

**LivaNova**

Health innovation that matters

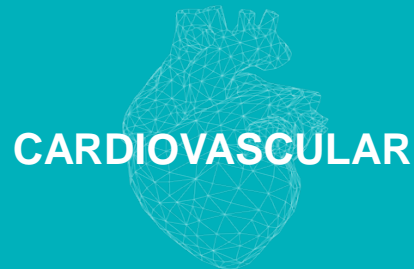
# Berenberg European Conference 2018

December 5, 2018

**NEUROMODULATION**



**CARDIOVASCULAR**



# Safe Harbor

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# Intellectual Property

This report may contain references to our proprietary intellectual property, including among others:

Trademarks for our Neuromodulation systems, the VNS Therapy® System, the VITARIA® System and our proprietary pulse generator products: Model 102 (Pulse®), Model 102R (Pulse Duo®), Model 103 (Demipulse®), Model 104 (Demipulse Duo®), Model 105 (AspireHC®), Model 106 (AspireSR®) and Model 1000 (SenTiva®).

Trademarks for our Cardiopulmonary product systems: S5® heart-lung machine, S3® heart-lung machine, Inspire™, Heartlink™, XTRA® Autotransfusion System, 3T Heater-Cooler® and Connect™.

Trademarks for our line of surgical tissue and mechanical heart valve replacements and repair products: Mitroflow™, Crown PRT™, Solo Smart™, Perceval®, Top Hat™, Reduced Series Aortic Valves™, Carbomedics Carbo-Seal™, Carbo-Seal Valsalva™, Carbomedics Standard™, Orbis™ and Optiform™, and Mitral valve repair products: Memo 3D™, Memo 3D ReChord™, AnnuloFlo™ and AnnuloFlex™.

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# We are a \$1.0B<sup>1</sup> focused medical innovator

Improving quality  
of patients' lives

Strong leadership  
position in  
Neuromodulation  
and Cardiovascular

Targeting  
underserved and  
high-growth  
market segments

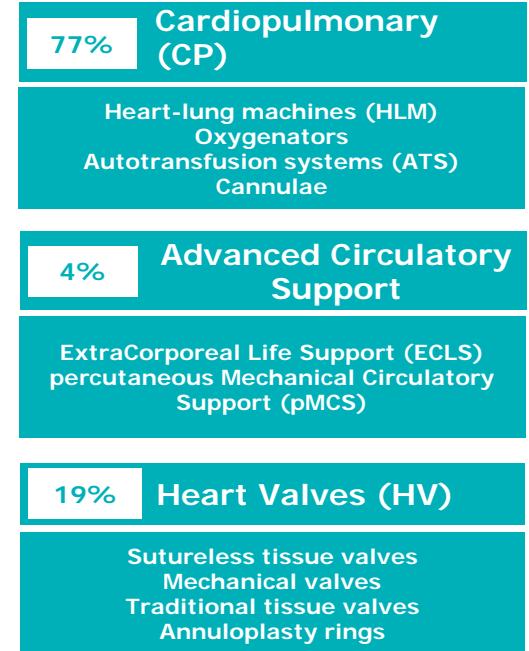
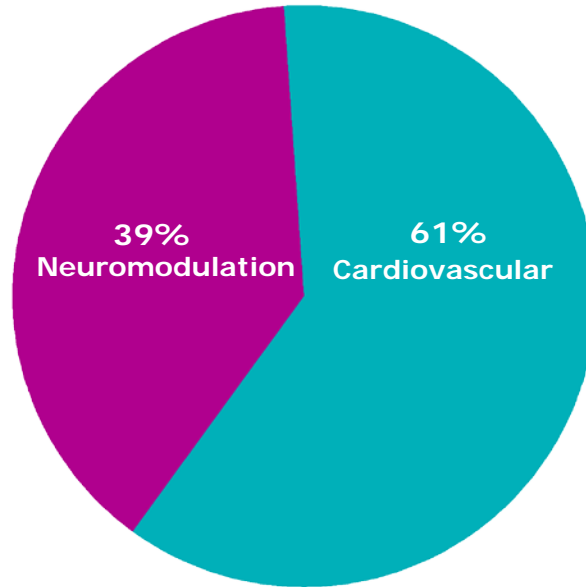


# With leading positions in neuromodulation and cardiovascular

**Drug-Resistant Epilepsy (DRE)**  
**Treatment-Resistant Depression (TRD)**  
**Obstructive Sleep Apnea (OSA)**

**Vagus Nerve Stimulation Therapy (VNS Therapy)**  
**Hypoglossal Nerve Stimulation Therapy (HGNS Therapy)**

3Q18: \$272M  
10.3% Growth\*



Numbers may not add up precisely due to rounding.

\* Percent change performance is shown on a year-over-year constant currency basis, which is a non-GAAP measure. Constant currency eliminates the effects of foreign currency fluctuations.

