

Masimo Earnings

Third Quarter 2022



Safe Harbor Statement

These presentations contain forward-looking statements within the meaning of federal securities laws, including, among others, statements about our expectations, plans, strategies or prospects. We generally use the words “may,” “will,” “expect,” “believe,” “anticipate,” “plan,” “estimate,” “project,” “assume,” “guide,” “target,” “forecast,” “see,” “seek,” “can,” “should,” “could,” “would,” “intend,” “predict,” “potential,” “strategy,” “is confident that,” “future,” “opportunity,” “work toward,” and similar expressions to identify forward-looking statements. All statements other than statements of historical or current fact are, or may be deemed to be, forward-looking statements. Such statements are based upon the current beliefs, expectations and assumptions of management and are subject to significant risks, uncertainties and changes in circumstances that could cause actual results to differ materially from the forward-looking statements. Forward-looking statements speak only as of the date they are made, and we disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Readers of these presentations are cautioned not to rely on these forward-looking statements, since there can be no assurance that these forward-looking statements will prove to be accurate. This cautionary statement is applicable to all forward-looking statements contained in these presentations. The risks and uncertainties that may cause actual results to differ materially from Masimo’s current expectations are more fully described in Masimo’s reports filed with the U.S. Securities and Exchange Commission (SEC), including our most recent Form 10-K and Form 10-Q. Copies of these filings, as well as subsequent filings, are available online at www.sec.gov, www.masimo.com or upon request.

The non-GAAP financial measures contained herein are a supplement to the corresponding financial measures prepared in accordance with U.S. GAAP. The non-GAAP financial measures presented exclude certain items that are more fully described in the Appendix. Management believes that adjustments for these items assist investors in making comparisons of period-to-period operating results. Furthermore, management also believes that these items are not indicative of the Company’s on-going core operating performance. These non-GAAP financial measures have certain limitations in that they do not reflect all of the costs associated with the operations of the Company’s business as determined in accordance with GAAP. Therefore, investors should consider non-GAAP financial measures in addition to, and not as a substitute for, or as superior to, measures of financial performance prepared in accordance with GAAP. The non-GAAP financial measures presented by the Company may be different from the non-GAAP financial measures used by other companies. The Company has presented the following non-GAAP financial measures to assist investors in understanding the Company’s core net operating results on an on-going basis: (i) constant currency revenue growth %, (ii) non-GAAP gross profit/margin %, (iii) non-GAAP SG&A expense, (iv) non-GAAP R&D expense, (v) non-GAAP litigation settlements and (awards), (vi) non-GAAP operating expense %, (vii) non-GAAP operating income/margin %, (viii) non-GAAP earnings per diluted share and (ix) adjusted free cash flow. These non-GAAP financial measures may also assist investors in making comparisons of the company’s core operating results with those of other companies. Management believes these non-GAAP financial measures are important in the evaluation of the Company’s performance and uses these measures to better understand and evaluate our business. For additional financial details, including GAAP to non-GAAP reconciliations, please visit the Investor Relations section of the Company’s website at www.masimo.com to access Supplementary Financial Information.



Third Quarter 2022 Financial Highlights ⁽¹⁾

Revenue

\$549
million

Non-GAAP Gross Margin

52.6%

Non-GAAP Operating Profit

\$81
million

Non-GAAP EPS

\$1.00
per share

Healthcare revenue of **\$327 million**, representing **6%** reported growth and **10%** constant currency growth;

AND

Non-healthcare revenue of **\$222 million**, representing **(2%)** reported growth and **5%** constant currency growth on a pro forma basis.

Healthcare **64.6%**;

AND

Non-healthcare **35.0%**.

⁽¹⁾ Non-GAAP measures shown have been adjusted for certain items that are fully described in the Appendix. Please visit the Investor Relations section of the Company's website at www.masimo.com to access additional information related to our Non-GAAP adjustments and Supplementary Financial Information.

