



# J.P. Morgan Healthcare Conference

**Amir Aghdai**

President & CEO



# Forward Looking Statements

Certain statements in this presentation are “forward-looking” statements within the meaning of the federal securities laws. There are a number of important factors that could cause actual results, developments and business decisions to differ materially from those suggested or indicated by such forward-looking statements and you should not place undue reliance on any such forward-looking statements. These factors include, among other things, the impact of the COVID-19 pandemic, including new variants of the virus, the pace of recovery in the markets in which we operate, global supply chain disruptions and potential staffing shortages, the conditions in the U.S. and global economy, the markets served by us and the financial markets, the impact of our debt obligations on our operations and liquidity, developments and uncertainties in trade policies and regulations, contractions or growth rates and cyclicity of markets we serve, fluctuations in inventory of our distributors and customers, loss of a key distributor, our relationships with and the performance of our channel partners, competition, our ability to develop and successfully market new products and services, the potential for improper conduct by our employees, agents or business partners, our compliance with applicable laws and regulations (including regulations relating to medical devices and the health care industry), the results of our clinical trials and perceptions thereof, penalties associated with any off-label marketing of our products, modifications to our products that require new marketing clearances or authorizations, our ability to effectively address cost reductions and other changes in the health care industry, our ability to successfully identify and consummate appropriate acquisitions and strategic investments, our ability to integrate the businesses we acquire and achieve the anticipated benefits of such acquisitions, contingent liabilities relating to acquisitions, investments and divestitures, security breaches or other disruptions of our information technology systems or violations of data privacy laws, our ability to adequately protect our intellectual property, the impact of our restructuring activities on our ability to grow, risks relating to currency exchange rates, changes in tax laws applicable to multinational companies, litigation and other contingent liabilities including intellectual property and environmental, health and safety matters, risks relating to product, service or software defects, risks relating to product manufacturing, commodity costs and surcharges, our ability to adjust purchases and manufacturing capacity to reflect market conditions, reliance on sole or limited sources of supply, the impact of regulation on demand for our products and services, labor matters, international economic, political, legal, compliance and business factors, disruptions relating to war, terrorism, climate change, widespread protests and civil unrest, man-made and natural disasters, public health issues and other events and the impact of inflation and increasing interest rates. Additional information regarding the factors that may cause actual results to differ materially from these forward-looking statements is available in our SEC filings, including our Annual Report on Form 10-K for fiscal year 2021 and our Quarterly reports on Form 10-Q. These forward-looking statements speak only as of the date of this presentation and except to the extent required by applicable law, we do not assume any obligation to update or revise any forward-looking statement, whether as a result of new information, future events and developments or otherwise.

# Current Update

- **Remain confident in our strategy and long-term outlook**
  - Portfolio transformation
  - Balanced strategy of accelerating growth & expanding margins
  - Remain focused on long-term financial targets (2026)\*
    - Accelerate growth: MSD to HSD
    - Expand margins: Adj. EBITDA >22.5% (2026)
- **Macro environment remains volatile**
  - China: Covid uncertainty + Consumer Weakness
  - Europe: Ukraine conflict + Energy Crisis
  - Interest rates + recession expectation impacting capital equipment
- **Full year guidance remains intact**

\*These are not projections and do not constitute guidance; they are subject to significant uncertainties and contingencies and are based upon management's current assumptions, which are subject to change.

# Envista – At A Glance

Partnering with professionals to improve lives by expanding oral care access worldwide

