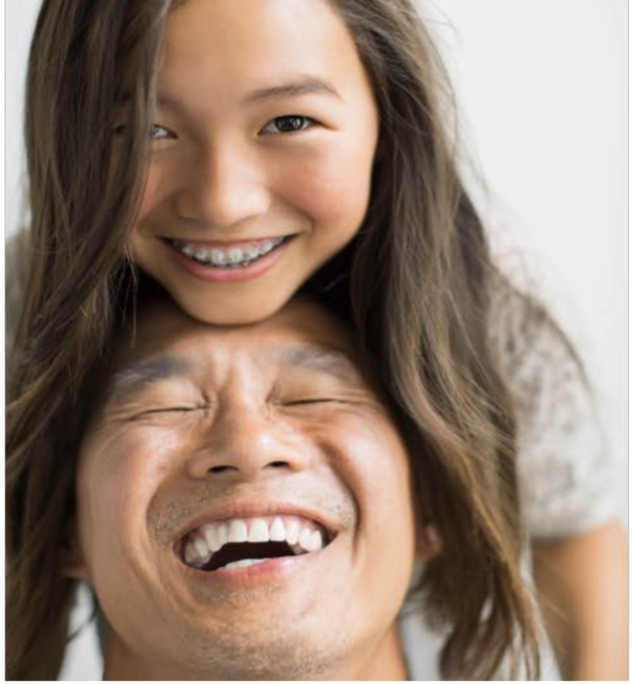
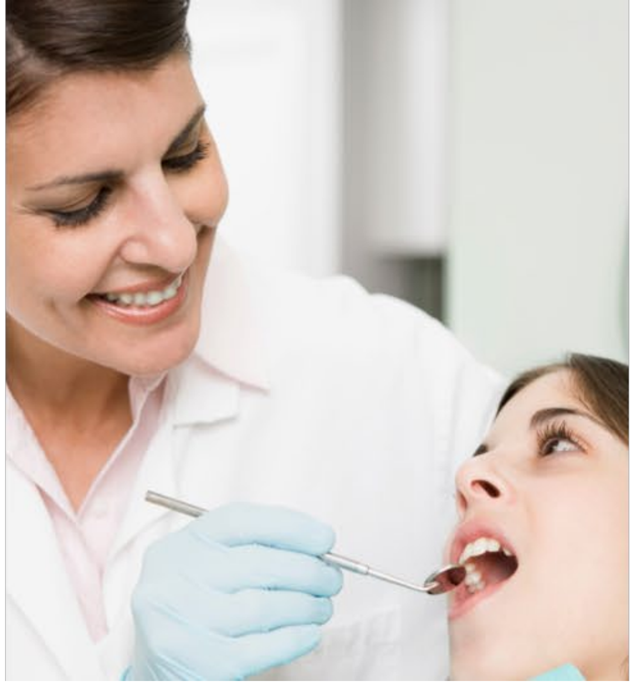





# Third Quarter 2021

## Earnings Presentation

November 3, 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, 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 due to any federal, state or local vaccine mandates, 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, the effect of the divestiture on our business relationships, operating results, share price or business generally, the occurrence of any event or other circumstances that could give rise to the termination of the purchase agreement, the failure to satisfy any of the conditions to completion of the divestiture, the failure to realize the expected benefits resulting from the divestiture, 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 2020 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 - Continuing Operations

**Delivered Core Sales Growth* in Q3 of 10.2% and Adjusted EBITDA margin* of 19.6%**

- Consistent execution delivered another strong quarter of core sales growth and adjusted EBITDA margin
- The Envista Business System (EBS) advances our long-term strategic priorities while driving near-term performance
- With the announced divestiture of the KaVo treatment unit and instrument business the portfolio is better positioned to accelerate long-term growth and expand adjusted EBITDA margin

Results relate only to continuing operations except for cash flow measures.
*Core sales growth and adjusted EBITDA margin are non-GAAP financial measures. For a reconciliation to the most directly comparable GAAP measures, please see Appendix.

