted by HF program and ACS segment wind down and unfavorably impacted by provision for Italian payback measure



Numbers may not add precisely due to rounding. Segment financial information presented herein reflects LivaNova's change in segments, effective in the first quarter 2024, for all periods presented. HF: Heart Failure. ACS: Advanced Circulatory Support ⁽¹⁾ Adjusted segment income and margin are non-GAAP measures. These non-GAAP measures are reconciled to the most directly comparable GAAP measures in the appendix. See the section entitled "Supplemental Unaudited Revised Financial Information and Non-GAAP Measures" in the 8-K furnished with the SEC on July 31, 2024 for additional details. ⁽²⁾ Other income and expense not allocated to segments primarily including corporate expense, rental income, and the results of LivaNova's former ACS reportable segment

Adjusted Free Cash Flow

Targeting \$95 - 115M of adjusted free cash flow (FCF) for full-year 2024

Adjusted Free Cash Flow Reconciliation (\$M)	1Q 2024	2Q 2024	2024 YTD
Net cash provided by operating activities	\$10.0	\$43.4	\$53.3
Less: Purchases of plant, property, and equipment	(6.4)	(12.2)	(18.6)
Add: 3T Heater-Cooler litigation payments	0.2	3.8	4.0
Add: SNIA financing and other costs	7.5	7.1	14.6
Adjusted free cash flow	\$11.2	\$42.1	\$53.4

Last Twelve Months (LTM) Adjusted Free Cash Flow Conversion Ratio	LTM Ended June 30, 2024
LTM adjusted free cash flow	\$139.9
LTM adjusted net income	\$177.5
LTM adjusted free cash flow conversion ratio	79%

Numbers may not add precisely due to rounding. Adjusted Free Cash Flow (FCF), LTM Adjusted FCF, LTM Adjusted Net Income and LTM Adjusted FCF conversion ratio are non-GAAP measures. LivaNova's definition and calculation of Adjusted FCF may not be comparable to similarly titled measures of other companies.

2Q 2024 Summary

Financial

- 9.6%⁽¹⁾ revenue growth, including double-digit growth in Cardiopulmonary and high-single-digit growth in Neuromodulation
- Adjusted operating margin favorably impacted by higher revenue, operating leverage, and wind down of HF and ACS
- Revenue and adjusted operating margin unfavorably impacted by provision for the Italian payback measure
- Adjusted free cash flow favorably impacted by stronger operating results and working capital improvements

Cardiopulmonary & Epilepsy

- Cardiopulmonary growth driven by Essenz™ Perfusion system sales and consumables demand
- Epilepsy growth driven by total replacements, price, and product mix

DTD & OSA

- DTD: Announced the preliminary results for the unipolar patient cohort of the RECOVER clinical study
- OSA: Continued to follow the ~105 patients enrolled in the OSPREY confirmatory clinical trial, which concluded enrollment in March following achievement of a positive predictive outcome

HF: Heart failure; ACS: Advanced Circulatory Support; DTD: Difficult-to-treat depression; OSA: Obstructive sleep apnea

⁽¹⁾ All percent change performance is shown on a year-over-year constant-currency basis, which is a non-GAAP measure. Constant-currency percent change excludes the impact from fluctuations in the various currencies in which the Company operates as compared to reported percent change. For reconciliations of certain non-GAAP metrics, see the tables in the appendix.

2024 Guidance

2024 Guidance

Raising full-year guidance for revenue, adjusted diluted EPS, and maintaining range for adjusted FCF

	Consolidated Guidance As of February 21, 2024	Consolidated Guidance As of May 1, 2024	Consolidated Guidance As of July 31, 2024
Net revenue growth ⁽¹⁾	4 - 5%	6 - 7%	7 - 8%
Net revenue growth, excluding ACS ⁽²⁾	6 - 7%	8 - 9%	9 - 10%
Foreign exchange impact	–	1% headwind	1% headwind
Adjusted diluted EPS ⁽¹⁾⁽³⁾	\$2.95 - 3.05	\$3.05 - 3.15	\$3.10 - 3.20
Adjusted free cash flow ⁽⁴⁾	\$95 - 115M	\$95 - 115M	\$95 - 115M