## Envista Profile

12,000+ Employees

1,600+ Issued Patents

140+ Countries

HQ Brea, California

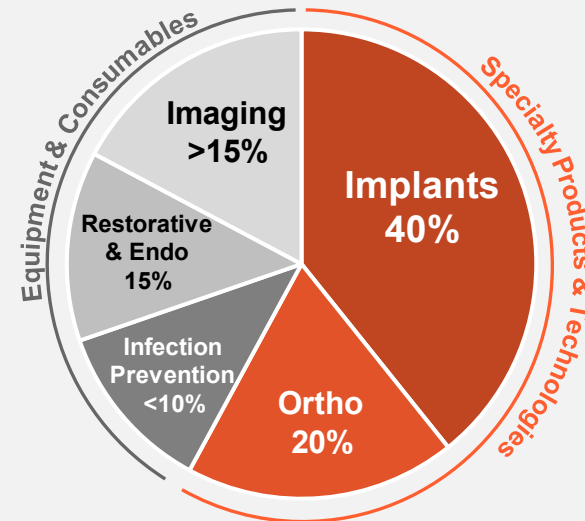
125+ Years of Innovation

Industry Leading Brands

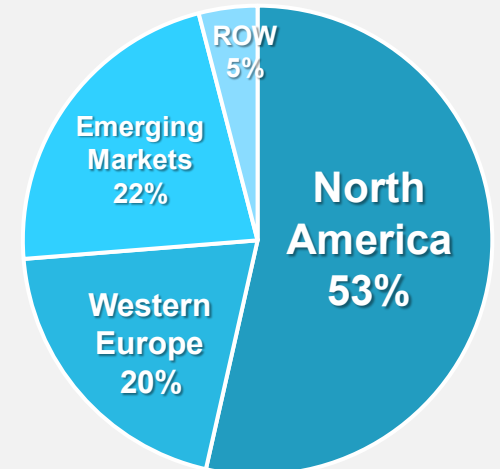


## Annual Revenue – FY 2021 \$2.5 Billion\*

### Revenue by Segment



### Revenue by Geography



- >80% of sales are consumables
- >60% of sales are direct

# Our Purpose



**We partner with professionals  
to improve lives**

# Our Core Values



**Customer  
Centricity**



**Innovation**



**Respect**



**Continuous  
Improvement**



**Leadership**

# Envista Transformation

	Pre-IPO	2019 – 2020	2021	2022**
<b>Core Sales Growth*</b>	Flat to Decline	LSD (Pandemic Adjusted)	MSD (vs. Pre-Pandemic)	In-Line with Full Year Guidance
<b>Adj. EBITDA%*</b>	Mid-Teens	Mid-Teens	19.7%	
<b>Segment Share Trend</b>	↓	→	↗	↗
<b>% Direct</b>	<50%	~50%	>60%	>60%
	<b><u>Foundational</u></b>	<b><u>Focused / Executing</u></b>		<b><u>Acceleration / Leadership</u></b>
<b>Progress</b>	<ul style="list-style-type: none"> <li>• Ops consolidation</li> <li>• China &amp; R&amp;D investment</li> </ul>	<ul style="list-style-type: none"> <li>• Pandemic response; &gt;\$125M structural cost-out</li> <li>• Targeted growth investments</li> <li>• Portfolio transformation</li> </ul>		<ul style="list-style-type: none"> <li>• Implant acceleration</li> <li>• Ortho / Spark growth</li> <li>• Digital leadership</li> <li>• DSO growth</li> </ul>
<b>Challenges</b>	<ul style="list-style-type: none"> <li>• Focus</li> <li>• Commercial execution</li> <li>• No Aligners presence</li> <li>• Limited M&amp;A</li> </ul>	<ul style="list-style-type: none"> <li>• Pandemic driven market volatility</li> <li>• IO Scanner gap</li> <li>• Under-indexed in Value Implants, Regeneratives</li> </ul>		<ul style="list-style-type: none"> <li>• Market volatility / Inflation</li> <li>• Balance of growth &amp; margin</li> </ul>

**EBS driving sustainable transformation: growth, margin, talent**

\*Core sales growth and adjusted EBITDA margins are non-GAAP financial measures. For a reconciliation to the most directly comparable GAAP measures, please see Appendix.

\*\*These are not projections or results of operations and do not constitute guidance; they are subject to significant uncertainties and contingencies and are based upon management's current assumptions, which are subject to change.

