

LivaNova

Third-Quarter 2024 Earnings Update

October 30, 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 Securities Act, and Section 21E of the Exchange Act. 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, forward-looking statements can be identified 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; the risk of quality issues and the impacts thereof; risks relating to recalls, replacement of inventory, 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 environmental, social, and governance pressures from internal and external stakeholders; 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.

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 material 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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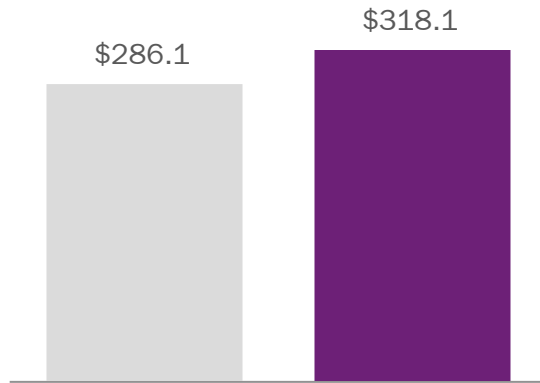
Appendix

Financial Results

3Q24 Financial Summary

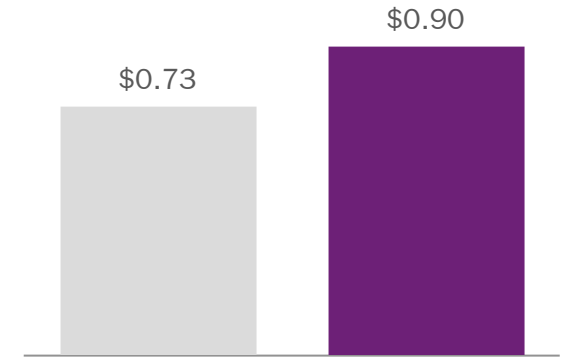
3Q23 3Q24

Net Revenue (\$M)

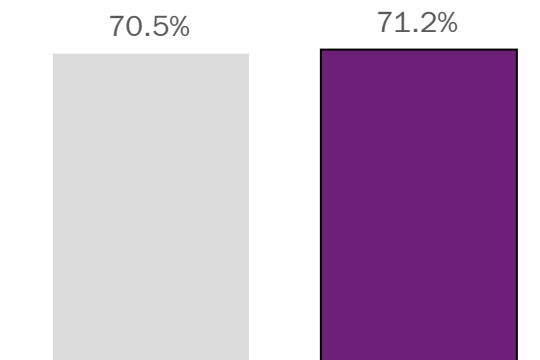


- Net revenue increased 11.2 percent on a constant-currency basis
- Excluding the impact of the ACS segment wind down, revenue increased 12.3 percent on a constant-currency basis
- Foreign currency had a negligible impact on net revenue

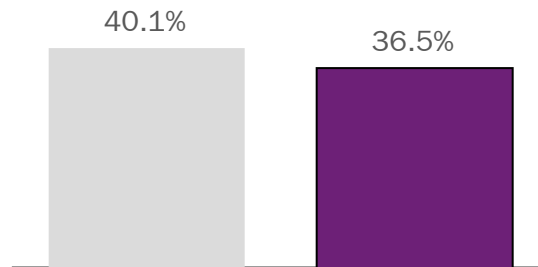
Adjusted Diluted EPS



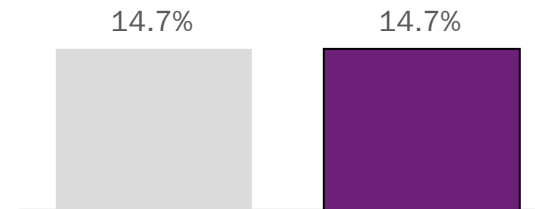
Adjusted Gross Profit %



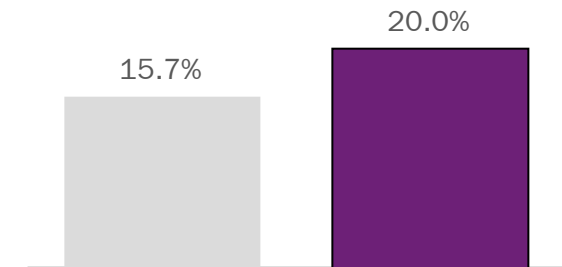
Adjusted SG&A %



Adjusted R&D %



Adjusted Operating Margin %



Note: Net revenue and 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 October 30, 2024 for additional details. Numbers may not add precisely due to rounding. ACS: Advanced Circulatory Support.

