

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): June 1, 2021



LivaNova PLC

(Exact Name of Registrant as Specified in its Charter)

England and Wales
(State or Other Jurisdiction
of Incorporation)

001-37599
(Commission
File Number)

98-1268150
(IRS Employer
Identification No.)

20 Eastbourne Terrace
London, W2 6LG
United Kingdom
(Address of Principal Executive Offices)

+44 20 33250660
(Registrant's Telephone Number, Including Area Code)

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name on each exchange on which registered
Ordinary Shares - £1.00 par value per share	LIVN	NASDAQ Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

☐

Item 7.01 Regulation FD Disclosure

On June 1, 2021, the Company issued a press release announcing the initial closing of the divestiture of LivaNova's heart valve business. A copy of the Company's press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information disclosed under this Item 7.01 shall not be deemed "filed" for any purpose, including for the purposes of Section 18 of the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section. The information in this Item 7.01 shall not be deemed incorporated by reference into any filing under the Exchange Act or the United States Securities Act of 1933, as amended, regardless of any general incorporation language in such filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

<u>Exhibit</u>	<u>Description</u>
99.1	Press Release of LivaNova PLC dated June 1, 2021
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LivaNova PLC

Date: June 1, 2021

By: /s/ Keyna Skeffington

Name: Keyna Skeffington

Title: Senior Vice President & General Counsel



Health innovation that matters

NEWS RELEASE

LivaNova Completes Initial Closing of Heart Valve Business to Gyrus Capital*Additional local business closings to occur later this year*

London, June 1, 2021 – LivaNova PLC (NASDAQ:LIVN), a market-leading medical technology and innovation company, today announced it has successfully completed the initial closing of the divestiture of its heart valve (HV) business to Gyrus Capital (Gyrus), an investment firm dedicated to investments in the healthcare and sustainability sectors, for an enterprise value of €60 million (US \$73 million). CORCYM, an independent company recently launched and owned by entities funded and controlled by Gyrus, will manage the HV business.

“The completion of the HV sale to Gyrus Capital allows LivaNova to optimize its portfolio and sharpen its focus on cardiovascular and neuromodulation, our two areas of excellence,” said Damien McDonald, Chief Executive Officer of LivaNova. “We are now better positioned to accelerate growth in our core, dedicate resources toward executing promising pipeline opportunities, and enhance our operational excellence to best serve our patients and deliver maximum value to shareholders.”

The HV business consists of a comprehensive portfolio of products, featuring Perceval®, a unique sutureless aortic valve, and Memo 4D®, a semi-rigid mitral annuloplasty ring. Together with mechanical valves, this portfolio fits the differing needs of cardiac surgeons and patients worldwide. Approximately 850 employees will transition to CORCYM as part of the global HV business, which has major operations in Saluggia, Italy and Vancouver, Canada. As of today, LivaNova and CORCYM completed the initial closing relating to CORCYM's acquisition of the LivaNova HV business. In the initial closing, CORCYM acquired LivaNova manufacturing facilities in Saluggia and Vancouver and related assets in other geographies, representing most of the HV business. During the course of 2021, the parties expect to complete the transfer of the commercial operations in various local jurisdictions.

LivaNova expected the HV business to generate net revenues of approximately \$70 million during the period of June 1 through December 31, 2021. After excluding these estimated net revenues for the HV business, LivaNova full-year 2021 worldwide sales growth on a constant-currency basis is expected to be 0% to 5%. In addition, the Company estimates an adjusted earnings per share dilution of approximately \$0.09 related to the divestiture, and now anticipates full-year 2021 adjusted earnings per share of \$1.31 to \$1.81. Adjusted free cash flow will exclude proceeds received from the divestiture. LivaNova will provide further details on the financial impact of the divestiture when it reports its second-quarter 2021 results.

Advisors

Goldman Sachs & Co. LLC served as the financial advisor to LivaNova and Cleary Gottlieb Steen & Hamilton LLP served as legal counsel.