# Leveraging EBS to Create Long-Term Value

Reducing structural costs while funding long-term growth

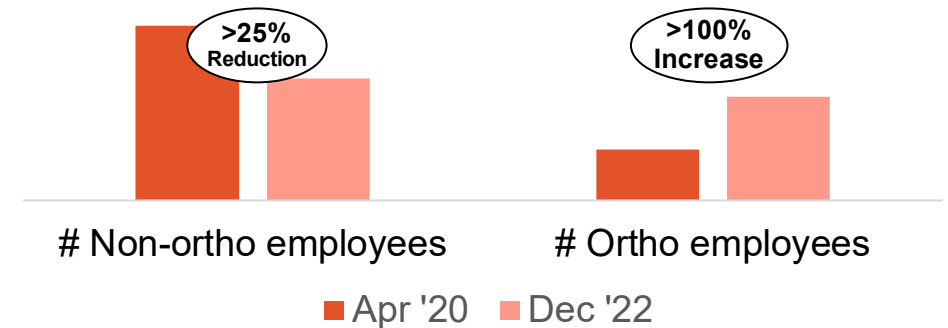
## Cost Reduction Program



## Aggressive Site Consolidation

# of Sites	Pre-IPO	Today
Offices	>190	40
Manufacturing	>40	20

## Workforce Consolidation & Redeployment



## Key Investments in Specialty

Investment in capacity and commercial capabilities '21 vs '19

>\$30M

New orthodontic manufacturing facility



Completed in 9 months

# Dental Market Landscape

## Patients



**Annual Spend**  
**>\$350 Billion\***

**Growth**  
**MSD\*\***

**# of People with  
Tooth Loss**  
**4 Billion**

**# of People with  
Malocclusions**  
**5 Billion**

### Trends:

- Aging population
- Improving access to care
- Significant under treatment
- Increasing focus on aesthetics

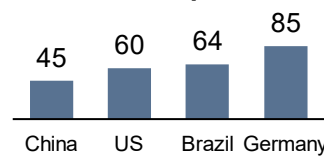
## Clinicians / Providers



**# of Clinicians**  
**>2 Million**

- Specialists
- General Practitioners
- DSO's

**# of Dentists per  
100,000 Population**

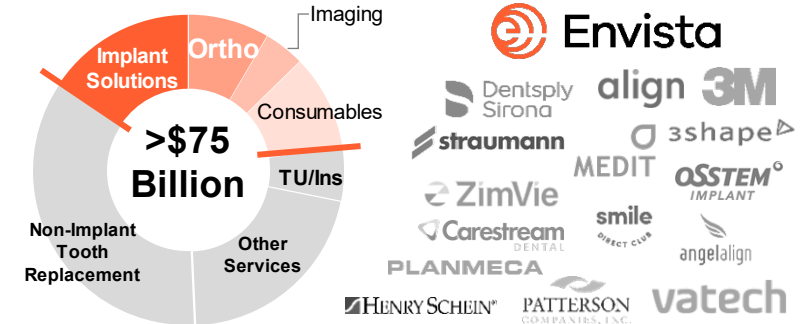


**Growth of Dental  
Service Organizations**  
**>25% per year**

### Trends:

- “Dentistry as a (growth) business”
- Rapid growth of DSO's
- Focus on practice efficiency
- Digitization of workflows

## Suppliers



**# of Dental  
IPOs since 2019**  
**>5**










**# of Dental  
Transactions  
Since 2019**  
**>100**

### Trends:

- Increasing investment and focus
- DTC investments (& challenges)
- Bifurcating market:
  - High Value / Growth: Implant + Ortho + Digital
  - Lower Growth: Equip + Hygiene + other



# Focused on High Value Segments (>\$25B)

Envista	Category	Segment Size*	Segment Growth**	Envista Position	Key Brands	
Equipment & Consumables	Imaging & Diagnostics	2D/3D	~\$2B	LSD+	#1	 
		IOS	~\$1B	>10%	New Focus (Carestream IOS acquisition)	
	Consumables & Infection Prevention	~\$7B	LSD	#3/4		
Specialty Products & Technologies	Implant-based Tooth Replacement	~\$11B	MSD+	#2	  	
	Orthodontics	Clear Aligners	~\$4B	>20%	Rapid Growth	
		Wires & Brackets	~\$2B	LSD	#1/2	

\*Represents estimated industry size

\*\*Represents estimated outlook

Source: Management estimates, iData, public reports

# Dental Market Evolution



Yesterday

- Analog imaging
- Impressions, stone models
- Inefficient, skill-dependent

Today

- Digital dentistry is here
- Multiple systems not working together
- Complex, confusing

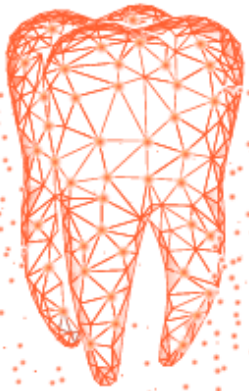
Tomorrow

- Integrated workflow: diagnostics, planning, execution in one place
- Predictable treatments, higher productivity
- Digitize, Personalize, Democratize

Transformation provides significant opportunity for sustainable competitive advantage

Image capture and visualization of patient anatomy to develop and execute integrated, efficient, and predictable treatment plans.