Net revenue growth, net revenue growth excluding revenue from the ACS segment wind down, adjusted diluted EPS and adjusted FCF are non-GAAP measures. ⁽¹⁾ Net revenue is on a constant-currency basis. Foreign currency is expected to be a 1% headwind based on current rates. ⁽²⁾ Net revenue growth is on a constant-currency basis, excluding the portion of the ACS segment that is being wound down, which is expected to be substantially complete by the end of 2024. ⁽³⁾ Adjusted diluted EPS assumes adjusted diluted weighted average shares outstanding of approximately 55 million for the full year of 2024. ⁽⁴⁾ Adjusted free cash flow is defined as net cash provided by operating activities less cash used for the purchase of property, plant, and equipment excluding the impact of 3T litigation settlement payments, CARES Act tax stimulus benefits, SNIA financing costs, and gains related to dividends received from investments and further adjusted as needed for other charges, expenses or gains that may not be indicative of the Company's operational performance.

Assumptions for 2024

REVENUE⁽¹⁾ (excluding ACS segment wind down)	9 - 10%	<ul style="list-style-type: none"> • Cardiopulmonary revenue now expected to grow 12 - 13% (versus 8 - 9% prior) • Epilepsy revenue growth of 6 - 7% (maintained) • ACS wind down completion expected by the end of 2024
EPS⁽²⁾	\$3.10 - 3.20	<ul style="list-style-type: none"> • Adjusted operating income margin increase of ~350bps and adjusted operating income growth of >30% • Investing in innovation to drive long-term value creation with HF and ACS actions providing operating leverage • EPS growth of ~12% negatively impacted by ~\$0.45 due to a step up in the effective tax rate to 21%
ADJUSTED FCF⁽³⁾	\$95 - 115M	<ul style="list-style-type: none"> • 9% improvement in adjusted FCF while increasing capital spend and including ACS wind down costs • Capital spend of ~\$60M to support innovation, growth, and infrastructure • Continued focus on improving working capital management
DTD & OSA	Pipeline Execution	<ul style="list-style-type: none"> • DTD: Pursue CMS coverage for VNS Therapy™ for the RECOVER patient population while preparing for reduction in investment in 2025 • OSA: Follow ~105 patients for 7 months

ACS: Advanced Circulatory Support; HF: Heart failure; FCF: Free cash flow; DTD: Difficult-to-treat depression; OSA: Obstructive sleep apnea; CMS: U.S. Centers for Medicare and Medicaid Services

Net revenue growth, net revenue growth excluding ACS, adjusted diluted EPS and adjusted FCF are non-GAAP measures. ⁽¹⁾ Net revenue is on a constant-currency basis, excluding the portion of the ACS segment that is being wound down. ⁽²⁾ Adjusted diluted EPS assumes adjusted diluted weighted average shares outstanding of approximately 55 million for the full year of 2024. ⁽³⁾ Adjusted free cash flow is defined as net cash provided by operating activities less cash used for the purchase of property, plant, and equipment excluding the impact of 3T litigation settlement payments, CARES Act tax stimulus benefits, SNIA financing costs, and gains related to dividends received from investments and further adjusted as needed for other charges, expenses or gains that may not be indicative of the Company's operational performance.

2023 Adjusted Diluted EPS⁽¹⁾ Bridge to 2024 Guidance



⁽¹⁾Adjusted diluted EPS is a non-GAAP measure. This non-GAAP measure is reconciled to its GAAP measure in the appendix.

