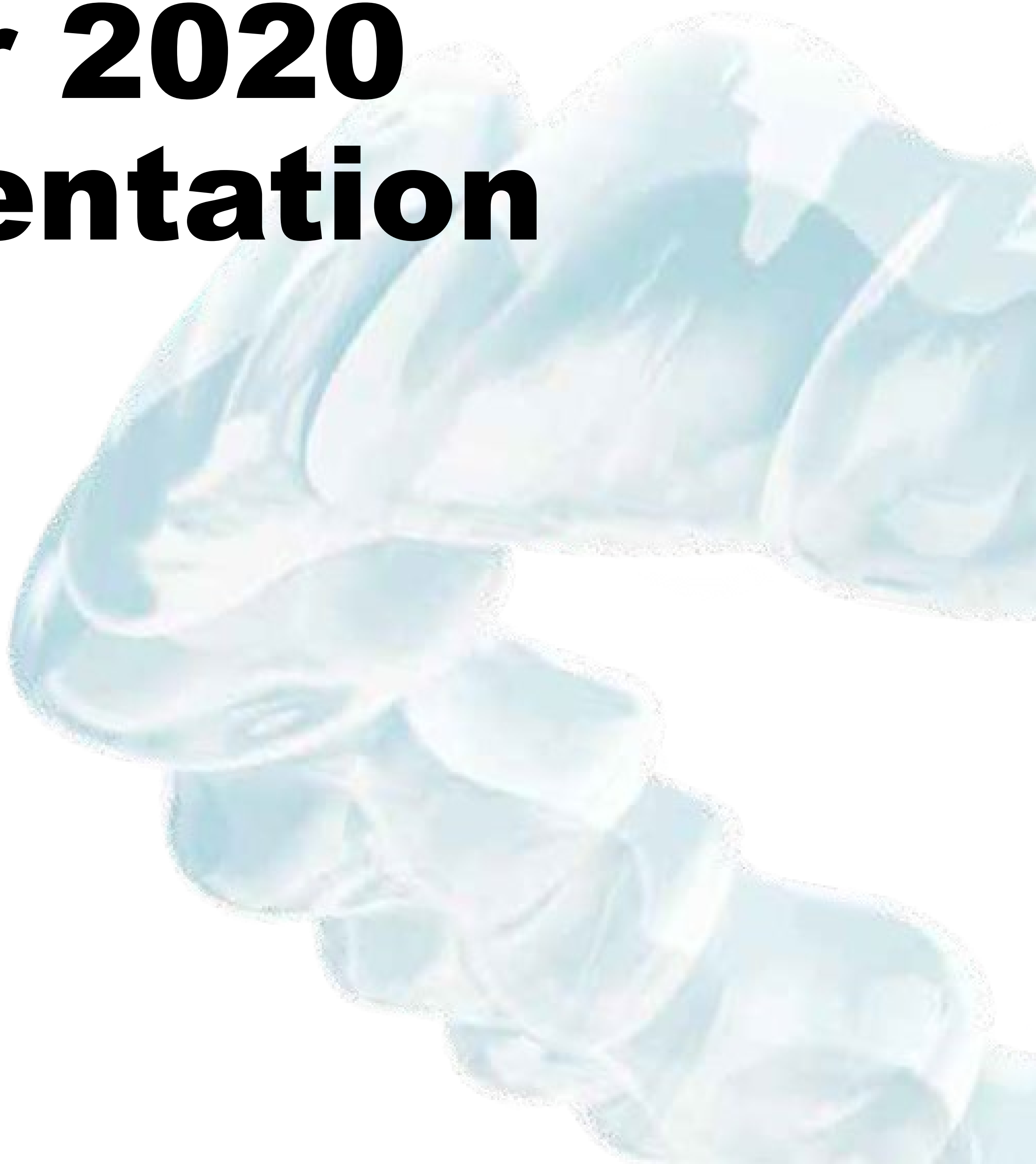
# Fourth Quarter 2020 Earnings Presentation

**February 10, 2021**



Envista

# 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, 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 cyclicality 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, significant restrictions and/or potential liability based on tax implications of transactions with Danaher, 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, and disruptions relating to war, terrorism, widespread protests and civil unrest, man-made and natural disasters, public health issues and other events. 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 2019 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.