## Digitize



Enable the development and communication of personalized treatment plans to assist clinicians in delivering confidence to patients.

## Personalize



Improve the efficiency of care and accelerate the productivity of clinicians, allowing them to treat more patients with more predictable outcomes to improve access to dental care around the world.

## Democratize



# Envista's Unique Diagnostics and Treatment Offerings

## DIGITIZE

Every patient - for all indications

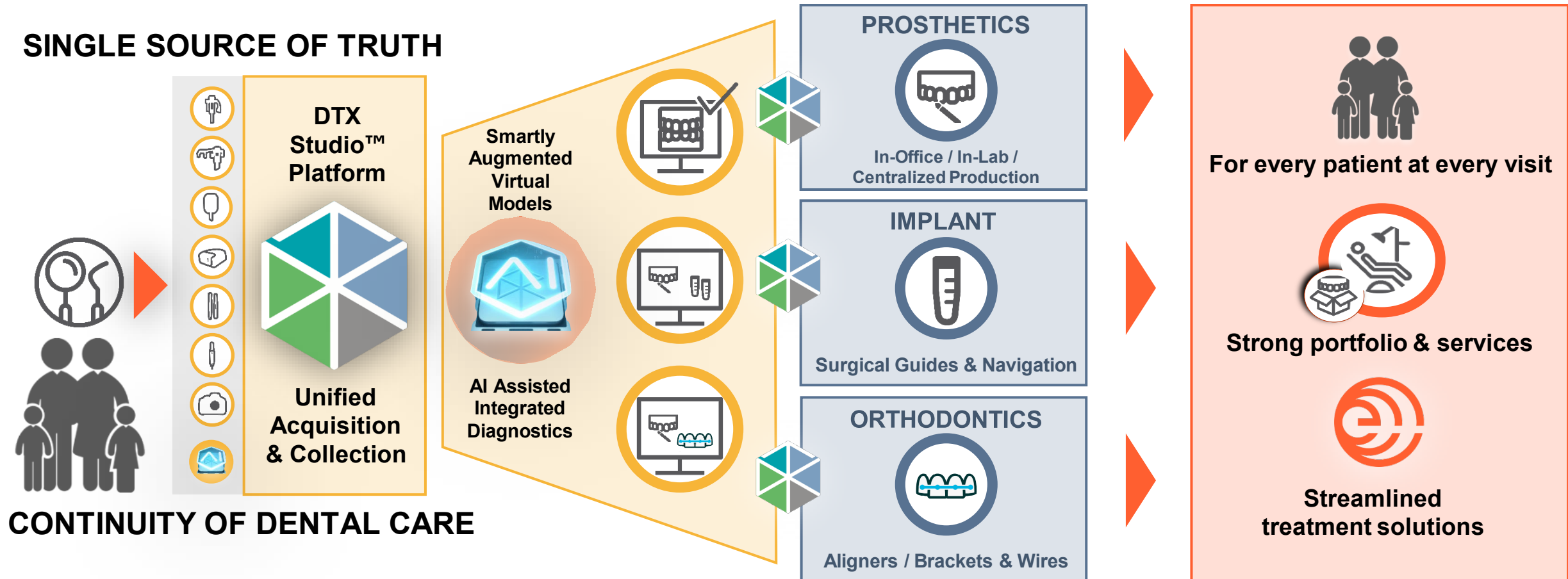
## PERSONALIZE

Tailored plan / specialty consumables

## DEMOCRATIZE

Access / solutions / workflows

### SINGLE SOURCE OF TRUTH



# How We Differentiate in Imaging & Diagnostics



Improving clinical outcomes and increasing patient acceptance



## Customer Centricity

Broad global reach with superior support & service

>1,500 daily customer interactions

60 Day Satisfaction Guarantee



## Installed Base

Large installed base of imaging equipment in dental offices

>165,000 units in operation

>50,000 DEXIS software licenses



## Digital Ecosystem

Connected workflows from diagnostics to planning to treatment

### Hardware:

2D / 3D Imaging; CBCT; IOS; Guided / Navigated Surgery; 3D printing

### Software:

DTX Studio™ Platform

### Value Proposition

- ✓ Simplicity
- ✓ Digital Assistance
- ✓ Digital Interaction



## Patient impact



- Impacting >200 million cases
