



Second Quarter 2019 Earnings Performance

July 31, 2019



Safe Harbor

Certain statements in this presentation, other than purely historical information, 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 Securities Exchange Act of 1934, as amended (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, our actual financial results, performance, achievements or prospects may differ materially from those expressed or implied by these forward-looking statements. In some cases, 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 our control, that could cause our actual results to differ materially from the forward-looking statements contained in this presentation, including the risks associated with remediation of any material weaknesses or settlement of litigation, as well as those described in the “Risk Factors” section of Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, the Registration Statement on Form S-4 and other documents filed from time to time with the United States Securities and Exchange Commission by LivaNova. All information in this presentation is as of the date of its release. The Company does not undertake or assume any obligation to update publicly any of the forward-looking statements in this presentation 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 we update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements. We caution you not to place undue reliance on any forward-looking statements, which are made only as of the date of this presentation.

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 products and 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[®], Miami Instruments[™], 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[™], Memo 4D[®], AnnuloFlo[®] and AnnuloFlex[®].

Trademarks for our extracorporeal life support systems: TandemLife[®], TandemHeart[®], TandemLung[®], ProtekDuo[®], and LifeSPARC[™].

Trademarks for our obstructive sleep apnea system: ImThera[®] and Aura6000[®].

These trademarks and tradenames are the property of LivaNova or the property of our consolidated subsidiaries and are protected under applicable intellectual property laws. Solely for convenience, our trademarks and tradenames referred to in this presentation may appear without the ® or ™ symbols, but such references are not intended to indicate in any way that we will not assert, to the fullest extent under applicable law, our rights to these trademarks and tradenames.

Agenda

2Q19 Highlights

Financial Results

Guidance

Summary

2Q19 Highlights

2Q19 Highlights

Focused execution to deliver 2019 commitments

► **Corporate:**

- On June 18, we welcomed Stacy Enxing Seng to our Board.

► **Neuromodulation:**

- On July 11, we celebrated the 25th anniversary of VNS Therapy, which has treated more than 120,000 patients worldwide.

► **Cardiovascular:**

- On June 12, we closed the acquisition of Miami Instruments, which has a suite of products designed to enhance minimally invasive cardiac surgery procedures that support our Perceval sutureless aortic valve.
- On July 15, we announced FDA clearance of our LifeSPARC Advanced Circulatory Support (ACS) System. LifeSPARC is a completely redesigned system that includes a magnetic bearing, low profile controller, a simplified interface, easier set up and a higher flow rate.

LifeSPARC – the next generation of Advanced Circulatory Support



Life support simplified. For more patients, in more places.