Appendix

GAAP to Non-GAAP Reconciliations

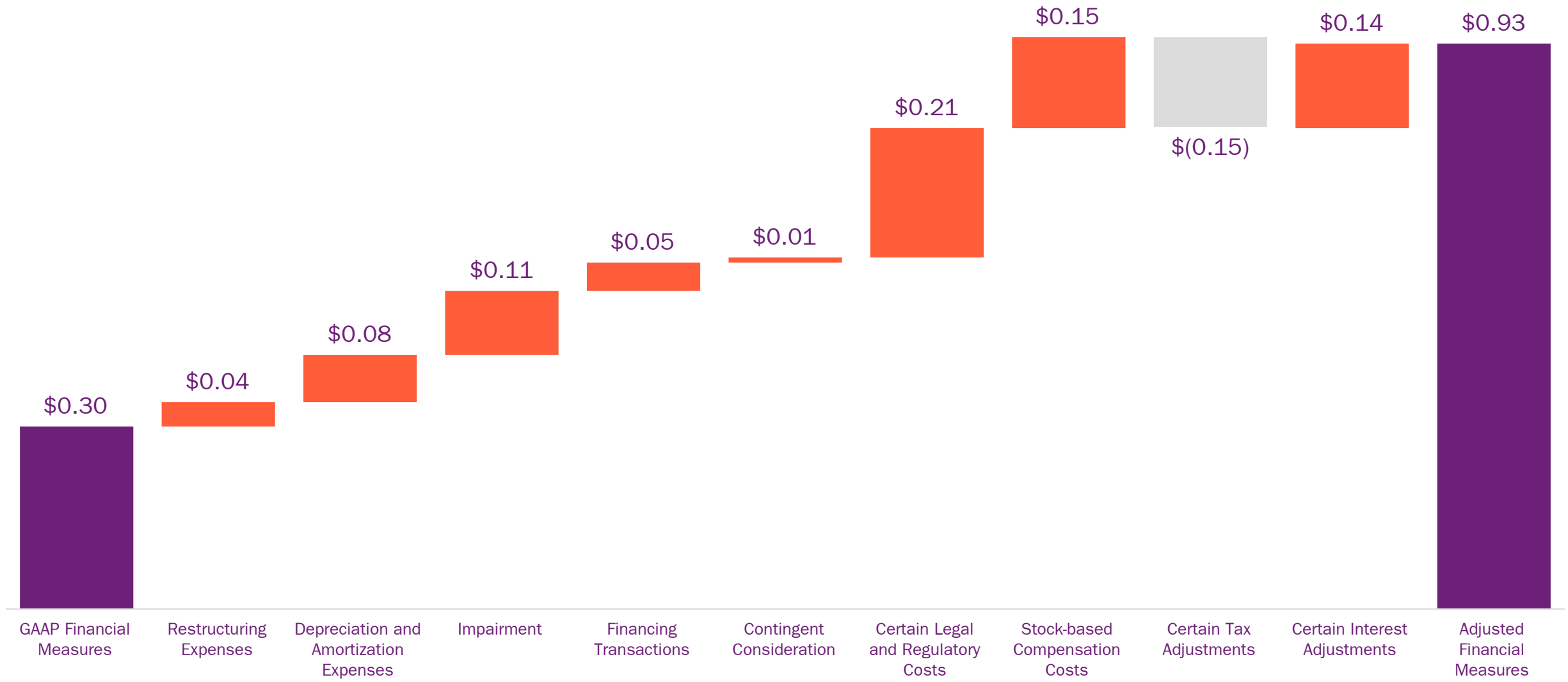
To supplement financial measures presented in accordance with generally accepted accounting principles in the United States (U.S. GAAP or GAAP), management has disclosed certain additional measures not presented in accordance with GAAP known as “non-GAAP financial measures” or “adjusted financial measures.” Company management uses these non-GAAP measures to monitor the Company’s operational performance and for benchmarking against other medical technology companies. Non-GAAP financial measures used by the Company may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies. These non-GAAP financial measures should be considered along with, but not as alternatives to, operational performance measures as prescribed by GAAP.

In this material, the Company refers to comparable, constant-currency percent change in revenue. Company management believes that referring to comparable, constant-currency percent change is the most useful way to evaluate the revenue performance of LivaNova and to compare the revenue performance of current periods to prior periods on a consistent basis. Constant-currency percent change, a non-GAAP financial measure, measures the change in revenue between current and prior-year periods using average exchange rates in effect during the applicable prior-year period.