# Overview

**Strategic growth initiatives, improving execution, and market stability drive strong revenue performance**

**Margin enhancement program accelerating profitability while providing opportunity to expand growth investments**

**Strong balance sheet allows flexibility to further portfolio transformation**

**Outstanding finish with +3.4% core sales growth, +8.5% free cash flow, +23% adj. EBITDA***

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

# Progress on strategic priorities

| Priority | Results |
|---|---|
| **Accelerate growth through strategic organic investments** | • >300 bps revenue contribution from infection prevention, Spark, and N1<br>• Orthodontics grew mid-teens, infection prevention revenue >40%<br>• Innovation: Spark release 10, launch of TiUltra and XEAL in US, N1 expanding in EU |
| **Expand operating margins through better mix and reduction in structural cost** | • Achieved >20% Adjusted EBITDA* margins for second consecutive quarter<br>• Completion of $100M margin improvement program<br>• Plan to invest incremental $30M in Specialty business |
| **Building a better, stronger, growth-oriented portfolio** | • Repaid $472M of our bank debt in February<br>• Reinstatement of original terms of credit agreement two quarters ahead of plan<br>• >85% of portfolio revenue consumables and workflow oriented |

**Transforming Envista into a higher growth, higher margin company**

*Adjusted EBITDA is a non-GAAP financial measure. For a reconciliation to the most directly comparable GAAP measures, please see Appendix

# Q4 2020: Financial metrics

| | |
|---|---|
| **Core Sales Growth*** | **3.4%** |
| **Adjusted OP Margin*** | **19.3%** |
| **GAAP EPS** | **$0.64** |
| **Adj. Diluted EPS*** | **$0.56** |
| **Free Cash Flow*** | **$185.6M** |
| **Adjusted EBITDA*** | **$150.8M** |

**Core sales growth**

- Consumables grew mid-single digits
- Developed markets grew mid-single digits
- China grew >20% led by Specialty segment

**Profitability**

- Adjusted operating profit margin grew 360bps
- Adjusted EBITDA increased 23.1%
- Reduction in personnel spending and facility consolidation drive >$25M cost savings

**Growth initiatives contribute >300bps to revenue, margin initiatives improve profitability**

*Core sales growth, adjusted OP margin, adjusted diluted EPS, free cash flow and adjusted EBITDA are non-GAAP financial measures. For a reconciliation to the most directly comparable GAAP measures, please see Appendix.