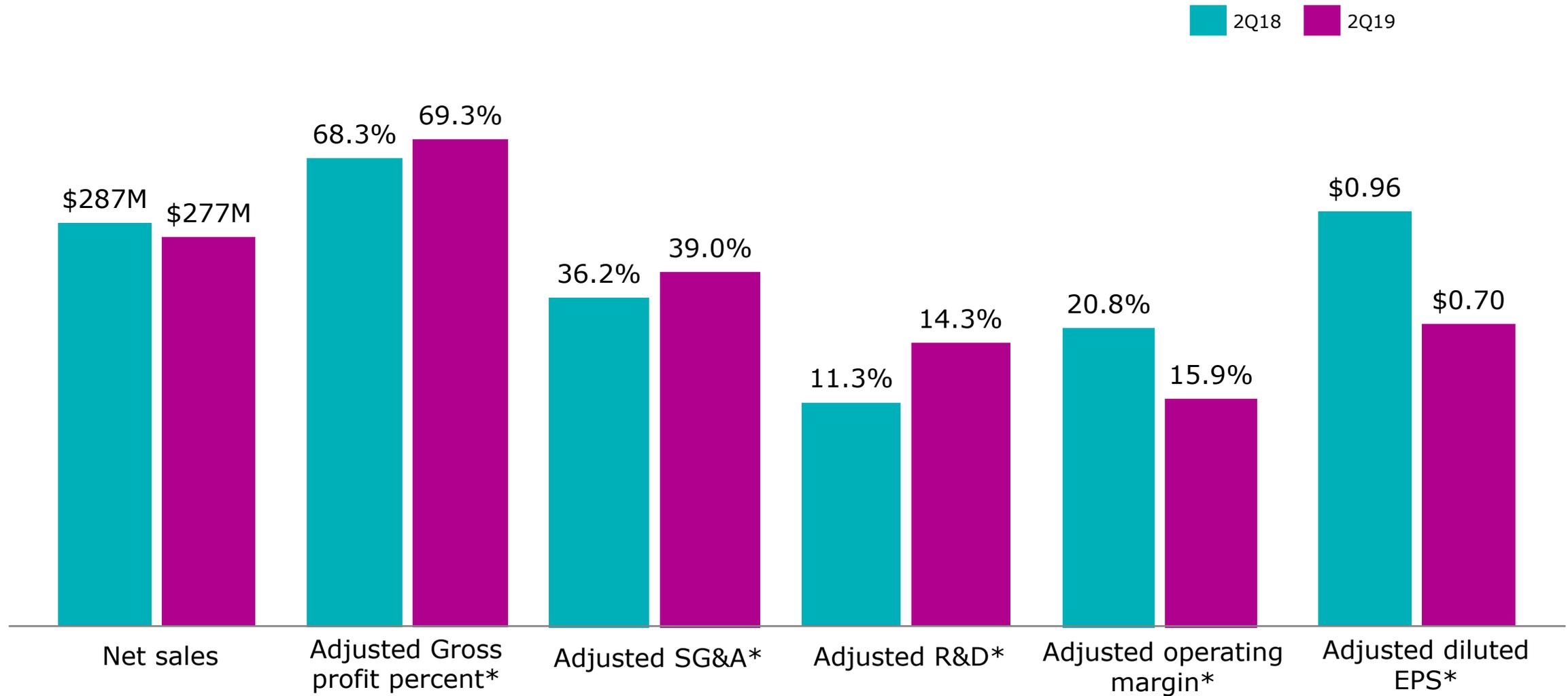
Millions of patients are affected by cardiac and respiratory disease each year. Historically only a fraction of those patients have received ACS due to the complexity of the devices.

LifeSPARC was designed to address the major roadblocks that have prevented ACS from becoming a new standard of care: the difficulty of initiating support and the level of complexity of devices and patient management. Built around a common compact console and pump, LifeSPARC promises:

- Simplicity** **A device designed for multi-disciplinary ACS programs.**
- Power** **Small but powerful heart pump with a magnetic bearing capable of blood flow rates of up to 8 L/m.**
- Versatility** **Leveraging four unique cannulation configurations.**

Financial Results

2Q19 Financial Summary



2Q19 Net Sales

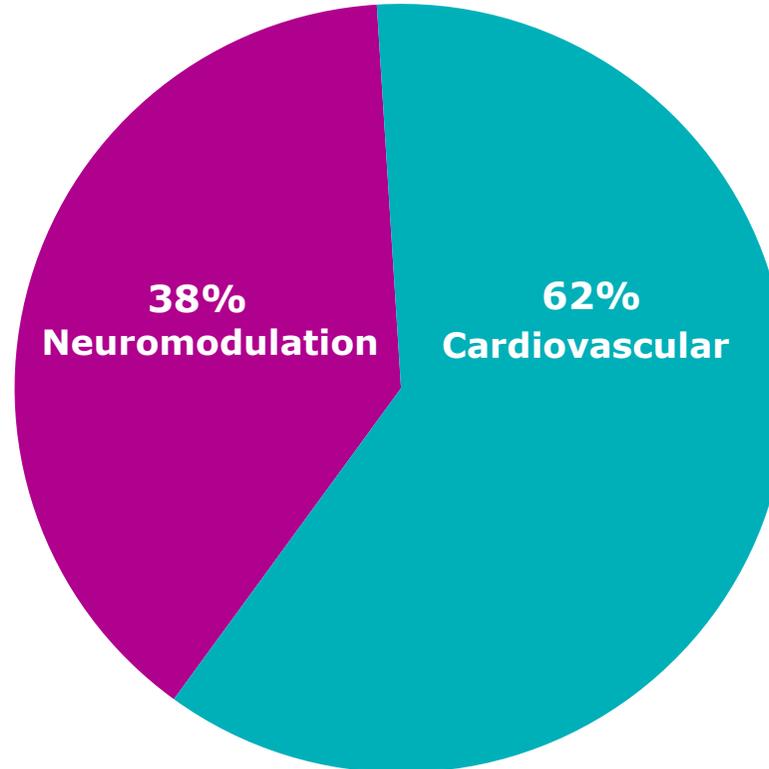
Vagus Nerve Stimulation Therapy (VNS Therapy)