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 revenue 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 items such as, but not limited to, changes in fair value of derivatives and contingent consideration arrangements and asset impairment charges that would be included in comparable GAAP financial measures. The most directly comparable GAAP measure for adjusted free cash flow is net cash provided by operating activities. Adjusted free cash flow is defined as net cash provided by operating activities less cash used for the purchase of property, plant, and equipment excluding the impact of 3T litigation settlement payments, CARES Act tax stimulus benefits, SNIA financing costs, and gains related to dividends received from investments and further adjusted as needed for other charges, expenses or gains that may not be indicative of the Company’s operational performance. 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, the ultimate outcome of legal proceedings, gains or losses on the potential sale of businesses or other assets, restructuring costs, merger and integration activities, changes in fair value of derivatives, and contingent consideration arrangements, asset impairment charges and the tax impact of the aforementioned items, tax law changes, or other tax matters. Accordingly, the Company does not reconcile non-GAAP financial measures on a forward-looking basis as it is impractical to do so without unreasonable effort.

The Company also believes adjusted financial measures such as adjusted cost of sales, adjusted gross profit, adjusted selling, general, and administrative expense, adjusted research and development expense, adjusted other operating expenses, adjusted operating income, adjusted income before tax, adjusted income tax expense, adjusted net income, and adjusted diluted earnings per share, are measures that LivaNova generally uses to facilitate management review of the operational performance of the company, to serve as a basis for strategic planning, and in the design of incentive compensation plans. Additionally, the Company uses the non-GAAP liquidity measure adjusted free cash flow. Furthermore, adjusted financial measures allow investors to evaluate the Company’s operational performance for different periods on a more comparable and consistent basis, and with other medical technology companies by adjusting for items that are not related to the operational performance of the Company or incurred in the ordinary course of business.

2Q24 Adjusted EPS⁽¹⁾



⁽¹⁾ Adjusted diluted EPS is a non-GAAP measure. This non-GAAP measure is reconciled to its GAAP measure in the appendix.

GAAP to Non-GAAP Reconciliations - *Unaudited*

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES - UNAUDITED
(U.S. dollars in millions, except per share amounts)

Three Months Ended June 30, 2024	Specified Items										Adjusted Financial Measures
	GAAP Financial Measures	Restructuring Expenses ⁽¹⁾	Depreciation and Amortization Expenses ⁽²⁾	Impairment ⁽³⁾	Financing Transactions ⁽⁴⁾	Contingent Consideration ⁽⁵⁾	Certain Legal & Regulatory Costs ⁽⁶⁾	Stock-based Compensation Costs ⁽⁷⁾	Certain Tax Adjustments ⁽⁸⁾	Certain Interest Adjustments ⁽⁹⁾	
Cost of sales	\$99.7	\$—	\$(1.7)	\$—	\$—	\$(0.1)	\$—	\$(0.1)	\$—	\$—	\$97.8
Gross profit percent	68.7 %	— %	0.5 %	— %	— %	— %	— %	— %	— %	— %	69.3 %
Selling, general, and administrative	129.1	—	(2.6)	—	—	—	(7.7)	(6.1)	—	—	112.7
Selling, general, and administrative as a percent of net revenue	40.5 %	— %	(0.8)%	— %	— %	— %	(2.4)%	(1.9)%	— %	— %	35.4 %
Research and development	44.7	—	—	—	—	(0.3)	(1.3)	(2.0)	—	—	41.3
Research and development as a percent of net revenue	14.0 %	— %	— %	— %	— %	(0.1)%	(0.4)%	(0.6)%	— %	— %	12.9 %
Other operating expense	4.8	(2.1)	—	—	—	—	(2.7)	—	—	—	—
Operating income	40.2	2.1	4.3	—	—	0.4	11.7	8.2	—	—	66.9
Operating margin percent	12.6 %	0.7 %	1.3 %	— %	— %	0.1 %	3.7 %	2.6 %	— %	— %	21.0 %
Net income	16.3	2.1	4.3	5.8	2.6	0.4	11.7	8.2	(8.1)	7.6	50.8
Net income as a percent of net revenue	5.1 %	0.7 %	1.3 %	1.8 %	0.8 %	0.1 %	3.7 %	2.6 %	(2.5)%	2.4 %	15.9 %
Diluted EPS	\$0.30	\$0.04	\$0.08	\$0.11	\$0.05	\$0.01	\$0.21	\$0.15	\$(0.15)	\$0.14	\$0.93