3Q24 Net Revenue

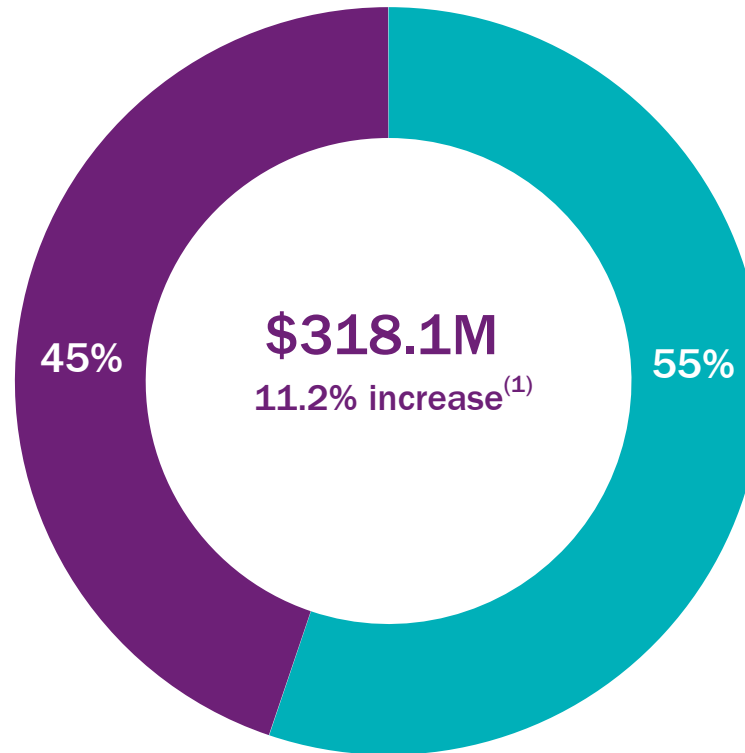
Neuromodulation

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 September 30,		% Change	Constant-Currency % Change ⁽¹⁾
	2024	2023		
Cardiopulmonary				
United States	\$62.5	\$52.3	19.6%	19.6%
Europe ⁽²⁾	40.9	35.5	15.2%	13.4%
Rest of World	68.8	61.2	12.5%	13.0%
	<u>172.2</u>	<u>149.0</u>	15.6%	15.4%
Neuromodulation				
United States	112.9	102.5	10.2%	10.2%
Europe ⁽²⁾	11.9	12.7	(5.8)%	(7.7)%
Rest of World	15.0	13.7	9.4%	13.6%
	<u>139.9</u>	<u>128.9</u>	8.5%	8.8%
Other Revenue ⁽³⁾	6.0	8.3	(27.3)%	(27.5)%
Total Net Revenue	\$318.1	\$286.1	11.2%	11.2%
Less: ACS ⁽⁴⁾	4.4	6.8	(35.2)%	N/A
Total Net Revenue, Excluding ACS⁽¹⁾	\$313.7	\$279.3	12.3%	12.3%

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."

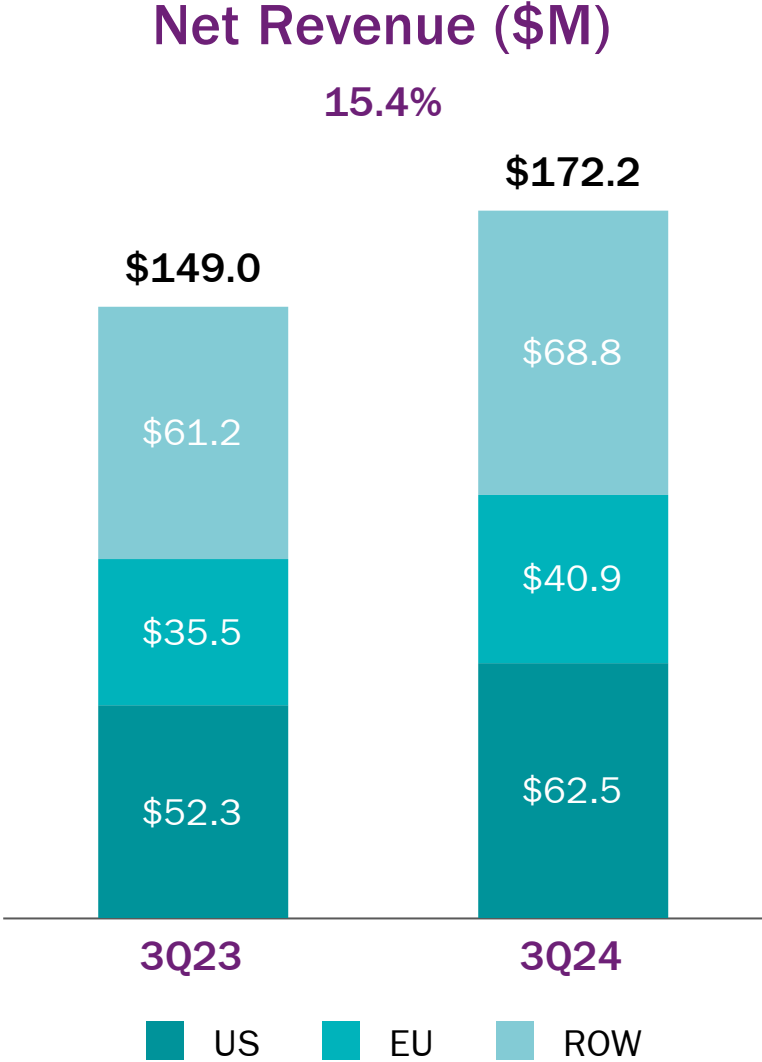
⁽³⁾ Other revenue primarily includes revenue from the Company's former ACS reportable segment, as well as rental and site services income not allocated to segments.