Third Quarter 2022 Actual vs. Prior Year | Non-GAAP ⁽¹⁾

(In millions; except EPS)

	Actual	Prior Year	vs. Prior Year
Revenue	\$549	\$307	79%
Healthcare	327	307	6%
Non-Healthcare	222	N/A	N/A
Gross Profit	\$289	\$204	41%
Healthcare	211	204	3%
Non-Healthcare	78	N/A	N/A
Gross Margin	52.6%	66.5%	-1390 bps
Healthcare	64.6%	66.5%	-190 bps
Non-Healthcare	35.0%	N/A	N/A
Operating Profit	\$81	\$71	15%
Operating Margin	14.8%	23.0%	-820 bps
Non-Operating Inc. / (Exp.)	(8)	0	-5479%
Pre-Tax Income	\$73	\$71	3%
Income Taxes	19	17	16%
Tax Rate	26.3%	23.5%	280 bps
Net Income	\$54	\$54	-1%
Shares	54.1	57.7	-6%
Earnings Per Share	\$1.00	\$0.94	6%

Pro Forma Constant Currency Revenue Growth

Consolidated	8%
Healthcare	10%
Non-Healthcare	5%

⁽¹⁾ Non-GAAP measures shown have been adjusted for certain items that are fully described in the Appendix. Please visit the Investor Relations section of the Company's website at www.masimo.com to access additional information related to our Non-GAAP adjustments and Supplementary Financial Information.



Fourth Quarter 2022 Guidance as of November 8, 2022 ⁽¹⁾

Revenue

\$581
to
\$611
million

Healthcare revenue of **\$337 to \$352 million**, representing **3% to 7%** reported growth and **7% to 11%** constant currency growth;

AND

Non-healthcare revenue of **\$245 to \$260 million**, representing **(7%) to (2%)** reported growth and **5% to 10%** constant currency growth on a pro forma basis.

Non-GAAP Gross Margin

~51%

Healthcare **~63%**;

AND

Non-healthcare **~34% to 35%**.

Non-GAAP Operating Profit

\$91
to
\$100
million

Non-GAAP EPS

\$1.11
to
\$1.22
per share

⁽¹⁾ Non-GAAP measures shown have been adjusted for certain items that are fully described in the Appendix. Please visit the Investor Relations section of the Company's website at www.masimo.com to access additional information related to our Non-GAAP adjustments and Supplementary Financial Information.

Fourth Quarter 2022 Guidance vs. Prior Year | Non-GAAP ⁽¹⁾

(In millions; except EPS)

	Guidance		Prior Year	vs. Prior Year	
	Low	High		Low	High
Revenue	\$581	\$611	\$328	77%	87%
Healthcare	337	352	328	3%	7%
Non-Healthcare	245	260	N/A	N/A	N/A
Gross Profit	\$296	\$313	\$216	37%	45%
Healthcare	211	222	216	-2%	3%
Non-Healthcare	84	91	N/A	N/A	N/A
Gross Margin	50.9%	51.2%	65.9%	-1500 bps	-1470 bps
Healthcare	62.8%	63.1%	65.9%	-310 bps	-280 bps
Non-Healthcare	34.5%	35.0%	N/A	N/A	N/A
Operating Profit	\$91	\$100	\$84	8%	18%
Operating Margin	15.7%	16.3%	25.7%	-1000 bps	-940 bps
Non-Operating Inc. / (Exp.)	(11)	(11)	0	-16488%	-16488%
Pre-Tax Income	\$80	\$88	\$84	-5%	5%
Income Taxes	20	22	14	38%	53%
Tax Rate	24.5%	24.7%	16.9%	760 bps	780 bps
Net Income	\$60	\$67	\$70	-14%	-5%
Shares	54.5	54.5	57.8	-6%	-6%
Earnings Per Share	\$1.11	\$1.22	\$1.21	-8%	1%

Pro Forma Constant Currency Revenue Growth		
	Low	High
Consolidated	6%	11%
Healthcare	7%	11%
Non-Healthcare	5%	10%

⁽¹⁾ Non-GAAP measures shown have been adjusted for certain items that are fully described in the Appendix. Please visit the Investor Relations section of the Company's website at www.masimo.com to access additional information related to our Non-GAAP adjustments and Supplementary Financial Information.