Drug-Resistant Epilepsy (DRE)
Treatment-Resistant Depression (TRD)
Heart Failure (HF)

Hypoglossal Nerve Stimulation Therapy (HGNS Therapy)

Obstructive Sleep Apnea (OSA)

\$277M
1.0% decrease*



76% **Cardiopulmonary (CP)**

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

5% **Advanced Circulatory Support**

Extracorporeal Life Support (ECLS)
percutaneous Mechanical Circulatory Support (pMCS)

19% **Heart Valves (HV)**

Sutureless tissue valves
Mechanical valves
Traditional tissue valves
Annuloplasty rings

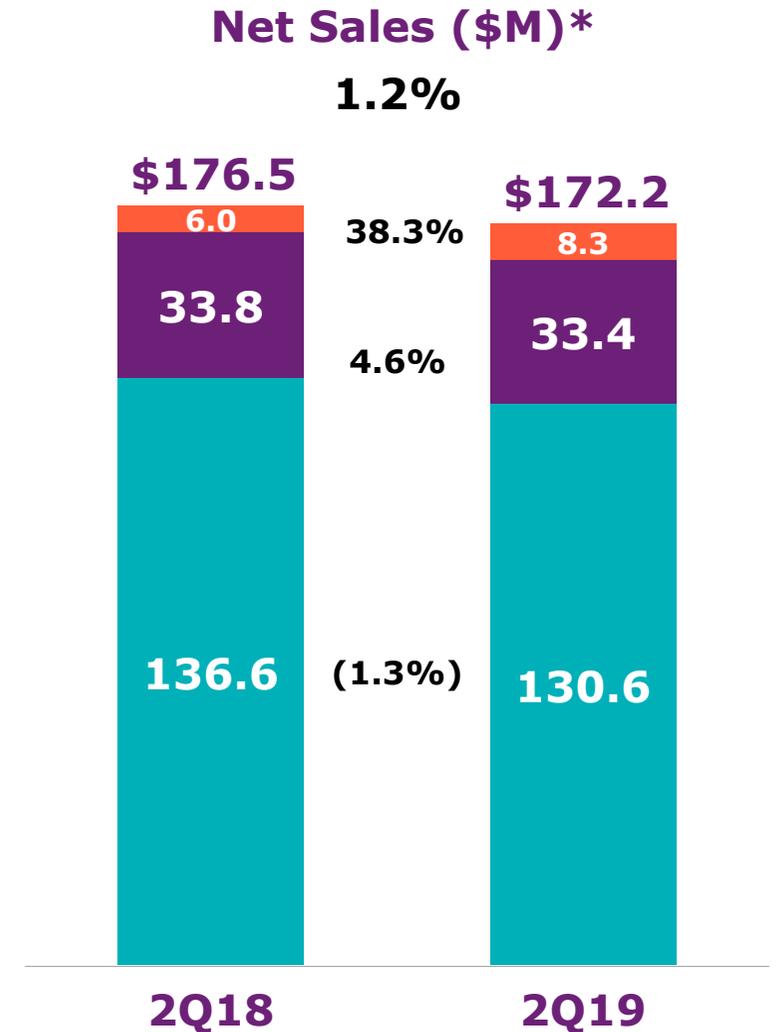
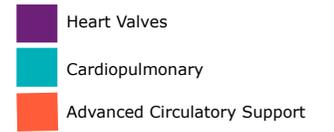
Numbers may not add up precisely due to rounding.

* All 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.

2Q19 Cardiovascular Sales

Drivers/Impacts

- + Healthy HLM growth due to continued S3 conversions and competitive placements
- + Advanced Circulatory Support sales reached nearly 40% growth, driven by ProtekDuo kits
- + Strong Oxygenator growth driven by Rest of World, offset by \$8.6M impact of exiting a low-margin distribution agreement in Canada
- Perceval sales grew modestly driven by Europe and Rest of World