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

3Q24 Cardiopulmonary Revenue⁽¹⁾

Drivers/Impacts

- Revenue increased 15.4% with double-digit growth across all regions.
- Strong global demand for consumables led to double-digit growth, including oxygenator revenue growth of approximately 15%.
- HLM revenue grew more than 20% 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.

3Q24 Neuromodulation Revenue⁽¹⁾

Drivers/Impacts

Revenue increased 8.8% with strength in the U.S. and Rest of World regions.

Total Epilepsy revenue grew 8.9% with U.S. Epilepsy revenue growth of 10.4% driven by new and replacement implants.

Europe and Rest of World Epilepsy revenue increased a combined 2.9%, with double-digit growth in Rest of World offset by a decline in Europe.

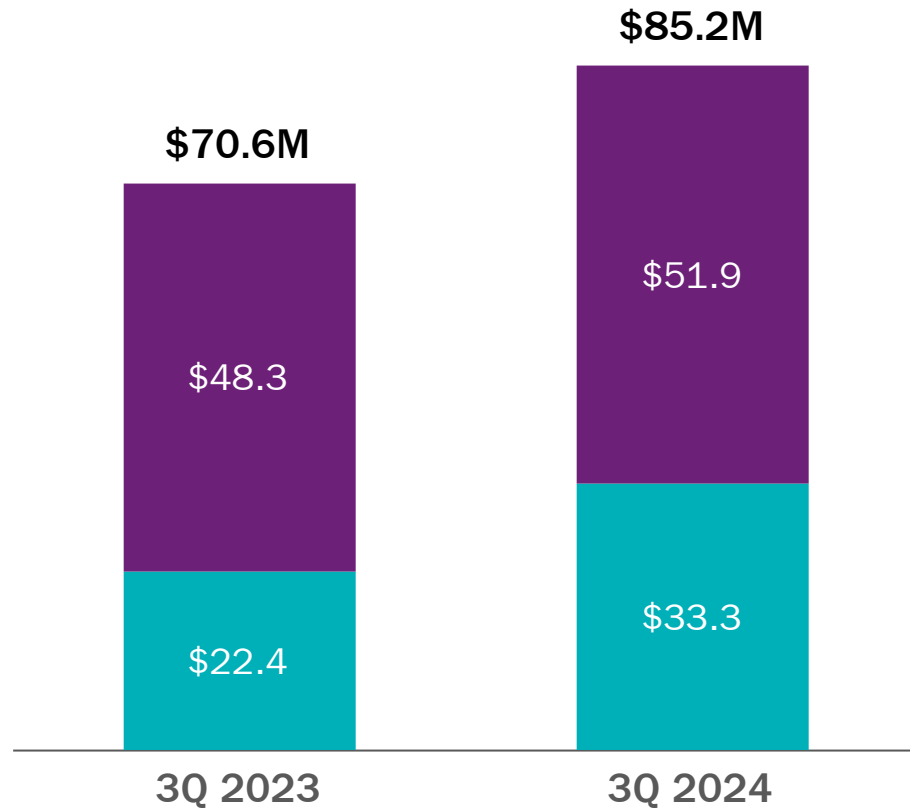
Net Revenue (\$M)



Numbers may not add precisely due to rounding.

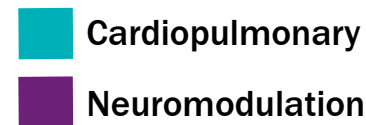
⁽¹⁾ All percent change performance is shown on a year-over-year constant-currency basis, which is a non-GAAP measure. Constant-currency percent change excludes the impact from fluctuations in the various currencies in which the Company operates as compared to reported percent change. For reconciliations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

3Q24 Adjusted Segment Income and Margin⁽¹⁾



	% to Revenue	
	3Q23	3Q24
Cardiopulmonary	15.0%	19.4%
Neuromodulation	37.4%	37.1%
Total Adjusted Segment Margin	25.4%	27.3%
Total Adjusted Operating Margin⁽²⁾	15.7%	20.0%