Envista

# Cash flow & balance sheet

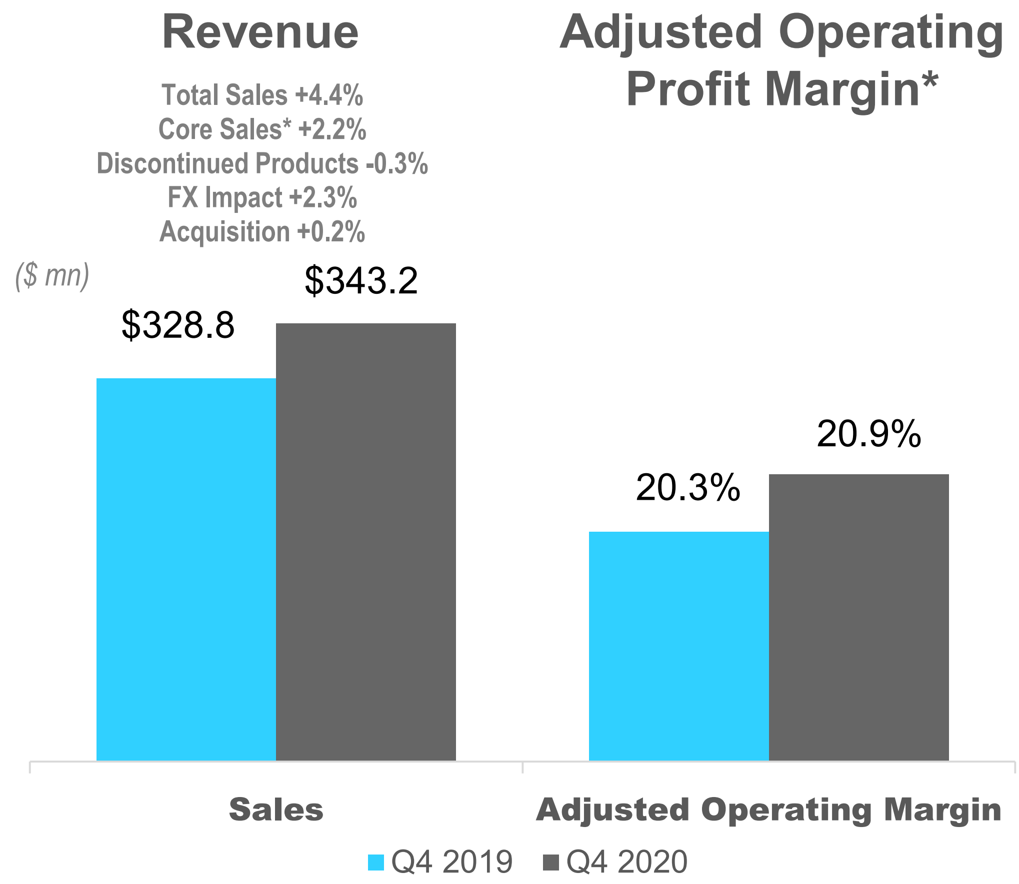
| Free cash flow summary ($M) | | |
|---|---|---|
| | **Q4’20** | **Q4’19** |
| **GAAP earnings** | $108.4 | $56.1 |
| **Operating cash flow** | $193.4 | $187.0 |
| **Capital expenditures, net** | $7.8 | $15.9 |
| **Free cash flow*** | $185.6 | $171.1 |

- **Balance sheet and liquidity**
  - Repaid $472M of bank debt in February
  - Reinstatement of original terms of credit agreement two quarters ahead of plan
  - Ended Q4 with cash balance of $889M
- **Free Cash Flow**
  - Free cash flow grew 8.5%
  - Working capital improvement driven by strong collections, inventory reduction and vendor terms management

**Balance sheet well positioned with strong cash flow performance**

*Free cash flow is a non-GAAP financial measure. For a reconciliation to the most directly comparable GAAP measures, please see Appendix.