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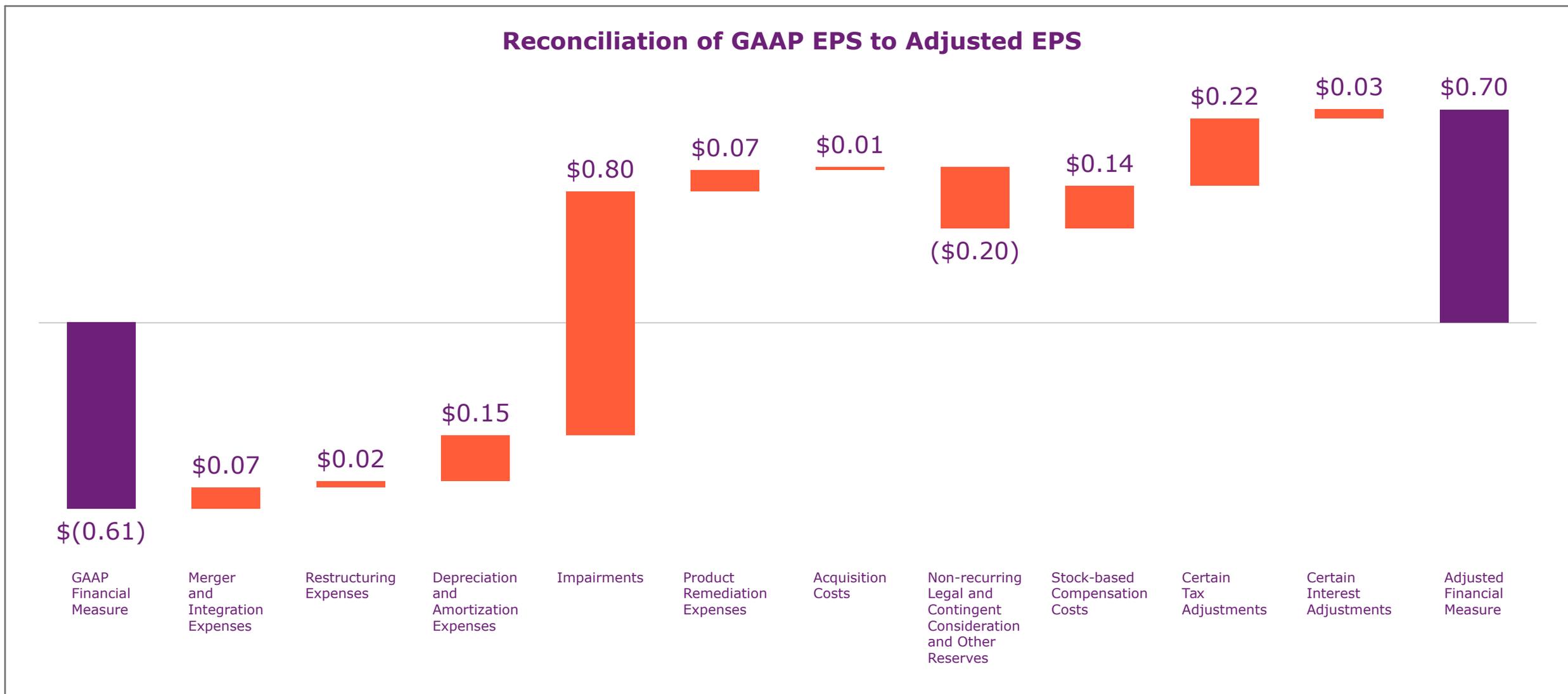
2Q19 Neuromodulation Sales

Drivers/Impacts

- Competitive pressures and sales force turnover stabilized in the U.S.
- + Nearly 20% growth in Rest of World through the continued expansion of commercial capabilities
- + SenTiva VNS Therapy System now 53% of generator sales in Europe, resulting in double-digit growth



2Q19 Adjusted EPS from Continuing Operations*



* Adjusted diluted EPS is a non-GAAP measure. This non-GAAP measure is reconciled to this GAAP measure in the appendix.

2019 Guidance

2019 Guidance from Continuing Operations

Including impact of TRD investment and Canadian distribution agreement exit

	Guidance as of May 1, 2019
Worldwide net sales growth ⁽¹⁾	1% - 3%
Gross profit percent ⁽¹⁾	68.5% - 69.5%
R&D ⁽¹⁾	13.5% - 14.0%
SG&A ⁽¹⁾	38% - 39%
Operating margin ⁽¹⁾	16% - 17%
Effective tax rate	16% - 17%
Diluted EPS ^{(1) (2)}	\$3.00 - \$3.10
Cash flow from operations ⁽³⁾	\$150M - \$170M

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 shares.