# Progress on Strategic Priorities

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

| Priority | Results |
|---|---|
| **Accelerate growth through strategic organic investments** | • Continued strength in orthodontics; Spark core sales growth* >130% vQ3 2020<br>• Improving execution in premium implants; DD Core sales growth vQ3 2020<br>• Strong growth in imaging; core sales growth up >20% vQ3 2020<br>• Innovation driving >300 bps in core growth: Spark; Damon Ultima; etc. |
| **Expand operating margins through operational discipline and reduction in structural costs** | • Achieved 19.6% Adjusted EBITDA margin*; >190 bps vs pre-pandemic levels<br>• EBS continues to drive reduction in structural costs<br>• Continue to invest in long-term strategic priorities |
| **Building a better, stronger, growth-oriented portfolio** | • Announced sale of KaVo treatment unit and instrument business<br>• Portfolio focused on specialty dental solutions with high value consumables and digitally integrated workflows.<br>• Strong balance sheet; >$600 Million in cash provides significant flexibility for capital deployment |

*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.

# Q3 2021: Financial Metrics

**Continued execution drives growth and long-term margin improvement**

| | |
|---|---|
| Core Sales Growth* | 10.2% |
| GAAP EPS | $0.45 |
| Adj. Diluted EPS* | $0.45 |
| Adjusted EBITDA* | $119.1M |
| Adj. EBITDA Margin* | 19.6% |
| Free Cash Flow* | $82.3M |

- **Core Sales Growth**
  - Solid growth across portfolio
  - Specialty grew by >13% vQ3 2020
  - Demand above pre-pandemic levels
- **Profitability**
  - Strong growth and EBS driven cost savings offset by temporary stranded costs associated with discontinued operations

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

# Specialty Products & Technologies

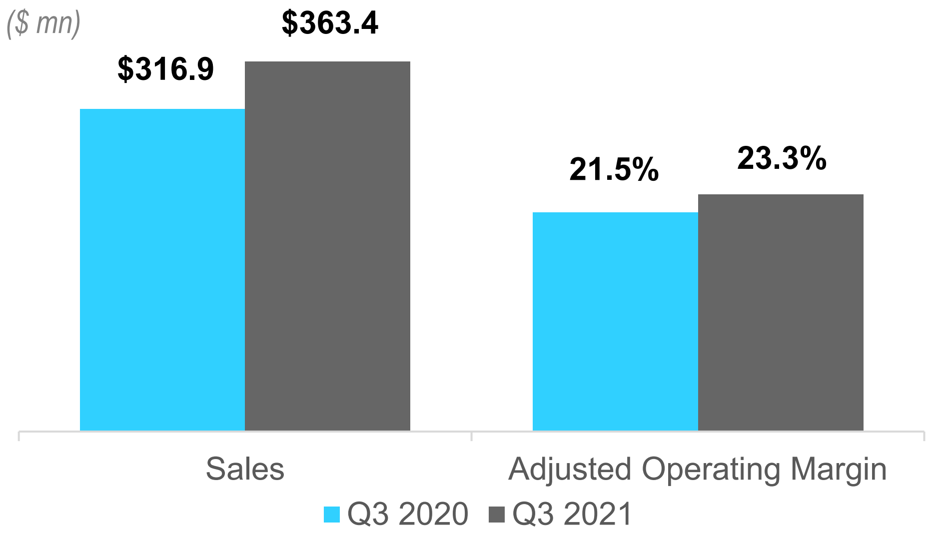
Nobel Biocare™ Ormco™

## Accelerating performance, investing for future growth

**Revenue**

Total Sales +14.7%
Core Sales* +13.3%
FX Impact -1.4%

**Adjusted Operating Profit Margin***




- **Orthodontics**
  - Solid performance in core Brackets & Wires; growth led by China; Damon Ultima continues to perform well in NA & EU
  - Spark growth remains strong; Anticipate $100M run rate in early 2022
- **Implants**
  - Premium growth driven by strong commercial execution in Europe, North America & China
  - Leveraging innovation (TiUltra/Xeal surfaces)
- **Profitability**
  - Margin improvement driven by growth, favorable product mix and structural cost savings
  - Continued investment in key growth initiatives

* 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.