# Specialty Products & Technologies

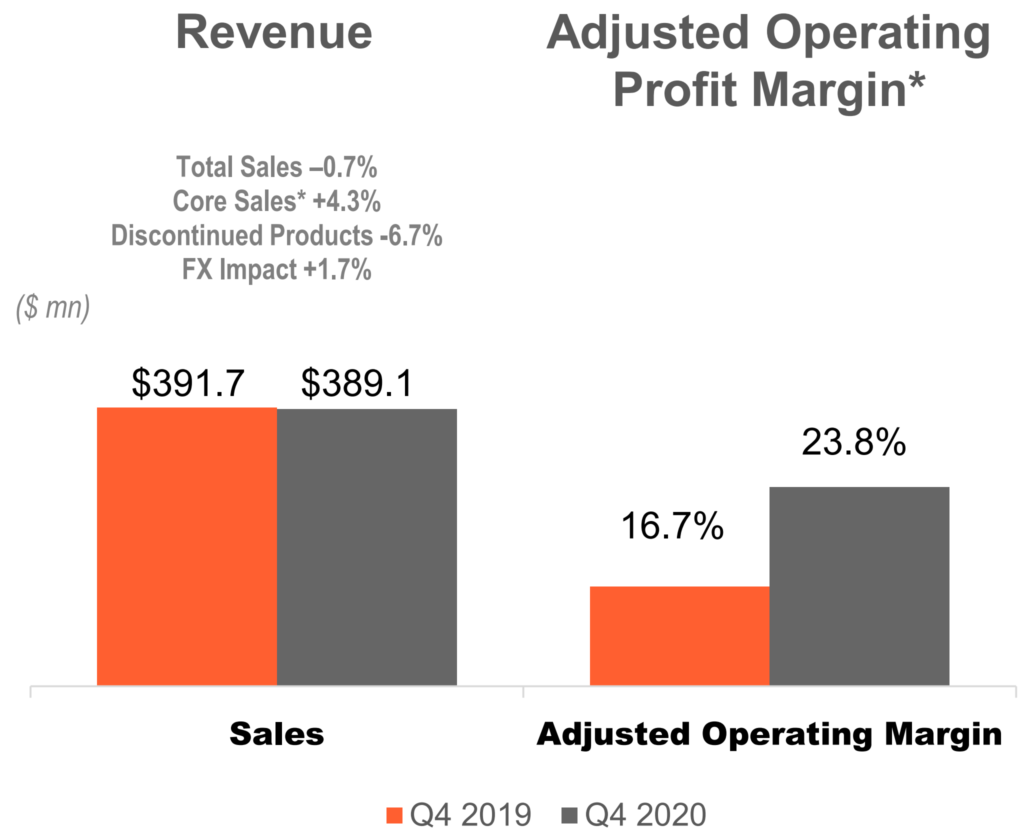



- **Revenue/Profitability**
  - Core sales growth led by orthodontics & implants in China and developed markets
  - Margin improvement from cost savings partially offset with capacity investment
- **Orthodontics**
  - Mid-teens growth, strength continuing from Q3
  - Brackets and wires grew approximately 10%
  - >250% growth in aligner case shipments 2H vs 1H
- **Implants**
  - >300 clinicians use N1 implant system in Europe
  - Performance improving sequentially from Q3
  - Mid-single digit growth in Nobel DSO business

**Improving performance, investing for future growth**

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

# Equipment & Consumables




- **Core revenue**
  - Consumables grew low double digits led by >40% growth in infection prevention
  - Restorative and endodontic declined slightly
  - Equipment flat aided by incentives and better performance in small equipment
- **Profitability**
  - Favorable mix from infection prevention growth
  - Cost savings program drives >450 basis points improvement

**Infection prevention demand and execution on margin driving strong performance**

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

# Summary & outlook

- **Executing well on strategic priorities and building a better Envista**
  - Growth: Priorities contributed >300bps to revenue; China returned to double digit growth
  - Margin: Adjusted EBITDA* margins above 20% for second consecutive quarter while reinvesting for growth
  - Portfolio: >85% of revenue now consumables and workflow oriented; Balance sheet provides flexibility in capital deployment moving forward
- **Cautiously optimistic on outlook as stability continues into January**
  - Specialty: Orthodontic business strong performance driven by new case starts and implants stable
  - E&C: Infection prevention drives consumables growth while equipment below pre-Covid
  - Geographically, experiencing similar conditions as in Q4 but watching outbreak in China closely
- **Long-term prospects of dental industry remain strong**
  - More underserved patients than ever before due to pandemic
  - Significant opportunities for growth in underpenetrated disciplines including implants and orthodontics

**Consistent priorities moving into 2021, focused on execution**

*Adjusted EBITDA is a non-GAAP financial measure. For a reconciliation to the most directly comparable GAAP measures, please see Appendix

# Q&A

Envista

# Appendix

# RECONCILIATION OF ADJUSTED GROSS PROFIT
**($ in millions)**

| | Three Months Ended | | Year Ended | |
|---|---|---|---|---|
| | December 31, 2020 | December 31, 2019 | December 31, 2020 | December 31, 2019 |
| Gross Profit | $ 388.5 | $ 389.4 | $ 1,158.1 | $ 1,513.1 |
| Restructuring costs and asset impairments [A] | 9.6 | — | 44.9 | — |
| Adjusted Gross Profit | $ 398.1 | $ 389.4 | $ 1,203.0 | $ 1,513.1 |
| | | | | |
| Gross Margin (Gross Profit / Sales) | 53.1 % | 54.0 % | 50.7 % | 55.0 % |
| Adjusted Gross Margin (Adjusted Gross Profit / Sales) | 54.4 % | 54.0 % | 52.7 % | 55.0 % |