3. Excludes integration, restructuring and product remediation payments.

Summary

2Q19 Summary

FINANCIAL GROWTH

- Strong growth in Europe and Rest of World Neuromodulation and worldwide Cardiovascular
- 100 basis points gross margin improvement due to favorable mix, price and operational efficiencies

STRATEGIC GROWTH

- Investments in our clinical and commercial capabilities for VNS Therapy for Treatment-Resistant Depression
- Continued advancement in enrollment and site activation for our ANTHEM-HFrEF pivotal trial

PORTFOLIO GROWTH

- Advanced Circulatory Support growing nearly 40% largely from ProtekDuo kits
- Neuromodulation Rest of World achieved another quarter of double-digit growth as our commercial expansion shows consistent execution and results
- FDA clearance of LifeSPARC, limited U.S. commercial release starting 3Q19

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, 2019	Specified Items											Adjusted Financial Measures
	GAAP Financial Measures	Merger and Integration Expenses (A)	Restructuring Expenses (B)	Depreciation and Amortization Expenses (C)	Impairments (D)	Product Remediation Expenses (E)	Acquisition Costs (F)	Non-recurring Legal, Contingent Consideration and Other Reserves (G)	Stock-based Compensation Costs (H)	Certain Tax Adjustments (I)	Certain Interest Adjustments (J)	
Cost of sales - exclusive of amortization	\$74.9	\$—	\$—	(\$0.7)	\$—	\$—	\$—	\$11.7	(\$0.7)	\$—	\$—	\$85.2
Product remediation	5.1	—	—	—	—	(5.1)	—	—	—	—	—	—
Gross profit percent	71.1%	—%	—%	0.3%	—%	1.8%	—%	(4.2)%	0.3%	—%	—%	69.3%
Selling, general and administrative	\$127.2	\$—	\$—	(\$0.1)	\$—	\$—	(\$0.3)	(\$12.4)	(\$6.3)	\$—	\$—	\$108.1
Research and development	34.5	—	—	(0.1)	(0.9)	—	(0.2)	7.9	(1.7)	—	—	39.7
Other operating expenses	65.2	(4.4)	(1.3)	(9.2)	(50.3)	—	—	—	—	—	—	—
Operating (loss) income from continuing operations	(29.9)	4.4	1.3	10.1	51.2	5.1	0.5	(7.3)	8.7	—	—	44.2
Income tax (benefit) expense	(6.2)	1.1	0.4	2.6	12.4	1.7	0.1	2.3	2.0	(10.6)	0.4	6.2
Net (loss) income from continuing operations	(29.4)	3.3	1.0	7.5	38.8	3.4	0.4	(9.6)	6.7	10.6	1.6	34.3
Diluted EPS - Continuing Operations	(\$0.61)	\$0.07	\$0.02	\$0.15	\$0.80	\$0.07	\$0.01	(\$0.20)	\$0.14	\$0.22	\$0.03	\$0.70

GAAP results for the three months ended June 30, 2019 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) Impairment of ImThera intangible assets and other long-lived assets
- (E) Costs related to the 3T Heater-Cooler remediation plan
- (F) Costs related to acquisitions
- (G) Contingent consideration related to acquisitions and legal expenses primarily related to 3T Heater-Cooler defense and other matters
- (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) Primarily relates to intellectual property migration and other non-recurring impacts to interest expense

* Numbers may not add up 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, 2018	Specified Items											Adjusted Financial Measures
	GAAP Financial Measures	Merger and Integration Expenses (A)	Restructuring Expenses (B)	Depreciation and Amortization Expenses (C)	Product Remediation Expenses (D)	Acquisition Costs (E)	CRM Disposal Costs (F)	Non-recurring Legal and Contingent Consideration (G)	Stock-based Compensation Costs (H)	Certain Tax Adjustments (I)	Certain Interest Adjustments (J)	
Cost of sales - exclusive of amortization	\$92.0	\$—	\$—	(\$4.9)	\$—	(\$0.1)	\$—	\$4.2	(\$0.2)	\$—	\$—	\$91.0
Product remediation	1.5	—	—	—	(1.5)	—	—	—	—	—	—	—
Gross profit percent	67.5%	—%	—%	1.7%	0.5%	—%	—%	(1.5)%	0.1%	—%	—%	68.3%
Selling, general and administrative	\$123.4	\$—	\$—	(\$0.1)	\$—	(\$3.4)	(\$1.2)	(\$8.6)	(\$6.0)	\$—	\$—	\$104.1
Research and development	34.2	—	—	(0.1)	—	(2.4)	—	2.1	(1.3)	—	—	32.5
Other operating expenses	14.7	(4.4)	(0.5)	(9.8)	—	—	—	—	—	—	—	—
Operating income from continuing operations	21.6	4.4	0.5	14.9	1.5	5.9	1.2	2.3	7.5	—	—	59.9
Income tax (benefit) expense	(1.0)	1.1	0.1	3.3	0.4	1.4	0.4	2.6	1.5	0.4	0.2	10.1
Net income from continuing operations	19.5	3.3	0.4	11.6	1.2	4.5	0.9	(0.2)	6.0	(0.4)	0.6	47.5
Diluted EPS - Continuing Operations	\$0.40	\$0.07	\$0.01	\$0.24	\$0.02	\$0.09	\$0.02	\$—	\$0.12	(\$0.01)	\$0.01	\$0.96