GAAP results for the three months ended June 30, 2024 include:

- (1) Restructuring expenses related to organizational changes
- (2) Depreciation and amortization associated with purchase price accounting
- (3) Impairment of investment in ShiraTronics, Inc.
- (4) Mark-to-market adjustments for the 2025 and 2029 Notes embedded derivative features and associated capped call derivatives
- (5) Remeasurement of contingent consideration related to ImThera acquisition
- (6) Legal expenses primarily related to 3T Heater-Cooler defense, cybersecurity incident costs, 3T Heater-Cooler litigation provision, and Medical Device Regulation ("MDR") costs
- (7) Non-cash expenses associated with stock-based compensation costs
- (8) The impact of valuation allowances, discrete tax items, the tax impact of intercompany transactions, and the tax impact on non-GAAP adjustments
- (9) Interest expense on the Term Facilities, non-cash interest expense on the 2025 & 2029 Notes and Revolving Credit Facility, and interest income on the collateral for the SNIA litigation guarantee and delayed draw on Term Facilities

- Numbers may not add precisely due to rounding.

GAAP to Non-GAAP Reconciliations - Unaudited

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES - UNAUDITED

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

Three Months Ended June 30, 2023	Specified Items										Adjusted Financial Measures	
	GAAP Financial Measures	Merger and Integration Expenses ⁽¹⁾	Restructuring Expenses ⁽²⁾	Depreciation and Amortization Expenses ⁽³⁾	Financing Transactions ⁽⁴⁾	Contingent Consideration ⁽⁵⁾	Certain Legal & Regulatory Costs ⁽⁶⁾	Stock-based Compensation Costs ⁽⁷⁾	Certain Tax Adjustments ⁽⁸⁾	Certain Interest Adjustments ⁽⁹⁾		
Cost of sales	\$88.7	\$—	\$—	\$(3.7)	\$—	\$(1.5)	\$—	\$—	\$—	\$—	\$—	\$83.4
Gross profit percent	69.8 %	— %	— %	1.3 %	— %	0.5 %	— %	— %	— %	— %	— %	71.6 %
Selling, general, and administrative	125.9	—	—	(2.9)	—	—	(5.3)	(4.6)	—	—	—	113.1
Selling, general, and administrative as a percent of net revenue	42.8 %	— %	— %	(1.0)%	— %	— %	(1.8)%	(1.6)%	— %	— %	— %	38.5 %
Research and development	51.1	—	—	—	—	(1.0)	(1.2)	(1.1)	—	—	—	47.9
Research and development as a percent of net revenue	17.4 %	— %	— %	— %	— %	(0.3)%	(0.4)%	(0.4)%	— %	— %	— %	16.3 %
Other operating expense	10.8	0.2	(0.2)	—	—	—	(10.8)	—	—	—	—	—
Operating income	17.4	(0.2)	0.2	6.6	—	2.5	17.3	5.7	—	—	—	49.5
Operating margin percent	5.9 %	(0.1)%	0.1 %	2.2 %	— %	0.9 %	5.9 %	1.9 %	— %	— %	— %	16.8 %
Net income	1.2	(0.2)	0.2	6.6	1.4	2.5	17.3	5.7	(0.3)	7.6	—	41.9
Net income as a percent of net revenue	0.4 %	(0.1)%	0.1 %	2.2 %	0.5 %	0.9 %	5.9 %	1.9 %	(0.1)%	2.6 %	— %	14.3 %
Diluted EPS	\$0.02	\$—	\$—	\$0.12	\$0.03	\$0.05	\$0.32	\$0.11	\$(0.01)	\$0.14	—	\$0.78

GAAP results for the three months ended June 30, 2023 include:

- (1) Merger and integration expenses related to the acquisition of ALung Technologies, Inc.
- (2) Restructuring expenses related to organizational changes
- (3) Depreciation and amortization associated with purchase price accounting
- (4) Mark-to-market adjustment for the 2025 Notes conversion option feature and associated capped call derivatives
- (5) Remeasurement of contingent consideration related to acquisitions
- (6) 3T Heater-Cooler litigation provision, legal expenses primarily related to 3T Heater-Cooler defense, costs related to the SNIA matter, and MDR costs
- (7) Non-cash expenses associated with stock-based compensation costs
- (8) Discrete tax items, R&D tax credits, the tax impact of intercompany transactions, and the tax impact on non-GAAP adjustments
- (9) Non-cash interest expense on the 2025 Notes and Revolving Credit Facility, interest expense on the Term Facilities, and interest income on the collateral for the SNIA litigation guarantee and delayed draw on Term Facilities

- Numbers may not add precisely due to rounding.