3Q24 adjusted operating margin favorably impacted by higher revenue, operating leverage and wind down of HF and ACS



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 October 30, 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

Now targeting \$110 - 130M of adjusted free cash flow (FCF) for full-year 2024

Adjusted Free Cash Flow Reconciliation (\$M)	1Q 2024	2Q 2024	3Q 2024	2024 YTD
Net cash provided by operating activities	\$10.0	\$43.4	\$51.0	\$104.3
Less: Purchases of plant, property, and equipment	(6.4)	(12.2)	(18.1)	(36.7)
Add: 3T Heater-Cooler litigation payments	0.2	3.8	7.5	11.5
Add: SNIA financing and other costs	7.5	7.1	6.9	21.5
Adjusted free cash flow	\$11.2	\$42.1	\$47.3	\$100.7

Last Twelve Months (LTM) Adjusted Free Cash Flow Conversion Ratio	LTM Ended Sept 30, 2024
LTM adjusted free cash flow	\$161.3
LTM adjusted net income	\$187.4
LTM adjusted free cash flow conversion ratio	86%

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.

3Q 2024 Summary

Financial

- 11.2%⁽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
- 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 implants, price, and product mix

DTD & OSA

- DTD: Continued efforts in pursuit of CMS coverage for VNS Therapy™ for difficult-to-treat depression patients
- 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 adjusted FCF

	Consolidated Guidance As of February 21, 2024	Consolidated Guidance As of May 1, 2024	Consolidated Guidance As of July 31, 2024	Consolidated Guidance As of October 30, 2024
Net revenue growth ⁽¹⁾	4 - 5%	6 - 7%	7 - 8%	8.5 - 9.5%
Net revenue growth, excluding ACS ⁽²⁾	6 - 7%	8 - 9%	9 - 10%	10 - 11%
Foreign exchange impact	–	1% headwind	1% headwind	–
Adjusted diluted EPS ⁽¹⁾⁽³⁾	\$2.95 - 3.05	\$3.05 - 3.15	\$3.10 - 3.20	\$3.30 - 3.40
Adjusted free cash flow ⁽⁴⁾	\$95 - 115M	\$95 - 115M	\$95 - 115M	\$110 - 130M

Net revenue growth on a constant-currency basis, 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 negligible 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 operations.