GAAP results for the three months ended June 30, 2018 include:

- (A) Merger and integration expenses related to our legacy companies
- (B) Restructuring expenses related to organizational changes
- (C) Includes depreciation and amortization associated with purchase price accounting
- (D) Costs related to the 3T Heater-Cooler remediation plan
- (E) Costs related to acquisitions
- (F) Corporate costs incurred to divest the CRM business not attributable to discontinued operations
- (G) Contingent consideration related to acquisitions and legal expenses primarily related to 3T Heater-Cooler defense and other matters
- (H) Non-cash expenses associated with stock-based compensation costs
- (I) Primarily related to discrete tax items and the tax impact of intercompany transactions
- (J) Primarily related to intellectual property migration and other non-recurring impacts to interest expense

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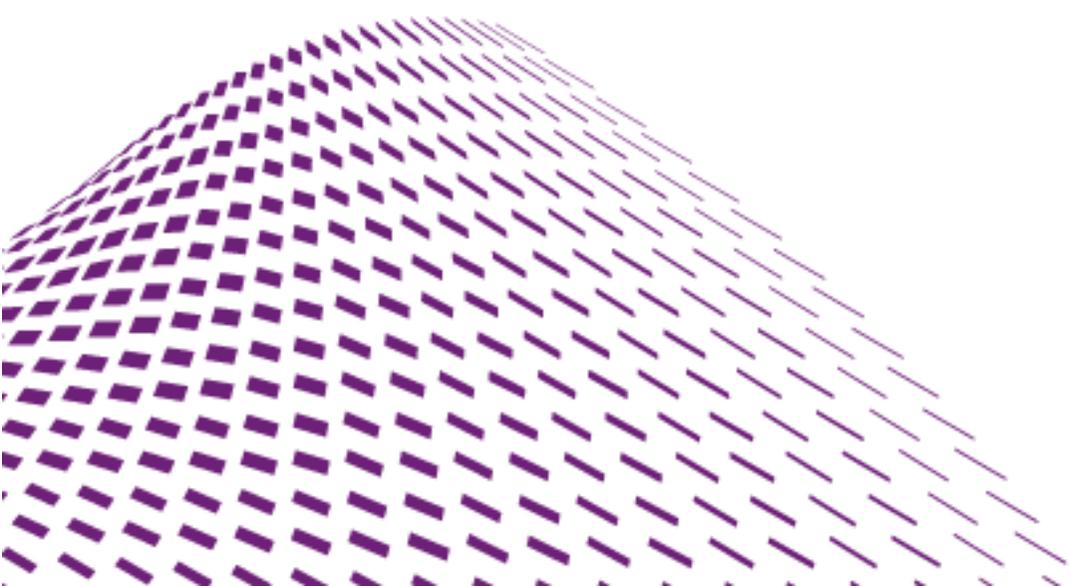
GAAP to Non-GAAP Reconciliations

The preceding tables reconcile the most comparable U.S. Generally Accepted Accounting Principles (GAAP) measures to the non-GAAP financial and operating measures presented in LivaNova's second-quarter 2019 press release and during the conference call held in conjunction with the announcement of second-quarter 2019 results.

Unless otherwise noted, all sales growth rates in this presentation reflect comparable, constant-currency growth. 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 tax rate and adjusted diluted earnings per share guidance exclude other 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, non-GAAP adjusted tax rate 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 such as adjusted gross profit; adjusted selling, general and administrative expense; adjusted research and development expense; adjusted other operating expenses; adjusted operating income from continued operations; adjusted income tax expense; adjusted net income from continuing operations; and adjusted diluted earnings per share, are measures by which LivaNova generally uses to 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.



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