# Our portfolio is focused on “Head & Heart”

	NEUROMODULATION	CARDIOVASCULAR	
		CARDIOPULMONARY	HEART VALVES
	Creator, leader of VNS Therapy	Market-leading positions	Only sutureless valve on the market
Global Market (2017)	\$4.1B	\$3.0B	\$1.7B
Market Growth	Low-double-digit	Mid-single-digit	Low-single-digit
Sales (2017)	\$375M <sup>1</sup>	\$500M <sup>2</sup>	\$140M
Disease State	Drug-Resistant Epilepsy Treatment-Resistant Depression Obstructive Sleep Apnea	Heart valve disease Coronary disease Congenital heart defect Heart Failure CGS, High-risk PCI, RVF, ARDS, SCA <sup>3</sup>	
Customers	Neurologists Epileptologists Psychiatrists Neurosurgeons ENT Specialists	Perfusionists Intensivists Cardiac Surgeons Cardiologists Interventional Cardiologists	

<sup>1</sup> Obstructive Sleep Apnea resides under Neuromodulation and was acquired in January 2018. Sales are not included as part of LivaNova's 2017 revenues.

<sup>2</sup> Advanced Circulatory Support resides under Cardiopulmonary and was acquired in April 2018. Sales are not included as part of LivaNova's 2017 revenues.

<sup>3</sup> CGS= Cardiogenic Shock; PCI= Percutaneous Coronary Intervention; RVF= Right Ventricular Failure; ARDS= Acute Respiratory Distress Syndrome; SCA= Sudden Cardiac Arrest  
Numbers are rounded for presentation purposes

# Multiple near-term growth drivers

## NEUROMODULATION

SenTiva advances the ease-of-use of VNS Therapy



100,000 patients treated with VNS Therapy

## CARDIOVASCULAR

S5 HLM reduces transfusions and improves recovery



40 years as market leader in heart-lung machines

Inspire oxygenator provides personalized perfusion



1 million+ patients treated with Inspire

Perceval sutureless valve optimizes the surgical approach to aortic valve replacement



10 years of clinical use

TandemLife simplifies advanced circulatory support for critically ill patients



\$1 billion opportunity advancing the standard of care

# Differentiated pipeline targeting medical conditions with high unmet needs

## TREATMENT-RESISTANT DEPRESSION (TRD)

VNS Therapy may provide better outcomes and symptom improvement



Depression is the leading cause of disability worldwide

## OBSTRUCTIVE SLEEP APNEA (OSA)

Implantable pulse generator (IPG) opens the airway during sleep



Rapidly growing multi-billion dollar market

## TRANSCATHETER MITRAL VALVE REPLACEMENT (TMVR)

Unique transeptal investigational device



Potentially 2-3 times the size of the TAVR market opportunity

## HEART FAILURE (HF)

Novel delivery of Autonomic Regulation Therapy (ART) may improve regulation of cardiovascular function



Leading cause of morbidity and mortality



# Full-year 2018 Guidance from Continuing Operations

Reaffirming EPS guidance resulting from improved sales growth, gross margin and tax offset by higher investments in SG&A and R&D

	Guidance as of May 2, 2018	Guidance as of October 31, 2018
Worldwide net sales growth <sup>(1)</sup>	6% - 8%	7% - 9%
Gross margin <sup>(1)</sup>	66% - 68%	67.5% - 68.5%
R&D <sup>(1)</sup>	11% - 13%	12% - 13%
SG&A <sup>(1)</sup>	34% - 36%	35.5% - 36.5%
Operating margin <sup>(1)</sup>	19% -21%	19% -21%
Effective tax rate	18% - 20%	16% - 18%
Diluted EPS <sup>(1) (2)</sup>	\$3.50 - \$3.70	\$3.50 - \$3.70
Cash flow from operations <sup>(3)</sup>	\$180M - \$200M	\$180M - \$200M

1. Net sales are on a constant currency basis. All financial measures are adjusted non-GAAP measures.

2. Diluted EPS assumes a share count of approximately 49 million.

3. Excludes integration, restructuring and product remediation payments.

# Accelerating Growth While Investing in our Future

## Performing

- **\$1B** focused medical innovator
- Strong leadership position in Neuromodulation and Cardiovascular
- Targeting ~**\$9B** global market opportunities
- Increasing sales and growing margins

## Transforming

- Three acquisitions in the past 18 months – Caisson, ImThera and TandemLife
- Targeting large and growing markets with high unmet needs
- Aligned with our focus on “head and heart”
- Making targeted M&A decisions; mix of accretive and dilutive acquisitions
- Divested our CRM business to MicroPort for **\$190M** in April 2018

## Growing

- Building a robust product pipeline in core areas of leadership and strength
- Developing next-generation products to better serve patient needs
- Advancing multiple clinical trials in North America and Europe
- Executing funnel management & profitability initiatives to increase sales and margins
- Leveraging our global footprint and capabilities

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