- Installed in >10% of dental practices globally

# How We Differentiate in Implants



Innovation and commercial execution to accelerate growth to HSD\*



## Customer Centricity

Partnering with professionals to perfect implant-based tooth replacements

**>1,300** Commercial resources



## "All-on-4® Center of Excellence"

>300 certified centers of excellence in North America

**65%** Net promoter score



## Training & Education

Training the dental leaders of today and tomorrow

**>1,200** events and **>30,000** clinicians trained annually



## Innovation

Leader in clinical and digital workflow innovation

All-on-4® Treatment Protocols



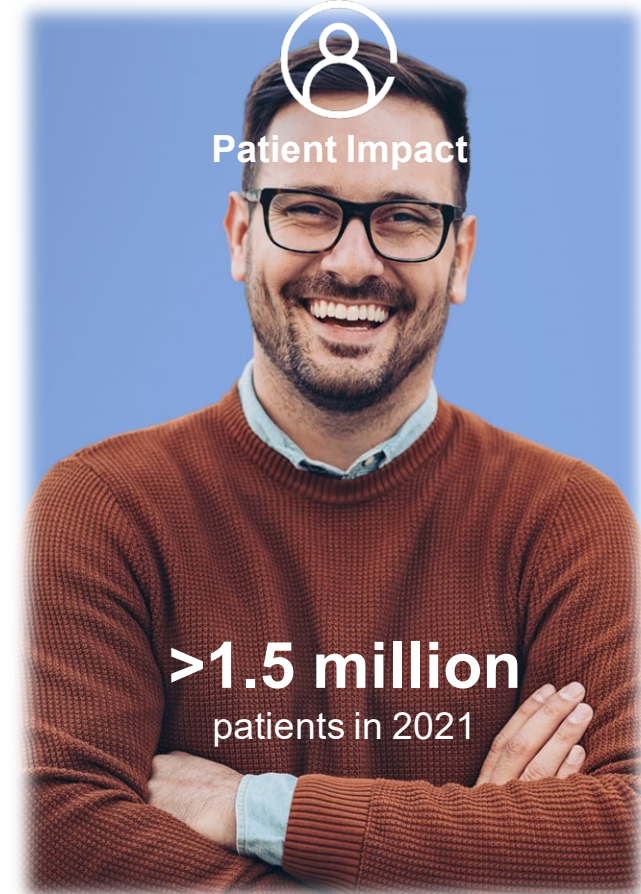
TiUltra™ & Xeal™ Innovative Surface Treatments



Nobel Biocare N1™ Implant System



## Patient Impact



**>1.5 million** patients in 2021

# How We Differentiate in Orthodontics



Focus on orthodontics will allow us to be the partner of choice and sustain DD+ growth\*



## Customer Centricity

Deliver superior support & service, globally

**>500** commercial resources

Complete offering of treatment options



Extensive network of key experts with deep knowledge of orthodontics



## Training & Education

Provide "best in class" professional training

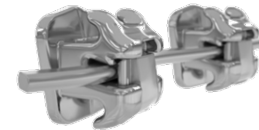
**>3,000** events and **>50,000** clinicians trained annually