Medeor is serving as transaction and business advisor to Gyrus. Other Gyrus advisors include: Deloitte - financial, tax and carve out; Alira Health, Medpass International - commercial; DuPont Sustainable Solutions – environmental; Nctm, Gowling WLG and Eversheds-Sutherland - legal.

About LivaNova

LivaNova PLC is a global medical technology and innovation company built on nearly five decades of experience and a relentless commitment to provide hope for patients and their families through innovative medical technologies, delivering life-changing improvements for both the Head and Heart. Headquartered in London, LivaNova employs approximately 3,000 employees and has a presence in more than 100 countries for the benefit of patients, healthcare professionals and healthcare systems worldwide. For more information, please visit www.livanova.com.

About Gyrus Capital

Gyrus Capital is an investment firm focused on transformational investments in the healthcare and sustainability sectors. Based in Geneva, Switzerland, the firm specializes in \$50-500m carve outs of businesses with great product and people, which are non-core to their parent corporates. The LivaNova HV carve out follows the acquisition of DuPont Sustainable Solutions (global leader in occupational health and risk and safety consulting) from E.I. DuPont de Nemours in 2019. To learn more, visit www.gyruscapital.com.

About CORCYM

CORCYM is a global, independent, medical device company entirely focused on state-of-the-art surgical solutions to fight structural heart disease. CORCYM has a presence in more than 100 countries with approximately 850 employees and ensures strong continuous support to patients, healthcare professionals and healthcare systems worldwide. www.corcym.com.

Use of Non-GAAP Financial Measures

In this press release, management has disclosed financial measurements that present financial information not necessarily in accordance with GAAP. Company management uses these measurements as aids in monitoring the Company's ongoing financial performance from quarter to quarter and year to year on a regular basis 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, the operating performance measure as prescribed by GAAP.

Management believes that referring to comparable, constant-currency growth is the most useful way to evaluate the sales performance of LivaNova and to compare the sales performance of current periods to prior periods on a consistent basis. 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.

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 excludes items such as, but not limited to, changes in fair value of contingent consideration arrangements, asset impairment charges 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, the effective tax rate 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, asset impairment charges, 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.

The Company also believes adjusted financial measures used by LivaNova facilitate management review of the operational performance of the company, to serve as a basis for strategic planning and to assist in the design of compensation incentive plans. Furthermore, adjusted financial measures allow investors to evaluate the Company's core performance for different periods on a more comparable and consistent basis, and with other entities in the medical technology industry by adjusting for items that are not related to the ongoing operations of the Company or incurred in the ordinary course of business.

Safe Harbor Statement

This news release contains "forward-looking statements" concerning LivaNova goals, beliefs, expectations, strategies, objectives, plans and underlying assumptions and other statements that are not necessarily based on historical facts. These statements include, but are not limited to, statements regarding the HV transaction, including but not limited to the likelihood or timing of the completion of the remaining portion of the sale of the HV business and the Company's full-year expected guidance impact as a result of the divestiture. Important factors that may cause actual results to differ include, but are not limited to: (i) the ability of LivaNova to successfully complete the sale of the remaining portions of the HV business; (ii) failure to obtain applicable regulatory or other approvals in a timely manner or otherwise; (iii) failure to satisfy other conditions to the proposed transaction; (iv) the length of time necessary to consummate the proposed transaction, which may be longer than anticipated for various reasons; and (v) unexpected costs or liabilities that may arise from the sale of the HV business. The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and the other risks and uncertainties that affect LivaNova's business, including those 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 the United States Securities and Exchange Commission. LivaNova does not give any assurance (1) that LivaNova will achieve its expectations, or (2) concerning any result or the timing thereof, in each case, with respect to any regulatory action, administrative proceedings, government investigations, litigation, warning letters, consent decree, cost reductions, business strategies,

earnings or revenue trends or future financial results. We undertake no obligation to update the information contained in this press release to reflect subsequently occurring events or circumstances.

LivaNova Investor Relations and Media Contacts

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