

Fourth Quarter and Full-Year 2020 FINANCIAL RESULTS

Financial Summary ¹

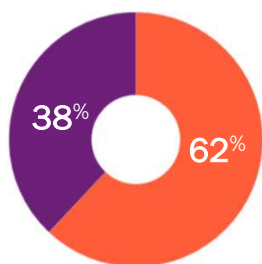
	Net Sales	Adjusted Gross Margin	Adjusted Operating Margin	Adjusted Diluted EPS
4Q 2020	\$270M	67%	18%	\$0.71
Full-Year 2020	\$934M	66%	10%	\$1.27

“Sales in all product categories and regions improved sequentially over the third quarter of 2020. We start 2021 with three clear objectives: execute on our core growth drivers, achieve the milestones for our pipeline priorities, and continue to execute on initiatives to improve profitability and cash generation. We believe our efforts will enable us to most effectively serve our patients and position the company to achieve long-term success.”

- Damien McDonald, CEO of LivaNova



Full-Year 2020 Sales Summary ²



- Neuromodulation
- Cardiovascular



US	\$469M	↓ 14%
EU	\$193M	↓ 15%
ROW	\$272M	↓ 12%

Other Highlights



Continued Sequential Improvement in 4Q20 Across all Segments

improvements across all regions

>30%

Organic Growth in Advanced Circulatory Support

driven by LifeSPARC™ launch

2021 Full-Year Guidance ³

Net Sales

8% - 13% Growth



Adjusted Diluted EPS

\$1.40 - \$1.90



Adjusted Free Cash Flow

\$30 - \$50M



2021 Strategic Priorities

Core Growth

- Expand the go-to-market initiative for U.S. Epilepsy
- ACS growth of at least 20% in 2021

Pipeline Execution

- Achieve key study milestones in:
 - RECOVER and ANTHEM HFrEF
- Advance next-generation HLM



Operational Excellence

- Expand Operating margin through cost discipline
- Drive improvement in free cash flow generation

Definitions:

- **ACS:** Advanced Circulatory Support
- **HLM:** Heart-Lung Machine

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. In addition, management uses the non-GAAP measure of Free Cash Flow defined as Net Cash Used in Operating Activities, less Net Cash Used in Investing Activities and further excludes the following one-time extraordinary adjustments: 3T litigation payments and a tax stimulus benefit. 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 December 31, 2020

	GAAP Financial Measures	Merger and Integration Expenses (A)	Restructuring Expenses (B)	Depreciation and Amortization Expenses (C)	Impairments (D)	Product Remediation Expenses (E)	Financing Transactions (F)	Non-recurring Legal, Contingent Consideration and Other Reserves (G)	Stock-based Compensation Costs (H)	Certain Tax Adjustments (I)	Certain Interest Adjustments (J)	Adjusted Financial Measures
Gross Margin	64.1%	--	--	0.1%	--	0.4%	--	2.5%	0.2%	--	--	67.2%
Operating Margin	(91.9%)	0.3%	2.1%	3.5%	77.2%	0.4%	0.1%	23.4%	3.1%	--	--	18.0%
Diluted EPS – Continuing Operations	(\$5.74)	\$0.02	\$0.11	\$0.22	\$3.78	\$0.01	\$0.66	\$1.28	\$0.18	\$0.08	\$0.09	\$0.71

Twelve Months Ended December 31, 2020

	GAAP Financial Measures	Merger and Integration Expenses (A)	Restructuring Expenses (B)	Depreciation and Amortization Expenses (C)	Impairments (D)	Product Remediation Expenses (E)	Financing Transactions (F)	Non-recurring Legal, Contingent Consideration and Other Reserves (G)	Stock-based Compensation Costs (H)	Certain Tax Adjustments (I)	Certain Interest Adjustments (J)	Adjusted Financial Measures
Gross Margin	66.2%	--	--	0.1%	--	0.8%	--	(1.3%)	0.2%	--	--	66.1%
Operating Margin	(28.9%)	0.8%	0.8%	4.4%	22.3%	0.8%	0.3%	6.2%	3.8%	--	--	10.4%
Diluted EPS – Continuing Operations	(\$7.07)	\$0.15	\$0.15	\$0.78	\$3.79	\$0.13	\$0.61	\$1.12	\$0.71	\$0.58	\$0.29	\$1.27

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) Impairments primarily associated with the classification of Heart Valves as held for sale
- (E) Costs related to the 3T Heater-Cooler remediation plan
- (F) Costs associated with our June 2020 financing transactions, including the mark-to-market adjustment for the exchangeable option feature and capped call derivatives
- (G) 3T Heater-Cooler litigation provision, legal expenses primarily related to 3T Heater-Cooler defense, settlements and other matters, remeasurement of contingent consideration related to acquisitions and provision for decommissioning at our Saluggia site
- (H) Non-cash expenses associated with stock-based compensation costs
- (I) Primarily relates to discrete tax items and the tax impact of intercompany transactions
- (J) Three- and twelve-month periods ended December 31, 2020 primarily include non-cash interest expense on our Senior Secured Term Loan and Cash Exchangeable Senior Notes, intellectual property migration and interest reversed upon the settlement of a tax litigation matter. Twelve-month period ended December 31, 2020 also includes interest related to the 3T Heater-Cooler matter.

* Numbers may not add up precisely due to rounding.

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

(U.S. dollars in millions)

Business	Three Months Ended December 31,		% Change at Actual Currency Rates	% Change at Constant-Currency Rates	Twelve Months Ended December 31,		% Change at Actual Currency Rates	% Change at Constant-Currency Rates
	2020	2019			2020	2019		
Cardiovascular	159.6	173.5	(8.0%)	(10.1%)	577.1	656.6	(12.1%)	(12.0%)
Neuromodulation	109.2	113.1	(3.5%)	(3.8%)	354.4	424.5	(16.5%)	(16.4%)
Other	0.8	1.0	(22.8%)	(27.3%)	2.7	3.0	(8.8%)	(10.7%)
Total Net Sales	269.6	287.6	(6.3%)	(7.7%)	934.2	1,084.2	(13.8%)	(13.7%)

Region	Three Months Ended December 31,		% Change at Actual Currency Rates	% Change at Constant-Currency Rates	Twelve Months Ended December 31,		% Change at Actual Currency Rates	% Change at Constant-Currency Rates
	2020	2019			2020	2019		
US	138.0	145.1	(4.9%)	(4.9%)	468.6	546.5	(14.2%)	(14.2%)
Europe	54.8	57.9	(5.4%)	(11.6%)	193.4	223.2	(13.4%)	(14.9%)
Rest of World	76.8	84.6	(9.2%)	(10.0%)	272.2	314.5	(13.4%)	(12.0%)
Total Net Sales	269.6	287.6	(6.3%)	(7.7%)	934.2	1,084.2	(13.8%)	(13.7%)

(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.