## Innovation

Driving clinical efficacy & productivity

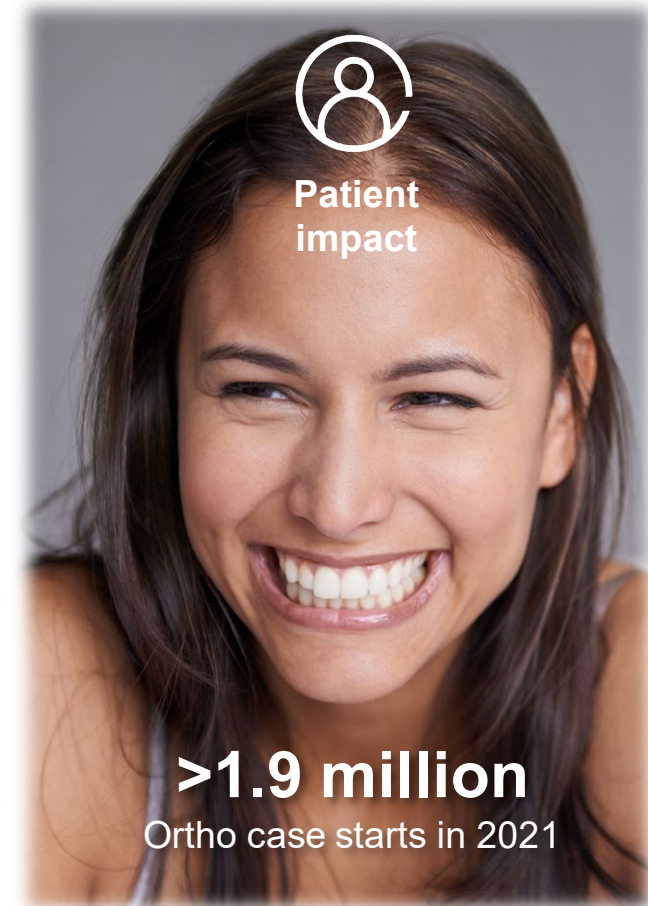
**Damon Ultima System**  
First true full expression orthodontic system designed for faster and more precise finishing.



**Spark Clear Aligners** give doctors start to finish control & flexibility while delivering predictable and efficient treatment planning.