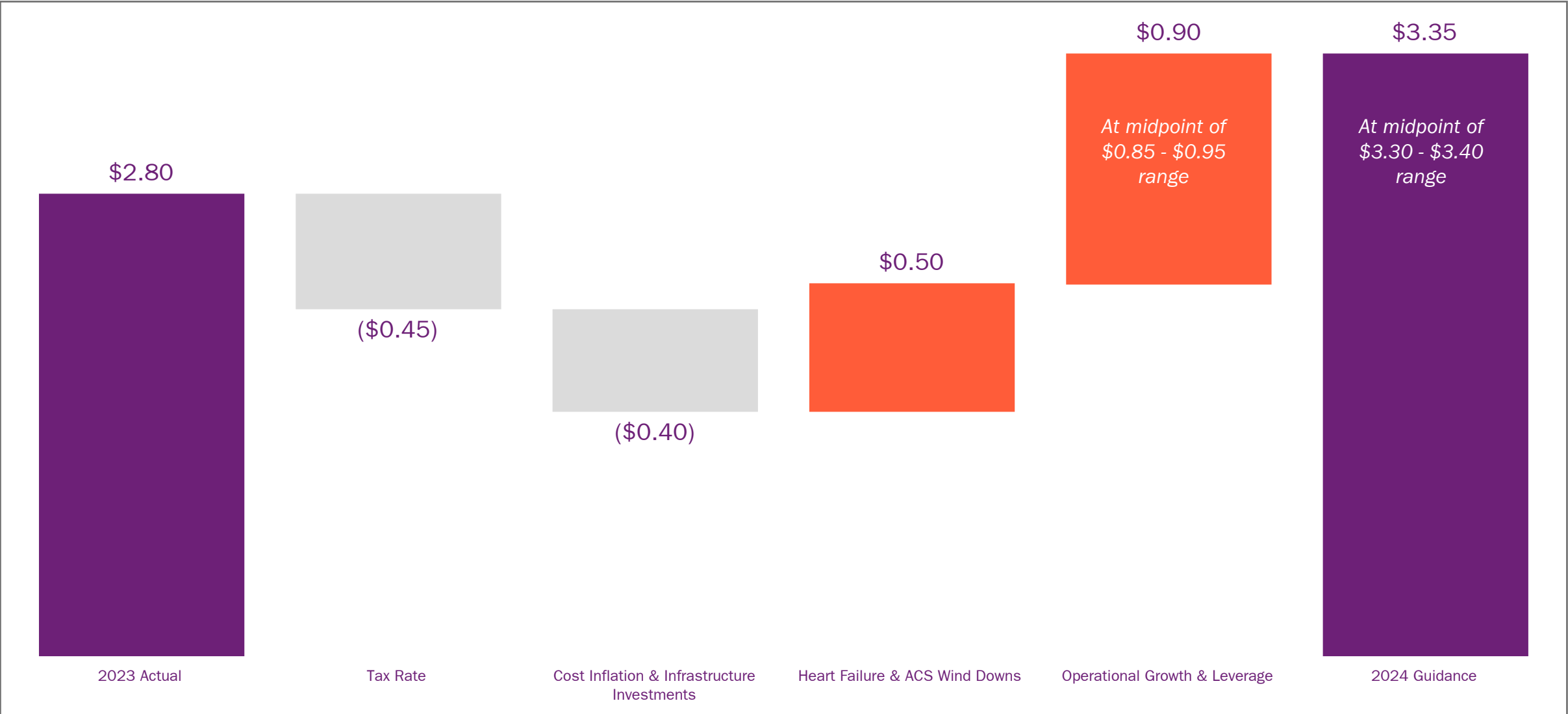
Assumptions for 2024

<p>REVENUE⁽¹⁾ Excluding ACS segment wind down</p>	<p>10 - 11%</p>	<ul style="list-style-type: none"> • Cardiopulmonary revenue now expected to grow 13 - 14% (versus 12 - 13% prior) • Epilepsy revenue growth now expected to grow 7 - 8% (versus 6 - 7% prior) • ACS wind down completion expected by the end of 2024
<p>ADJUSTED DILUTED EPS⁽²⁾</p>	<p>\$3.30 - 3.40</p>	<ul style="list-style-type: none"> • Adjusted operating income margin increase of > 400bps and adjusted operating income growth of > 40% • Investing in innovation to drive long-term value creation with HF and ACS actions providing operating leverage • EPS growth of ~20% negatively impacted by ~\$0.45 due to a step up in the effective tax rate to 21% - 22%
<p>ADJUSTED FCF⁽³⁾</p>	<p>\$110 - 130M</p>	<ul style="list-style-type: none"> • 25% 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 working capital management
<p>DTD & OSA</p>	<p>Pipeline Execution</p>	<ul style="list-style-type: none"> • DTD: Continue efforts in pursuit of CMS coverage for VNS Therapy™ for difficult-to-treat depression patients and reduce investment in 2025 • OSA: All patients expected to reach 7 months of follow up in November for primary endpoints for safety and effectiveness

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 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 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

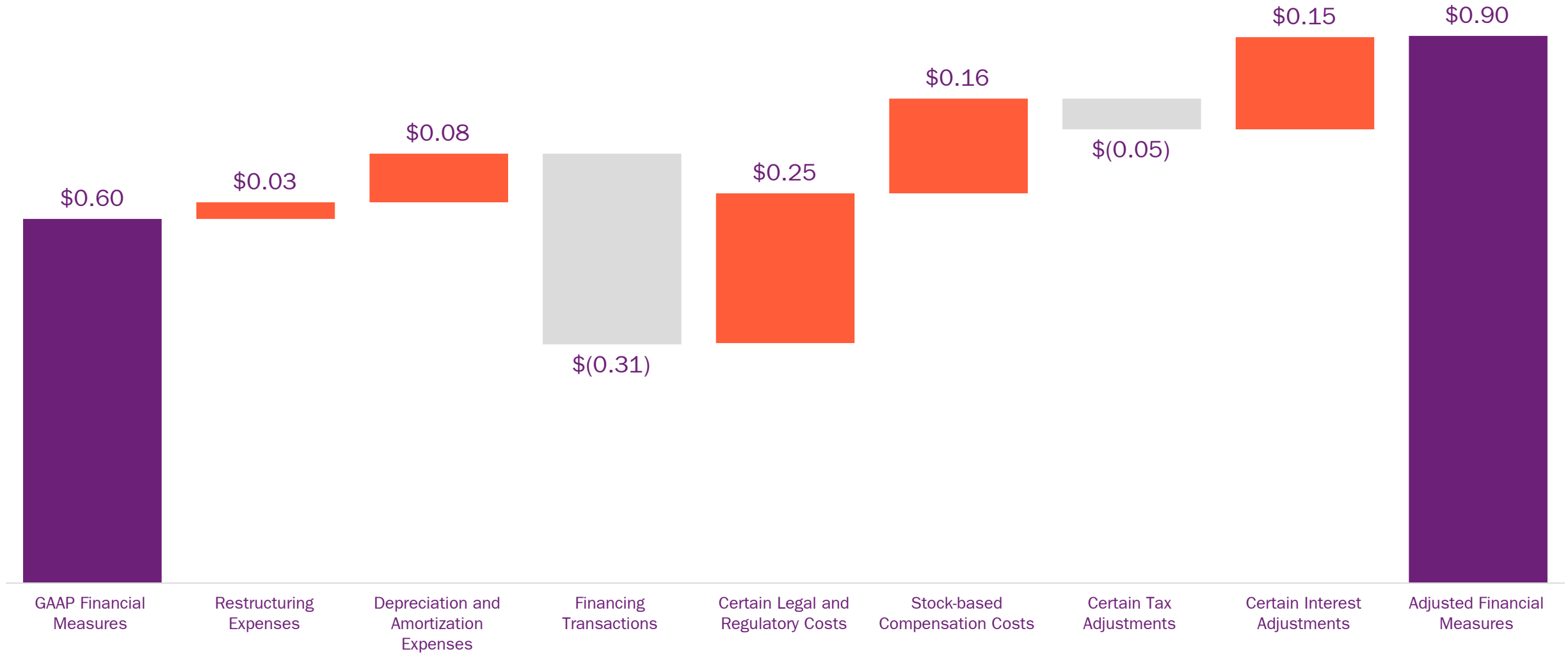
To supplement financial measures presented in accordance with generally accepted accounting principles in the United States (U.S. GAAP or GAAP), management has disclosed certain additional measures not presented in accordance with GAAP known as “non-GAAP financial measures” or “adjusted financial measures.” 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.