GAAP to Non-GAAP Reconciliations - Unaudited

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES - UNAUDITED
(US dollars in millions, except per share amounts)

Six Months Ended June 30, 2024	Specified Items										Adjusted Financial Measures
	GAAP Financial Measures	Restructuring Expenses ⁽¹⁾	Depreciation and Amortization Expenses ⁽²⁾	Impairment ⁽³⁾	Financing Transactions ⁽⁴⁾	Contingent Consideration ⁽⁵⁾	Certain Legal & Regulatory Costs ⁽⁶⁾	Stock-based Compensation Costs ⁽⁷⁾	Certain Tax Adjustments ⁽⁸⁾	Certain Interest Adjustments ⁽⁹⁾	
Cost of sales	\$187.2	\$—	\$(3.4)	\$—	\$—	\$0.1	\$—	\$(0.5)	\$—	\$—	\$183.4
Gross profit percent	69.5 %	— %	0.6 %	— %	— %	— %	— %	0.1 %	— %	— %	70.1 %
Selling, general, and administrative	259.0	—	(5.3)	—	—	—	(13.8)	(13.9)	—	—	226.0
Selling, general, and administrative as a percent of net revenue	42.2 %	— %	(0.9)%	— %	— %	— %	(2.3)%	(2.3)%	— %	— %	36.8 %
Research and development	90.4	—	0.1	—	—	(0.4)	(2.0)	(4.0)	—	—	84.1
Research and development as a percent of net revenue	14.7 %	— %	— %	— %	— %	(0.1)%	(0.3)%	(0.6)%	— %	— %	13.7 %
Other operating expense	20.5	(11.4)	—	—	—	—	(9.1)	—	—	—	—
Operating income	56.4	11.4	8.6	—	—	0.3	24.9	18.4	—	—	120.0
Operating margin percent	9.2 %	1.9 %	1.4 %	— %	— %	— %	4.1 %	3.0 %	— %	— %	19.6 %
Net (loss) income	(25.6)	11.4	8.6	5.8	42.8	0.3	24.9	18.4	(10.9)	15.1	90.8
Net (loss) income as a percent of net revenue	(4.2)%	1.9 %	1.4 %	0.9 %	7.0 %	— %	4.1 %	3.0 %	(1.8)%	2.5 %	14.8 %
Diluted EPS	\$(0.47)	\$0.21	\$0.16	\$0.11	\$0.78	\$0.00	\$0.46	\$0.34	\$(0.20)	\$0.28	\$1.66

GAAP results for the six months ended June 30, 2024 include:

- (1) Restructuring expenses related to organizational changes
- (2) Depreciation and amortization associated with purchase price accounting
- (3) Impairment of investment in ShiraTronics, Inc.
- (4) Loss on debt extinguishment, as well as mark-to-market adjustments for the 2025 & 2029 Notes embedded derivative features and associated capped call derivatives
- (5) Remeasurement of contingent consideration related to ImThera acquisition
- (6) 3T Heater-Cooler litigation provision, legal expenses primarily related to 3T Heater-Cooler defense, cybersecurity incident costs, MDR costs, and costs related to the SNIA matter
- (7) Non-cash expenses associated with stock-based compensation costs
- (8) The impact of valuation allowances, discrete tax items, the tax impact of intercompany transactions, and the tax impact on non-GAAP adjustments
- (9) Interest expense on the Term Facilities, non-cash interest expense on the 2025 & 2029 Notes and Revolving Credit Facility, and interest income on the collateral for the SNIA litigation guarantee and delayed draw on Term Facilities

- Numbers may not add precisely due to rounding.