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

Envista

# RECONCILIATION OF ADJUSTED OPERATING PROFIT

**($ in millions)**

| | Three Months Ended | | Year Ended | |
|---|---|---|---|---|
| | December 31, 2020 | December 31, 2019 | December 31, 2020 | December 31, 2019 |
| **Consolidated** | | | | |
| Operating Profit | $ 96.8 | $ 78.0 | $ 33.3 | $ 277.5 |
| Amortization of acquisition-related intangible assets | 22.2 | 22.2 | 90.2 | 89.5 |
| Restructuring costs and asset impairments [A] | 35.5 | — | 135.4 | — |
| Contingent loss reserve [B] | (13.3) | 9.0 | 2.7 | 9.0 |
| Separation costs [C] | — | 4.2 | — | 4.2 |
| Adjusted Operating Profit | $ 141.2 | $ 113.4 | $ 261.6 | $ 380.2 |
| Adjusted Operating Profit as a % of Sales | 19.3 % | 15.7 % | 11.5 % | 13.8 % |
| | | | | |
| **Specialty Products & Technologies** | | | | |
| Operating Profit | $ 40.9 | $ 52.4 | $ 72.7 | $ 227.7 |
| Amortization of acquisition-related intangible assets | 15.2 | 14.3 | 60.0 | 57.7 |
| Restructuring costs and asset impairments [A] | 15.8 | — | 43.8 | — |
| Adjusted Operating Profit | $ 71.9 | $ 66.7 | $ 176.5 | $ 285.4 |
| Adjusted Operating Profit as a % of Sales | 20.9 % | 20.3 % | 15.8 % | 21.3 % |
| | | | | |
| **Equipment & Consumables** | | | | |
| Operating Profit | $ 66.3 | $ 57.7 | $ 38.2 | $ 105.8 |
| Amortization of acquisition-related intangible assets | 7.0 | 7.9 | 30.2 | 31.8 |
| Restructuring costs and asset impairments [A] | 19.3 | — | 85.6 | — |
| Adjusted Operating Profit | $ 92.6 | $ 65.6 | $ 154.0 | $ 137.6 |
| Adjusted Operating Profit as a % of Sales | 23.8 % | 16.7 % | 13.2 % | 9.8 % |

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

Envista

# RECONCILIATION OF ADJUSTED NET INCOME
**($ in millions)**

| | Three Months Ended | | Year Ended | |
|---|---|---|---|---|
| | December 31, 2020 | December 31, 2019 | December 31, 2020 | December 31, 2019 |
| Net Income | $ 108.4 | $ 56.1 | $ 33.3 | $ 217.6 |
| Pretax amortization of acquisition-related intangible assets | 22.2 | 22.2 | 90.2 | 89.5 |
| Restructuring costs and asset impairments [A] | 35.5 | — | 135.4 | — |
| Contingent loss reserve [B] | (13.3) | 9.0 | 2.7 | 9.0 |
| Separation costs [C] | — | 4.2 | — | 4.2 |
| Non-cash interest expense - convertible senior notes [D] | 4.6 | — | 11.0 | — |
| Tax effect of adjustments reflected above [E] | (10.8) | (8.0) | (56.9) | (23.8) |
| Discrete tax adjustments and other tax-related adjustments [F] | (52.0) | 1.3 | (54.6) | (6.5) |
| Adjusted Net Income | $ 94.6 | $ 84.8 | $ 161.1 | $ 290.0 |

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

Envista

# RECONCILIATION OF ADJUSTED DILUTED EARNINGS PER SHARE

| | Three Months Ended | | Year Ended | |
|---|---|---|---|---|
| | December 31, 2020 | December 31, 2019 | December 31, 2020 | December 31, 2019 |
| Diluted Earnings Per Share | $ 0.64 | $ 0.35 | $ 0.20 | $ 1.60 |
| Pretax amortization of acquisition-related intangible assets | 0.13 | 0.14 | 0.55 | 0.55 |
| Restructuring costs and asset impairments [A] | 0.21 | — | 0.83 | — |
| Contingent loss reserve [B] | (0.08) | 0.06 | 0.02 | 0.06 |
| Separation costs [C] | — | 0.03 | — | 0.03 |
| Non-cash interest expense - convertible senior notes [D] | 0.03 | — | 0.07 | — |
| Tax effect of adjustments reflected above [E] | (0.06) | (0.06) | (0.35) | (0.15) |
| Discrete tax adjustments and other tax-related adjustments [F] | (0.31) | 0.01 | (0.34) | (0.04) |
| Dilutive impact of IPO and conversion shares [G] | — | (0.01) | — | (0.26) |
| Adjusted Diluted Earnings Per Share | $ 0.56 | $ 0.52 | $ 0.98 | $ 1.79 |