3Q24 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 September 30, 2024	Specified Items									Adjusted Financial Measures
	GAAP Financial Measures	Restructuring Expenses ⁽¹⁾	Depreciation and Amortization Expenses ⁽²⁾	Financing Transactions ⁽³⁾	Contingent Consideration ⁽⁴⁾	Certain Legal & Regulatory Costs ⁽⁵⁾	Stock-based Compensation Costs ⁽⁶⁾	Certain Tax Adjustments ⁽⁷⁾	Certain Interest Adjustments ⁽⁸⁾	
Cost of sales	\$92.9	\$—	\$(1.8)	\$—	\$0.2	\$0.7	\$(0.4)	\$—	\$—	\$91.7
Gross profit percent	70.8 %	— %	0.6 %	— %	(0.1)%	(0.2)%	0.1 %	— %	— %	71.2 %
Selling, general, and administrative	131.7	—	(2.6)	—	—	(6.3)	(6.6)	—	—	116.1
Selling, general, and administrative as a percent of net revenue	41.4 %	— %	(0.8)%	— %	— %	(2.0)%	(2.1)%	— %	— %	36.5 %
Research and development	48.8	—	—	—	(0.3)	(0.3)	(1.5)	—	—	46.8
Research and development as a percent of net revenue	15.3 %	— %	— %	— %	(0.1)%	(0.1)%	(0.5)%	— %	— %	14.7 %
Other operating expense	9.2	(1.5)	—	—	—	(7.7)	—	—	—	—
Operating income	35.6	1.5	4.4	—	0.1	13.5	8.6	—	—	63.6
Operating margin percent	11.2 %	0.5 %	1.4 %	— %	— %	4.2 %	2.7 %	— %	— %	20.0 %
Net income	33.0	1.5	4.4	(17.1)	0.1	13.5	8.6	(2.7)	8.3	49.3
Net income as a percent of net revenue	10.4 %	0.5 %	1.4 %	(5.4)%	— %	4.2 %	2.7 %	(0.9)%	2.6 %	15.5 %
Diluted EPS	\$0.60	\$0.03	\$0.08	\$(0.31)	\$—	\$0.25	\$0.16	\$(0.05)	\$0.15	\$0.90