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# Equipment & Consumables

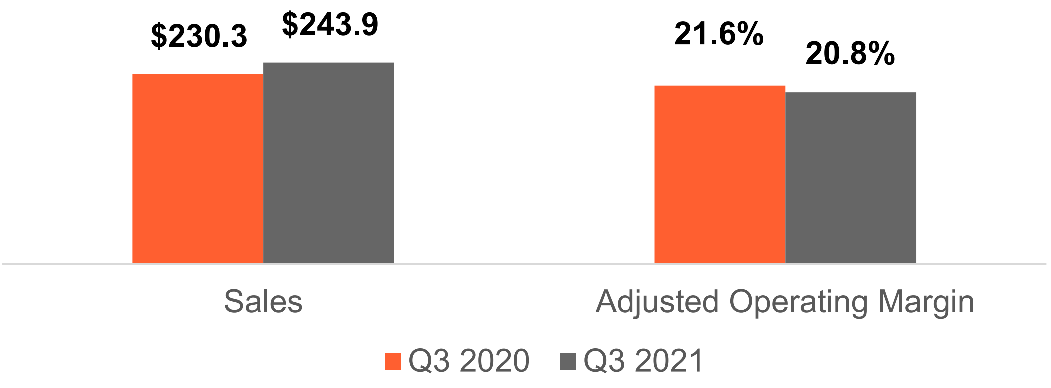
## Strong performance in Imaging; offset by temporary slowdown in infection prevention

**Revenue**

Total Sales +5.9%
Core Sales* +6.0%
Other discontinued Products +0.8%
FX Impact -0.7%

*($ mn)*

**Adjusted Operating Profit Margin***




- **Core Sales Growth***
  - Strong growth in imaging propelled by continued clinician confidence
  - Continued growth in Restorative driven by robust sell-out
  - Infection Prevention declined vs. pandemic peaks; Continue to gain share of end user sell out; Long-term outlook = MSD growth

- **Profitability**
  - Solid margin improvement in Imaging & Restoratives offset by slowdown in Infection Prevention
  - Some localized inflation related to chemical commodities negatively impacting Infection Prevention

* 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.

# Cash Flow & Balance Sheet

**Strong Balance Sheet – Flexibility to continue transforming portfolio**

| Free Cash Flow Summary ($M) | | |
|---|---|---|
| | **Q3’21** | **Q3’20** |
| **Operating cash flow*** | $88.3 | $148.1 |
| **Capital expenditures, net*** | $6.0 | $13.2 |
| **Free cash flow*,**** | $82.3 | $134.9 |

- **Balance Sheet**
  - Ended Q3 with cash balance of >$600 million
  - Significant flexibility for capital deployment
- **Free Cash Flow**
  - Generated >$80M of free cash flow in Q3
  - Working capital / inventory increased due to high volumes and ensuring supply
  - Capital expenditures remain focused on growth

*Cash flow items presented are consolidated and include both continuing and discontinued operations.
**Free cash flow is a non-GAAP financial measure. For a reconciliation to the most directly comparable GAAP measures, please see Appendix.



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# 2021 Full Year Guidance

**Raising guidance, Remain focused on delivering long-term growth and profitability**

| | |
|---|---|
| **Revenue** | **$2.475 - $2.500 Billion** |
| **Adj. EBITDA*** | **$480 - $495 Million**<br>*(Includes approximately $10 million of stranded costs to be addressed in 2022)* |

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

Note: These forward-looking estimates do not reflect future gains and charges that are inherently difficult to predict and estimate due to their unknown timing, effect and/or significance, such as certain future gains or losses on the sale of investments, acquisition or divestiture-related gains or charges, discrete tax items and legal contingency provisions

# Summary

**Consistent execution; accelerating growth, margins, and value creation**

- **Long-term prospects for the dental industry remain strong**
  - Resilient market with significant opportunity for growth and further penetration
  - Digital Workflow, Implants, and Orthodontics represent meaningful growth opportunities

- **Envista is well positioned to win**
  - Heritage brands with strong product portfolio
  - Strong commercial reach: >3,000 salespeople, global network of dealer partners
  - Customer Centric, Innovation, Respect, Continuous Improvement, and Leadership (CIRCLe) culture and EBS