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

# RECONCILIATION OF ADJUSTED DILUTED SHARES
**(shares in millions)**

| | Three Months Ended | | Year Ended | |
|---|---|---|---|---|
| | December 31, 2020 | December 31, 2019 | December 31, 2020 | December 31, 2019 |
| Average common stock shares outstanding - diluted | 170.0 | 159.3 | 164.1 | 136.4 |
| Dilutive impact of IPO and conversion shares [G] | — | 3.0 | — | 25.9 |
| Average common stock and common stock equivalent shares outstanding - diluted | 170.0 | 162.3 | 164.1 | 162.3 |

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

# RECONCILIATION OF ADJUSTED EBITDA
## ($ in millions)

| | Three Months Ended | | Year Ended | |
|---|---|---|---|---|
| | December 31, 2020 | December 31, 2019 | December 31, 2020 | December 31, 2019 |
| Net Income | $ 108.4 | $ 56.1 | $ 33.3 | $ 217.6 |
| Interest expense, net | 21.3 | 3.3 | 62.5 | 3.5 |
| Income taxes | (34.2) | 18.5 | (63.4) | 57.9 |
| Depreciation | 10.9 | 9.2 | 42.4 | 39.0 |
| Amortization of acquisition-related intangible assets | 22.2 | 22.2 | 90.2 | 89.5 |
| Restructuring costs and asset impairments [A] | 35.5 | — | 135.4 | — |
| Contingent loss reserve [B] | (13.3) | 9.0 | 2.7 | 9.0 |
| Separation costs [C] | — | 4.2 | — | 4.2 |
| Adjusted EBITDA | $ 150.8 | $ 122.5 | $ 303.1 | $ 420.7 |

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

# RECONCILIATION OF CORE SALES GROWTH[1]

| Consolidated | % Change Three Month Period Ended December 31, 2020 vs. Comparable 2019 Period | % Change Year Ended December 31, 2020 vs. Comparable 2019 Period |
|---|---|---|
| Total sales growth | 1.6 % | (17.1)% |
| Less the impact of: | | |
| Acquisitions | (0.1)% | (0.2)% |
| Discontinued products | 3.8 % | 2.2 % |
| Currency exchange rates | (1.9)% | 0.3 % |
| Core sales growth | 3.4 % | (14.8)% |
| | | |
| **Specialty Products & Technologies** | | |
| Total sales growth | 4.4 % | (16.8)% |
| Less the impact of: | | |
| Acquisitions | (0.2)% | (0.3)% |
| Discontinued products | 0.3 % | 0.6 % |
| Currency exchange rates | (2.3)% | (0.1)% |
| Core sales growth | 2.2 % | (16.6)% |
| | | |
| **Equipment & Consumables** | | |
| Total sales growth | (0.7)% | (17.3)% |
| Less the impact of: | | |
| Discontinued products | 6.7 % | 3.8 % |
| Currency exchange rates | (1.7)% | 0.3 % |
| Core sales growth | 4.3 % | (13.2)% |

[1] 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.