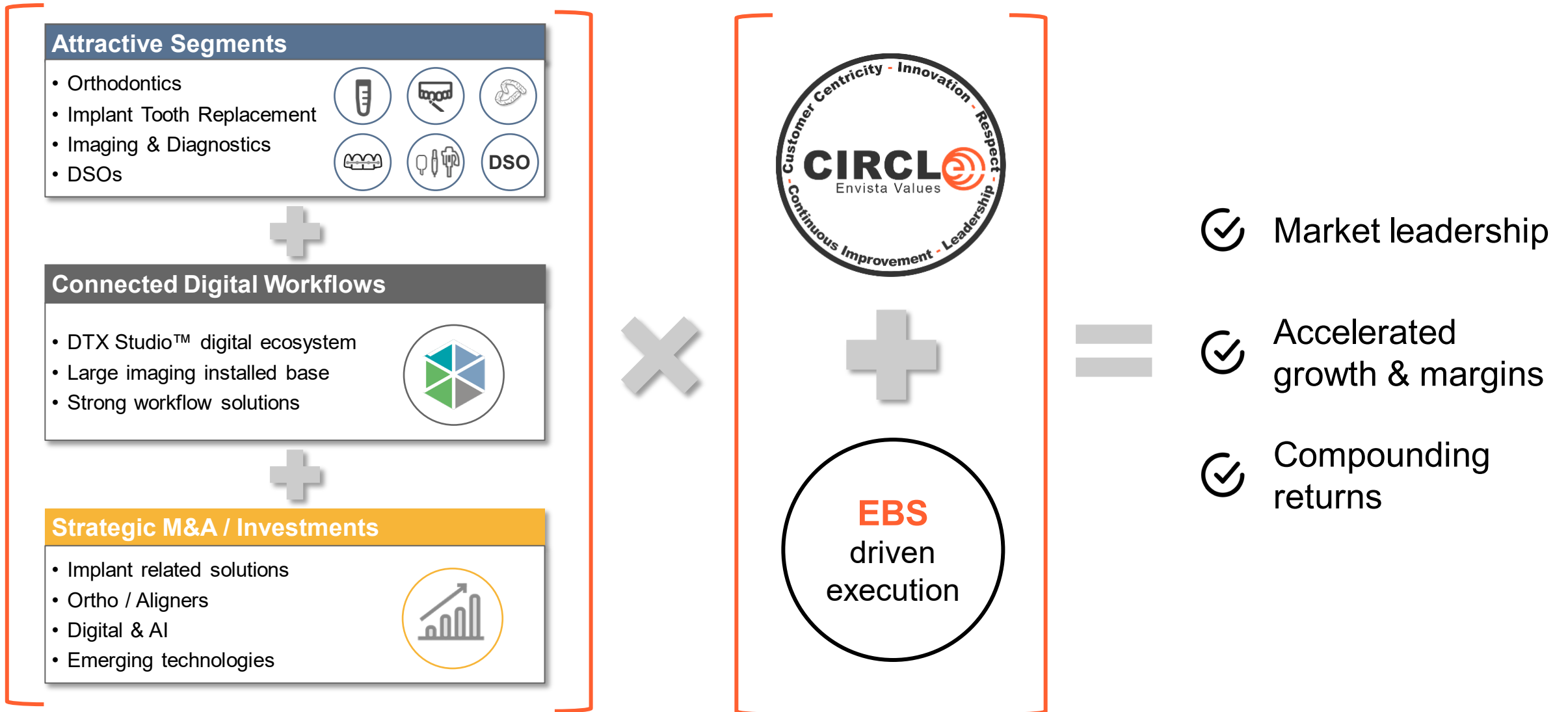


## Patient impact



**>1.9 million**  
Ortho case starts in 2021

# Driving Long-Term Leadership





# Envista: Long-term Outlook

Value Creation Driven By: Accelerating Growth and Margins

	2022 – 2026**	Comments
Core Sales Growth*	MSD → HSD	Accelerating growth in out years
Adjusted EBITDA%*	>22.5% (in 2026)	Balanced growth and margin expansion
Adj. EPS Growth*	>10%	Compounding returns

\*Core sales growth, adjusted EBITDA margins & Adj. EPS are non-GAAP financial measures.

\*\*These are not projections and do not constitute guidance; they are subject to significant uncertainties and contingencies and are based upon management's current assumptions, which are subject to change.

# Key Takeaways

🌀 Dental is an attractive market with positive secular growth trends

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🌀 Envista is strategically differentiated with a proven track record of execution

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🌀 Significant opportunity to accelerate growth, improve margins, & create long-term value for patients, customers, and shareholders



**Envista**

# Appendix

# Reconciliation of Core Sales Growth<sup>1</sup>

	% Change Twelve Month Period Ended December 31, 2021 vs. Comparable 2020 Period
<b>Consolidated</b>	
Total sales growth	30.1 %
Less the impact of:	
Discontinued products	0.4 %
Currency exchange rates	(1.5)%
Core sales growth	<u>29.0 %</u>
<b>Specialty Products &amp; Technologies</b>	
Total sales growth	34.9 %
Less the impact of:	
Discontinued products	(0.1)%
Currency exchange rates	(1.8)%
Core sales growth	<u>33.0 %</u>
<b>Equipment &amp; Consumables</b>	
Total sales growth	23.3 %
Less the impact of:	
Discontinued products	1.0 %
Currency exchange rates	(0.9)%
Core sales growth	<u>23.4 %</u>

<sup>1</sup> We use the term “core sales” to refer to GAAP revenue excluding (1) sales from acquired businesses recorded prior to the first anniversary of the acquisition (“acquisitions”), (2) sales from discontinued products and (3) the impact of currency translation. Sales from discontinued products includes major brands or products that Envista has made the decision to discontinue as part of a portfolio restructuring. Discontinued brands or products consist of those which Envista (1) is no longer manufacturing, (2) is no longer investing in the research or development of, and (3) expects to discontinue all significant sales within one year from the decision date to discontinue. The portion of sales attributable to discontinued brands or products is calculated as the net decline of the applicable discontinued brand or product from period-to-period. The portion of GAAP revenue attributable to currency exchange rates is calculated as the difference between (a) the period-to-period change in sales and (b) the period-to-period change in sales after applying current period foreign exchange rates to the prior year period. We use the term “core sales growth” to refer to the measure of comparing current period core sales with the corresponding period of the prior year. .