- **Our strategic priorities remain the same**
  - Accelerating organic growth
  - Expanding operating margins
  - Build a better, stronger, more growth-oriented portfolio

# Q&A

# Appendix

# Reconciliation of Adjusted Operating Profit

($ in Millions)

| | Three Month Period Ended | | Nine Month Period Ended | |
|---|---|---|---|---|
| | October 1, 2021 | October 2, 2020 | October 1, 2021 | October 2, 2020 |
| **Consolidated** | | | | |
| Operating Profit (Loss) | $ 81.7 | $ 61.6 | $ 260.1 | $ (30.0) |
| Amortization of acquisition-related intangible | 20.3 | 22.3 | 61.4 | 65.5 |
| Restructuring costs and asset impairments [A] | 8.6 | 17.2 | 23.8 | 53.8 |
| Contingent loss reserves [B] | — | — | 3.3 | 16.0 |
| Adjusted Operating Profit | $ 110.6 | $ 101.1 | $ 348.6 | $ 105.3 |
| Adjusted Operating Profit as a % of Sales | 18.2 % | 18.5 % | 18.8 % | 8.0 % |
| **Specialty Products & Technologies** | | | | |
| Operating Profit | $ 61.5 | $ 41.4 | $ 211.6 | $ 26.2 |
| Amortization of acquisition-related intangible | 15.0 | 15.3 | 45.2 | 44.8 |
| Restructuring costs and asset impairments [A] | 8.2 | 11.5 | 15.2 | 28.0 |
| Contingent loss reserve [B] | — | — | 2.1 | — |
| Adjusted Operating Profit | $ 84.7 | $ 68.2 | $ 274.1 | $ 99.0 |
| Adjusted Operating Profit as a % of Sales | 23.3 % | 21.5 % | 24.6 % | 12.8 % |
| **Equipment & Consumables** | | | | |
| Operating Profit | $ 45.4 | $ 38.9 | $ 131.0 | $ 11.0 |
| Amortization of acquisition-related intangible | 5.3 | 7.0 | 16.2 | 20.7 |
| Restructuring costs and asset impairments [A] | 0.1 | 3.8 | 4.5 | 20.2 |
| Contingent loss reserve [B] | — | — | 1.2 | — |
| Adjusted Operating Profit | $ 50.8 | $ 49.7 | $ 152.9 | $ 51.9 |
| Adjusted Operating Profit as a % of Sales | 20.8 % | 21.6 % | 20.6 % | 9.6 % |

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

# Reconciliation of Adjusted Net Income

($ in Millions)

| | Three Months Ended | | Nine Months Ended | |
|---|---|---|---|---|
| | October 1, 2021 | October 2, 2020 | October 1, 2021 | October 2, 2020 |
| Net Income (Loss) From Continuing Operations | $ 80.2 | $ 23.6 | $ 221.0 | $ (48.6) |
| Amortization of acquisition-related intangible assets | 20.3 | 22.3 | 61.4 | 65.5 |
| Restructuring costs and asset impairments [A] | 8.6 | 17.2 | 23.8 | 53.8 |
| Contingent loss reserves [B] | — | — | 3.3 | 16.0 |
| Non-cash interest expense - convertible senior notes [C] | 4.9 | 4.4 | 14.2 | 6.4 |
| Tax effect of adjustments reflected above [D] | (8.3) | (2.5) | (23.9) | (33.3) |
| Discrete tax adjustments and other tax-related adjustments [E] | (26.3) | (0.1) | (52.4) | (2.6) |
| Adjusted Net Income | $ 79.4 | $ 64.9 | $ 247.4 | $ 57.2 |

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

# Reconciliation of Adjusted Diluted Earnings Per Share

| | Three Months Ended | | Nine Months Ended | |
|---|---|---|---|---|
| | October 1, 2021 | October 2, 2020 | October 1, 2021 | October 2, 2020 |
| Diluted Earnings From Continuing Operations (Loss) Per Share | $ 0.45 | $ 0.14 | $ 1.25 | $ (0.30) |
| Amortization of acquisition-related intangible assets | 0.11 | 0.14 | 0.35 | 0.40 |
| Restructuring costs and asset impairments [A] | 0.05 | 0.10 | 0.13 | 0.33 |
| Contingent loss reserves [B] | — | — | 0.02 | 0.10 |
| Non-cash interest expense - convertible senior notes [C] | 0.03 | 0.03 | 0.08 | 0.04 |
| Tax effect of adjustments reflected above [D] | (0.04) | (0.01) | (0.13) | (0.20) |
| Discrete tax adjustments and other tax-related adjustments [E] | (0.15) | — | (0.31) | (0.02) |
| Adjusted Diluted Earnings Per Share | $ 0.45 | $ 0.40 | $ 1.39 | $ 0.35 |