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

- ⁽¹⁾ Restructuring expenses related to organizational changes
- ⁽²⁾ Depreciation and amortization associated with purchase price accounting
- ⁽³⁾ Mark-to-market adjustments for the 2025 and 2029 Notes embedded and capped call derivatives
- ⁽⁴⁾ Remeasurement of contingent consideration related to the ImThera acquisition
- ⁽⁵⁾ Legal expenses primarily related to 3T Heater-Cooler defense, cybersecurity incident costs, 3T Heater-Cooler litigation provision, and Medical Device Regulation ("MDR") costs
- ⁽⁶⁾ Non-cash expenses associated with stock-based compensation costs
- ⁽⁷⁾ The impact of valuation allowances, discrete tax items, the tax impact of intercompany transactions, and the tax impact on non-GAAP adjustments
- ⁽⁸⁾ 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 September 30, 2023	Specified Items									Adjusted Financial Measures
	GAAP Financial Measures	Restructuring Expenses ⁽¹⁾	Depreciation and Amortization Expenses ⁽²⁾	Financing Transactions ⁽³⁾	Contingent Consideration ⁽⁴⁾	Certain Legal & Regulatory Costs ⁽⁵⁾	Stock-based Compensation Costs ⁽⁶⁾	Certain Tax Adjustments ⁽⁷⁾	Certain Interest Adjustments ⁽⁸⁾	
Cost of sales	\$84.3	\$—	\$(3.7)	\$—	\$4.2	\$—	\$(0.3)	\$—	\$—	\$84.4
Gross profit percent	70.5 %	— %	1.3 %	— %	(1.5)%	— %	0.1 %	— %	— %	70.5 %
Selling, general, and administrative	134.8	—	(2.9)	—	—	(7.9)	(9.3)	—	—	114.7
Selling, general, and administrative as a percent of net revenue	47.1 %	— %	(1.0)%	— %	— %	(2.8)%	(3.2)%	— %	— %	40.1 %
Research and development	46.5	—	—	—	(1.4)	(1.0)	(2.2)	—	—	42.0
Research and development as a percent of net revenue	16.3 %	— %	— %	— %	(0.5)%	(0.4)%	(0.8)%	— %	— %	14.7 %
Other operating expense	16.0	(0.1)	—	—	—	(15.9)	—	—	—	—
Operating income	4.5	0.1	6.6	—	(2.8)	24.8	11.8	—	—	45.0
Operating margin percent	1.6 %	— %	2.3 %	— %	(1.0)%	8.7 %	4.1 %	— %	— %	15.7 %
Net (loss) income	(7.3)	0.1	6.6	(2.0)	(2.8)	24.8	11.8	0.7	7.6	39.5
Net (loss) income as a percent of net revenue	(2.6)%	— %	2.3 %	(0.7)%	(1.0)%	8.7 %	4.1 %	0.3 %	2.6 %	13.8 %
Diluted EPS	\$(0.14)	\$—	\$0.12	\$(0.04)	\$(0.05)	\$0.46	\$0.22	\$0.01	\$0.14	\$0.73

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

- (1) Restructuring expenses related to organizational changes
- (2) Depreciation and amortization associated with purchase price accounting
- (3) Mark-to-market adjustment for the embedded and capped call derivatives associated with the 2025 Notes
- (4) Remeasurement of contingent consideration related to acquisitions
- (5) 3T Heater-Cooler litigation provision, legal expenses primarily related to 3T Heater-Cooler defense, the Saluggia site provision, costs related to the SNIA matter, and MDR costs
- (6) Non-cash expenses associated with stock-based compensation costs
- (7) Discrete tax items, R&D tax credits, the tax impact of intercompany transactions, and the tax impact on non-GAAP adjustments
- (8) 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)

Nine Months Ended September 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	\$280.1	\$—	\$(5.2)	\$—	\$—	\$0.3	\$0.7	\$(0.9)	\$—	\$—	\$275.1
Gross profit percent	69.9 %	— %	0.6 %	— %	— %	— %	(0.1)%	0.1 %	— %	— %	70.5 %
Selling, general, and administrative	390.6	—	(7.9)	—	—	—	(20.1)	(20.6)	—	—	342.1
Selling, general, and administrative as a percent of net revenue	41.9 %	— %	(0.8)%	— %	— %	— %	(2.2)%	(2.2)%	— %	— %	36.7 %
Research and development	139.2	—	0.1	—	—	(0.7)	(2.3)	(5.5)	—	—	130.9
Research and development as a percent of net revenue	14.9 %	— %	— %	— %	— %	(0.1)%	(0.2)%	(0.6)%	— %	— %	14.0 %
Other operating expense	29.6	(12.8)	—	—	—	—	(16.8)	—	—	—	—
Operating income	92.0	12.8	12.9	—	—	0.3	38.4	27.0	—	—	183.6
Operating margin percent	9.9 %	1.4 %	1.4 %	— %	— %	— %	4.1 %	2.9 %	— %	— %	19.7 %
Net income	7.3	12.8	12.9	5.8	25.7	0.3	38.4	27.0	(13.7)	23.5	140.1
Net income as a percent of net revenue	0.8 %	1.4 %	1.4 %	0.6 %	2.8 %	— %	4.1 %	2.9 %	(1.5)%	2.5 %	15.0 %
Diluted EPS	\$0.13	\$0.24	\$0.24	\$0.11	\$0.47	\$0.01	\$0.70	\$0.49	\$(0.25)	\$0.43	\$2.57

GAAP results for the nine months ended September 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 and capped call derivatives
- (5) Remeasurement of contingent consideration related to the 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)