GAAP to Non-GAAP Reconciliations - *Unaudited*

(US dollars in millions, except per share amounts)

Six Months Ended June 30, 2023	Specified Items										Adjusted Financial Measures
	GAAP Financial Measures	Merger and Integration Expenses ⁽¹⁾	Restructuring Expenses ⁽²⁾	Depreciation and Amortization Expenses ⁽³⁾	Financing Transactions ⁽⁴⁾	Contingent Consideration ⁽⁵⁾	Certain Legal & Regulatory Costs ⁽⁶⁾	Stock-based Compensation Costs ⁽⁷⁾	Certain Tax Adjustments ⁽⁸⁾	Certain Interest Adjustments ⁽⁹⁾	
Cost of sales	\$178.0	\$—	\$—	\$(7.4)	\$—	\$(4.6)	\$—	\$(0.5)	\$—	\$—	\$165.6
Gross profit percent	68.1 %	— %	— %	1.3 %	— %	0.8 %	— %	0.1 %	— %	— %	70.3 %
Selling, general, and administrative	250.0	—	—	(5.8)	—	—	(9.8)	(13.1)	—	—	221.4
Selling, general, and administrative as a percent of net revenue	44.9 %	— %	— %	(1.0)%	— %	— %	(1.8)%	(2.4)%	— %	— %	39.7 %
Research and development	101.1	—	—	0.1	—	(2.7)	(1.7)	(2.7)	—	—	94.1
Research and development as a percent of net revenue	18.1 %	— %	— %	— %	— %	(0.5)%	(0.3)%	(0.5)%	— %	— %	16.9 %
Other operating expense	13.1	(0.1)	(0.9)	—	—	—	(12.2)	—	—	—	—
Operating income	15.0	0.1	0.9	13.0	—	7.3	23.6	16.3	—	—	76.3
Operating margin percent	2.7 %	— %	0.2 %	2.3 %	— %	1.3 %	4.2 %	2.9 %	— %	— %	13.7 %
Net income	8.5	0.1	0.9	13.0	(19.6)	7.3	23.6	16.3	0.5	14.6	65.3
Net income as a percent of net revenue	1.5 %	— %	0.2 %	2.3 %	(3.5)%	1.3 %	4.2 %	2.9 %	0.1 %	2.6 %	11.7 %
Diluted EPS	\$0.16	\$—	\$0.02	\$0.24	\$(0.36)	\$0.14	\$0.44	\$0.30	\$0.01	\$0.27	\$1.21

GAAP results for the six months ended June 30, 2023 include:

- (1) Merger and integration expenses related to the acquisition of ALung Technologies, Inc.
- (2) Restructuring expenses related to organizational changes
- (3) Depreciation and amortization associated with purchase price accounting
- (4) Mark-to-market adjustment for the 2025 Notes embedded derivative feature and associated capped call derivatives
- (5) Remeasurement of contingent consideration related to acquisitions
- (6) 3T Heater-Cooler litigation provision, legal expenses primarily related to 3T Heater-Cooler defense, costs related to the SNIA matter, and MDR costs
- (7) Non-cash expenses associated with stock-based compensation costs
- (8) Discrete tax items, R&D tax credits, the tax impact of intercompany transactions, and the tax impact on non-GAAP adjustments
- (9) Non-cash interest expense on the 2025 Notes and Revolving Credit Facility, interest expense on the Term Facilities, and interest income on the collateral for the SNIA litigation guarantee and delayed draw on Term Facilities

- Numbers may not add precisely due to rounding.

GAAP to Non-GAAP Reconciliations - Unaudited

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES - UNAUDITED (U.S. dollars in millions)

	Three Months Ended June 30, 2024
Adjusted free cash flow reconciliation	
Net cash provided by operating activities	\$43.4
Less: Purchases of plant, property, and equipment	(12.2)
Add: 3T Heater-Cooler litigation payments	3.8
Add: SNIA financing and other costs	7.1
Adjusted free cash flow	<u>\$42.1</u>

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES - UNAUDITED (U.S. dollars in millions)