# Reconciliation of Adjusted EBITDA

(\$ in Millions)

## Adjusted EBITDA

	<u>Year Ended</u> <u>December 31, 2021</u>
Net Income From Continuing Operations	\$ 263.5
Interest expense, net	54.1
Income taxes	(9.0)
Depreciation	33.3
Amortization of acquisition-related intangible assets	81.5
Restructuring costs and asset impairments <sup>A</sup>	63.6
Transaction costs <sup>B</sup>	3.8
Contingent loss reserves <sup>C</sup>	4.2
Adjusted EBITDA	<u>\$ 495.0</u>
Adjusted EBITDA as a % of Sales	19.7 %

See the accompanying Notes to Reconciliation of GAAP to Non-GAAP Financial Measures

## ENVISTA HOLDINGS CORPORATION

### NOTES TO RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES (UNAUDITED)

<sup>A</sup> We exclude costs incurred pursuant to discrete restructuring plans that are fundamentally different (in terms of the size, strategic nature and planning requirements, as well as the inconsistent frequency, of such plans) from the ongoing productivity improvements that result from application of the Envista Business System. These restructuring plans are incremental to the operating activities that arise in the ordinary course of our business and we believe are not indicative of Envista's ongoing operating costs in a given period.

<sup>B</sup> These transaction costs are related to the acquisition of Carestream Dental's intra-oral scanner business.

<sup>C</sup> Represents accruals for certain legal matters.

## **Statement Regarding Non-GAAP Measures**

Each of the non-GAAP measures set forth above should be considered in addition to, and not as a replacement for or superior to, the comparable GAAP measure, and may not be comparable to similarly titled measures reported by other companies. Management believes that these measures provide useful information to investors by offering additional ways of viewing Envista Holdings Corporation's ("Envista" or the "Company") results that, when reconciled to the corresponding GAAP measure, help our investors to:

- with respect to Adjusted EBITDA, understand the long-term profitability trends of Envista's business and compare Envista's profitability to prior and future periods and to Envista's peers;
- with respect to Core Sales, identify underlying growth trends in Envista's business and compare Envista's revenue performance with prior and future periods and to Envista's peers; and
- with respect to Adjusted EBITDA, help investors understand operational factors associated with a company's financial performance because it excludes the following from consideration: interest, taxes, depreciation, amortization, and infrequent or unusual losses or gains such as goodwill impairment charges or nonrecurring and restructuring charges. Management uses Adjusted EBITDA, as a supplemental measure for assessing operating performance in conjunction with related GAAP amounts. In addition, Adjusted EBITDA is used in connection with operating decisions, strategic planning, annual budgeting, evaluating Company performance and comparing operating results with historical periods and with industry peer companies.



## **Statement Regarding Non-GAAP Measures (Continued)**

Management uses these non-GAAP measures to measure the Company's operating and financial performance.

The items excluded from the non-GAAP measures set forth above have been excluded for the following reasons:

- With respect to Adjusted EBITDA:
- We exclude the amortization of acquisition-related intangible assets because the amount and timing of such charges are significantly impacted by the timing, size, number and nature of the acquisitions we consummate. While we have a history of significant acquisition activity, we do not acquire businesses on a predictable cycle, and the amount of an acquisition's purchase price allocated to intangible assets and related amortization term are unique to each acquisition and can vary significantly from acquisition to acquisition. Exclusion of this amortization expense facilitates more consistent comparisons of operating results over time between our newly-acquired and long-held businesses, and with both acquisitive and non-acquisitive peer companies. We believe, however, that it is important for investors to understand that such intangible assets contribute to revenue generation and that intangible asset amortization related to past acquisitions will recur in future periods until such intangible assets have been fully amortized.
  - With respect to the other items excluded from Adjusted EBITDA, we exclude these items because they are of a nature and/or size that occur with inconsistent frequency, occur for reasons that may be unrelated to Envista's commercial performance during the period and/or we believe that such items may obscure underlying business trends and make comparisons of long-term performance difficult.
- With respect to core sales, we exclude (1) the effect of acquisitions and divested product lines because the timing, size, number and nature of such transactions can vary significantly from period-to-period and between us and our peers, which we believe may obscure underlying business trends and make comparisons of long-term performance difficult, (2) sales from discontinued products because discontinued products do not have a continuing contribution to operations and management believes that excluding such items provides investors with a means of evaluating our on-going operations and facilitates comparisons to our peers, and (3) the impact of currency translation because it is not under management's control, is subject to volatility and can obscure underlying business trends.