Envista

# RECONCILIATION OF FREE CASH FLOW
**($ in millions)**

| | Three Months Ended | | Year Ended | |
|---|---|---|---|---|
| | December 31, 2020 | December 31, 2019 | December 31, 2020 | December 31, 2019 |
| Net Operating Cash Used in Investing Activities | $ (5.1) | $ (15.8) | $ (69.1) | $ (78.4) |
| Net Operating Cash Provided by (Used in) Financing Activities | $ 3.8 | $ (148.1) | $ 492.5 | $ (107.7) |
| | | | | |
| Net Operating Cash Provided by Operating Activities | $ 193.4 | $ 187.0 | $ 283.9 | $ 397.5 |
| Less: payments for additions to property, plant and equipment (capital expenditures) | (13.1) | (15.9) | (47.7) | (77.8) |
| Plus: proceeds from sales of property, plant and equipment (capital disposals) | 5.3 | — | 5.3 | 1.6 |
| Free Cash Flow | $ 185.6 | $ 171.1 | $ 241.5 | $ 321.3 |
| | | | | |
| Net Income | $ 108.4 | $ 56.1 | $ 33.0 | $ 217.6 |
| Free Cash Flow to Net Income Conversion Ratio | 1.71 | 3.05 | 7.32 | 1.48 |

Envista

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

[A] 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.

[B] Represents an accrual adjustment for a significant legal matter.

[C] On December 18, 2019, Danaher Corporation ("Danaher") completed the split-off exchange offer of all the common shares of Envista Holdings Corporation ("Envista" or (the "Company") held by Danaher in exchange for shares of Danaher common stock. This line item primarily reflects legal and professional services costs incurred in connection with this transaction.

[D] Non-cash interest expense represents accretion of the debt discount associated with the convertible senior notes due 2025.

[E] This line item reflects the aggregate tax effect of all pretax adjustments reflected in the preceding line items of the table using each adjustment's applicable tax rate, including the effect of interim tax accounting requirements of Accounting Standards Codification Topic 740 *Income Taxes.*

[F] The discrete tax matters relate primarily to excess tax benefits from stock-based compensation, changes in estimates associated with prior period uncertain tax positions and audit settlements, tax benefits resulting from a change in law, and changes in determination of realization of certain deferred tax assets. During 2020 we recorded a one-time income tax benefit of approximately $59.0 million related primarily to the recognition of a deferred tax asset associated with the estimated amortizable value of a tax basis step-up of the Company's Switzerland assets.

[G] In connection with the initial public offering ("IPO"), an additional 30.8 million shares were issued on September 20, 2019. This line item reflects the dilutive impact of these IPO shares as if outstanding as of the beginning of each period presented. In addition, certain Envista employees were previously granted Danaher equity awards. On December 18, 2019, Danaher completed the split-off exchange offer of all the common shares of Envista held by Danaher in exchange for shares of Danaher common stock. As a result, the equity awards held by certain Envista employees to purchase Danaher shares have been converted into equity awards to purchase Envista's shares. The dilutive impact of these equity awards are included in this line item to reflect the potential dilution as if outstanding as of the beginning of each period presented.

**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's results that, when reconciled to the corresponding GAAP measure, help our investors to:

- with respect to Adjusted Gross Profit, Adjusted Gross Margin, Adjusted Operating Profit, Adjusted Net Income, Adjusted Diluted Earnings Per Share and 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 Adjusted Diluted Earnings Per Share, provide investors with improved comparability for Adjusted Diluted EPS as share counts under GAAP are calculated using a weighted average approach;

- with respect to Adjusted Diluted Shares Outstanding, allows for the impact of the IPO shares and dilution related to the conversion of Danaher equity awards into Envista equity awards to be presented as if they were outstanding for all prior periods presented and for the dilutive impact of stock options and restricted stock units;

- 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;

- 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; and

- with respect to Free Cash Flow (the "FCF Measure"), understand Envista's ability to generate cash without external financings, strengthen its balance sheet, invest in its business and grow its business through acquisitions and other strategic opportunities (although a limitation of free cash flow is that it does not take into account the Company's debt service requirements and other non-discretionary expenditures, and as a result the entire free cash flow amount is not necessarily available for discretionary expenditures).

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 Gross Profit, Adjusted Gross Margin, Adjusted Operating Profit, Adjusted Diluted Earnings Per Share and 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. 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.

  - 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.

  - With respect to the other items excluded from Adjusted Net Income, Adjusted Operating Profit, Adjusted Diluted Earnings Per Share and 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 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.

- With respect to the FCF Measure, we exclude payments for additions to property, plant and equipment (net of the proceeds from capital disposals) to demonstrate the amount of operating cash flow for the period that remains after accounting for the Company’s capital expenditure requirements.