Nine Months Ended September 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	\$262.3	\$—	\$—	\$(11.1)	\$—	\$(0.4)	\$—	\$(0.8)	\$—	\$—	\$250.0
Gross profit percent	68.9 %	— %	— %	1.3 %	— %	0.1 %	— %	0.1 %	— %	— %	70.4 %
Selling, general, and administrative	384.8	—	—	(8.6)	—	—	(17.7)	(22.4)	—	—	336.1
Selling, general, and administrative as a percent of net revenue	45.6 %	— %	— %	(1.0)%	— %	— %	(2.1)%	(2.7)%	— %	— %	39.8 %
Research and development	147.7	—	—	0.1	—	(4.1)	(2.7)	(4.9)	—	—	136.1
Research and development as a percent of net revenue	17.5 %	— %	— %	— %	— %	(0.5)%	(0.3)%	(0.6)%	— %	— %	16.1 %
Other operating expense	29.1	(0.1)	(1.1)	—	—	—	(28.0)	—	—	—	—
Operating income	19.5	0.1	1.1	19.6	—	4.5	48.5	28.1	—	—	121.3
Operating margin percent	2.3 %	— %	0.1 %	2.3 %	— %	0.5 %	5.7 %	3.3 %	— %	— %	14.4 %
Net income	1.2	0.1	1.1	19.6	(21.7)	4.5	48.5	28.1	1.3	22.2	104.7
Net income as a percent of net revenue	0.1 %	— %	0.1 %	2.3 %	(2.6)%	0.5 %	5.7 %	3.3 %	0.1 %	2.6 %	12.4 %
Diluted EPS	\$0.02	\$—	\$0.02	\$0.36	\$(0.40)	\$0.08	\$0.90	\$0.52	\$0.02	\$0.41	\$1.94

GAAP results for the nine months ended September 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 embedded and capped call derivatives associated with the 2025 Notes
- (5) Remeasurement of contingent consideration related to acquisitions
- (6) 3T Heater-Cooler litigation provision, legal expenses primarily related to 3T Heater-Cooler defense, the Saluggia site provision, 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 September 30, 2024
Adjusted free cash flow reconciliation	
Net cash provided by operating activities	\$51.0
Less: Purchases of plant, property, and equipment	(18.1)
Add: 3T Heater-Cooler litigation payments	7.5
Add: SNIA financing and other costs	6.9
Adjusted free cash flow	<u>\$47.3</u>

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

	As of September 30, 2024
Net debt reconciliation	
Total long-term debt	\$625.5
Add: Short-term debt	0.7
Total debt	<u>626.2</u>
Less: Carrying value of 2029 Notes	(253.9)
Add: Nominal value of 2029 Notes	345.0
Less: Carrying value of 2025 Notes	(52.9)
Add: Nominal value of 2025 Notes	57.5
Less: Carrying value of Term Facilities	(316.8)
Add: Nominal value of Term Facilities	322.2
Less: Cash and cash equivalents	<u>(346.4)</u>
Net debt	<u>381.0</u>
Less: Restricted cash	<u>(320.2)</u>
Net debt, including restricted cash	<u>\$60.8</u>

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

	Twelve Months Ended September 30, 2024
Adjusted free cash flow reconciliation	
Net cash provided by operating activities	\$158.3
Less: Purchases of plant, property, and equipment	(49.6)
Less: Dividends received from investments	(1.5)
Add: 3T Heater-Cooler litigation payments	36.6
Add: SNIA financing and other costs	17.6
Adjusted free cash flow	<u>\$161.3</u>

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

	Twelve Months Ended September 30, 2024
Adjusted net income reconciliation	
Net income	\$23.7
Restructuring expenses	12.7
Depreciation and amortization expenses	19.4
Impairment	108.3
Financing transactions	23.1
Contingent Consideration	5.2
Certain Legal & Regulatory Costs, and Investment Gain and Dividend	50.9
Stock-based compensation costs	35.3
Certain tax adjustments	(123.0)
Certain interest adjustments	<u>31.8</u>
Adjusted net income	<u>\$187.4</u>
Last twelve months adjusted free cash flow conversion ratio	86 %

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 September 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	\$21.7	\$—	\$10.1	\$1.6	\$33.3	19.4 %	
Neuromodulation	49.5	0.1	—	2.3	51.9	37.1 %	

Segment income Three Months Ended September 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	\$(2.2)	\$—	\$20.5	\$3.8	\$0.2	\$22.4	15.0 %
Neuromodulation	41.9	3.6	—	2.7	—	48.3	37.4 %

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

- ⁽¹⁾ Remeasurement of contingent consideration
- ⁽²⁾ Legal expenses primarily related to 3T Heater-Cooler defense, 3T Heater-Cooler litigation provision, and 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 September 30,		% Change	Constant- Currency % Change
	2024	2023		
GAAP net revenue	\$318.1	\$286.1	11.2 %	11.2 %
Less: ACS ⁽¹⁾	4.4	6.8	(35.2)%	N/A
Net revenue excluding ACS	<u>\$313.7</u>	<u>\$279.3</u>	12.3 %	12.3 %

- ⁽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.