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





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# Reconciliation of Adjusted EBITDA
($ in Millions)

| | Three Months Ended | | Nine Months Ended | |
|---|---|---|---|---|
| | October 1, 2021 | October 2, 2020 | October 1, 2021 | October 2, 2020 |
| Net Income (Loss) From Continuing Operations | $ 80.2 | $ 23.6 | $ 221.0 | $ (48.6) |
| Interest expense, net | 12.0 | 23.4 | 43.6 | 41.2 |
| Income taxes | (10.3) | 14.8 | (3.7) | (22.2) |
| Depreciation | 8.3 | 10.1 | 24.9 | 25.0 |
| Amortization of acquisition-related intangible assets | 20.3 | 22.3 | 61.4 | 65.5 |
| Restructuring costs and asset impairments [A] | 8.6 | 17.2 | 23.8 | 53.8 |
| Contingent loss reserves [B] | — | — | 3.3 | 16.0 |
| Adjusted EBITDA | $ 119.1 | $ 111.4 | $ 374.3 | $ 130.7 |

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 October 1, 2021 vs. Comparable 2020 Period | % Change Nine Month Period Ended October 1, 2021 vs. Comparable 2020 Period |
|---|---|---|
| Total sales growth | 11.0 % | 41.5 % |
| Less the impact of: | | |
| Discontinued products | 0.3 % | 0.4 % |
| Currency exchange rates | (1.1)% | (2.4)% |
| Core sales growth | 10.2 % | 39.5 % |
| | | |
| **Specialty Products & Technologies** | | |
| Total sales growth | 14.7 % | 44.2 % |
| Less the impact of: | | |
| Discontinued products | — % | (0.1)% |
| Currency exchange rates | (1.4)% | (2.8)% |
| Core sales growth | 13.3 % | 41.3 % |
| | | |
| **Equipment & Consumables** | | |
| Total sales growth | 5.9 % | 37.6 % |
| Less the impact of: | | |
| Discontinued products | 0.8 % | 1.1 % |
| Currency exchange rates | (0.7)% | (1.6)% |
| Core sales growth | 6.0 % | 37.1 % |

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. .

# Reconciliation of Operating Cash Flows to Free Cash Flow

($ in Millions)

| | Three Months Ended | | Nine Months Ended | |
|---|---|---|---|---|
| | October 1, 2021 | October 2, 2020 | October 1, 2021 | October 2, 2020 |
| Net Operating Cash Used in Investing Activities | $ (3.1) | $ (9.6) | $ (25.9) | $ (64.0) |
| Net Operating Cash (Used in) Provided by Financing Activities | $ (4.0) | $ (244.3) | $ (467.4) | $ 488.7 |
| | | | | |
| Net Operating Cash Provided by Operating Activities | $ 88.3 | $ 148.1 | $ 225.6 | $ 90.5 |
| Less: payments for additions to property, plant and equipment (capital expenditures) | (17.5) | (13.2) | (46.0) | (34.6) |
| Plus: proceeds from sales of property, plant and equipment (capital disposals) | 11.5 | — | 11.6 | — |
| Free Cash Flow | $ 82.3 | $ 134.9 | $ 191.2 | $ 55.9 |





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# 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 accruals for certain legal matters.

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

[D] 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.*

[E] 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 the third quarter of 2021, the Company recorded an income tax benefit related primarily to the recognition of a deferred tax asset associated with the amortizable value of a tax basis-step up of Swiss assets.

# 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 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 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).

# 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 Operating Profit, Adjusted Net Income, 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. 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 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 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.
- 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.

# Thank You

Envista