	As of June 30, 2024
Net debt reconciliation	
Total long-term debt	\$624.5
Add: Short-term debt	0.6
Total debt	<u>625.2</u>
Less: Carrying value of 2029 Notes	(249.8)
Add: Nominal value of 2029 Notes	345.0
Less: Carrying value of 2025 Notes	(52.1)
Add: Nominal value of 2025 Notes	57.5
Less: Carrying value of Term Facilities	(320.7)
Add: Nominal value of Term Facilities	326.6
Less: Cash and cash equivalents	<u>(329.2)</u>
Net debt	<u>402.4</u>
Less: Restricted cash	<u>(303.9)</u>
Net debt, including restricted cash	<u>\$98.5</u>

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES - UNAUDITED (U.S. dollars in millions)

	Twelve Months Ended June 30, 2024
Adjusted free cash flow reconciliation	
Net cash provided by operating activities	\$125.4
Less: Purchases of plant, property, and equipment	(40.2)
Less: Dividends received from investments	(1.5)
Add: 3T Heater-Cooler litigation payments	38.2
Add: SNIA financing and other costs	18.0
Adjusted free cash flow	<u>\$139.9</u>

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES - UNAUDITED (U.S. dollars in millions)

	Twelve Months Ended June 30, 2024
Adjusted net income reconciliation	
Net loss	\$(16.6)
Merger & integration expenses	0.0
Restructuring expenses	11.4
Depreciation and amortization expenses	21.6
Impairment	108.3
Financing transactions	38.2
Contingent Consideration	2.3
Certain Legal & Regulatory Costs, and Investment Gain and Dividend	62.2
Stock-based compensation costs	38.5
Certain tax adjustments	(119.5)
Certain interest adjustments	31.0
Adjusted net income	<u>\$177.5</u>

Last twelve months adjusted free cash flow conversion ratio

79 %

GAAP to Non-GAAP Reconciliation - Unaudited

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES - UNAUDITED
(U.S. dollars in millions)

Segment income Three Months Ended June 30, 2024	Specified Items					Adjusted Financial Results	% to Revenue
	GAAP Financial Results	Contingent Consideration ⁽¹⁾	Certain Legal & Regulatory Costs ⁽²⁾	Stock-based Compensation Costs ⁽³⁾			
Cardiopulmonary	\$19.6	\$—	\$7.8	\$0.6	\$28.1	16.2 %	
Neuromodulation	54.8	0.4	0.1	3.4	58.6	41.0 %	

Segment income Three Months Ended June 30, 2023	Specified Items					Adjusted Financial Results	% to Revenue
	GAAP Financial Results	Contingent Consideration ⁽¹⁾	Certain Legal & Regulatory Costs ⁽²⁾	Stock-based Compensation Costs ⁽³⁾	Depreciation and Amortization ⁽⁴⁾		
Cardiopulmonary	\$12.8	\$—	\$14.8	\$0.8	\$0.2	\$28.6	18.6 %
Neuromodulation	38.1	1.9	0.1	3.0	—	43.2	32.4 %

GAAP results for the three months ended June 30, 2024 and 2023 include:

- ⁽¹⁾ Remeasurement of contingent consideration
 - ⁽²⁾ 3T Heater-Cooler litigation provision, legal expenses primarily related to 3T Heater-Cooler defense, and Medical Device Regulation ("MDR") costs
 - ⁽³⁾ Non-cash expenses associated with stock-based compensation costs
 - ⁽⁴⁾ Includes depreciation and amortization associated with purchase price accounting
- Numbers may not add precisely due to rounding. Segment financial information presented herein reflects LivaNova's change in segments, effective in the first quarter 2024, for all periods presented.

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES - UNAUDITED
(U.S. dollars in millions)

	Three Months Ended June 30,		% Change	Constant- Currency % Change
	2024	2023		
GAAP net revenue	\$318.6	\$293.9	8.4 %	9.6 %
Less: ACS ⁽¹⁾	3.0	5.9	(49.7)%	(49.7)%
Net revenue excluding ACS	<u>\$315.6</u>	<u>\$288.0</u>	9.6 %	10.8 %

⁽¹⁾ Includes net revenue from the Company's former ACS reportable segment.

- Numbers may not add precisely due to rounding. Segment financial information presented herein reflects LivaNova's change in segments, effective in the first quarter 2024, for all periods presented.