Full Year 2022 Guidance as of November 8, 2022 ⁽¹⁾

Revenue

\$2,000
to
\$2,030
million

Healthcare revenue of **\$1,325 to \$1,340 million**, representing **7% to 8%** reported growth and **10% to 11%** constant currency growth;

AND

Non-healthcare revenue of **\$675 to \$690 million** from April 11, 2022 through fiscal year end.

On a pro forma basis for the full year, non-healthcare revenue of **\$933 to \$948 million**, representing **3% to 4%** reported growth and **10% to 12%** constant currency growth.

Non-GAAP Gross Margin

~55%

Healthcare **~65%**;

AND

Non-healthcare **~35%**.

Non-GAAP Operating Profit

\$349
to
\$357
million

Non-GAAP EPS

\$4.38
to
\$4.49
per share

⁽¹⁾ Non-GAAP measures shown have been adjusted for certain items that are fully described in the Appendix. Please visit the Investor Relations section of the Company's website at www.masimo.com to access additional information related to our Non-GAAP adjustments and Supplementary Financial Information.

Full Year 2022 Guidance vs. Prior Year | Non-GAAP ⁽¹⁾

(In millions; except EPS)

	Guidance		Prior Year	vs. Prior Year	
	Low	High		Low	High
Revenue	\$2,000	\$2,030	\$1,239	61%	64%
Healthcare	1,325	1,340	1,239	7%	8%
Non-Healthcare	675	690	N/A	N/A	N/A
Gross Profit	\$1,099	\$1,117	\$816	35%	37%
Healthcare	865	875	816	6%	7%
Non-Healthcare	235	241	N/A	N/A	N/A
Gross Margin	55.0%	55.0%	65.8%	-1080 bps	-1080 bps
Healthcare	65.3%	65.3%	65.8%	-50 bps	-50 bps
Non-Healthcare	34.8%	35.0%	N/A	N/A	N/A
Operating Profit	\$349	\$357	\$295	18%	21%
Operating Margin	17.4%	17.6%	23.8%	-640 bps	-620 bps
Non-Operating Inc. / (Exp.)	(23)	(23)	0	-5519%	-5519%
Pre-Tax Income	\$326	\$334	\$295	10%	13%
Income Taxes	84	86	65	29%	33%
Tax Rate	25.7%	25.7%	22.0%	370 bps	370 bps
Net Income	\$242	\$248	\$230	5%	8%
Shares	55.3	55.3	57.7	-4%	-4%
Earnings Per Share	\$4.38	\$4.49	\$3.99	10%	13%

Pro Forma Constant Currency Revenue Growth	Revenue Growth	
	Low	High
Consolidated	10%	11%
Healthcare	10%	11%
Non-Healthcare	10%	12%

⁽¹⁾ Non-GAAP measures shown have been adjusted for certain items that are fully described in the Appendix. Please visit the Investor Relations section of the Company's website at www.masimo.com to access additional information related to our Non-GAAP adjustments and Supplementary Financial Information.



Appendices

GAAP to Non-GAAP Reconciliations

GAAP to Non-GAAP Reconciliations | Consolidated Income Statement

(Unaudited; in millions, except per share data) ⁽¹⁾

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022 Guidance ⁽²⁾		FY 2022 Guidance ⁽²⁾	
									Low	High	Low	High
GAAP revenue	\$299.0	\$305.1	\$307.4	\$327.6	\$1,239.2	\$304.2	\$565.3	\$549.3	\$581.2	\$611.2	\$2,000.0	\$2,030.0
GAAP gross profit	\$196.9	\$192.9	\$203.6	\$214.9	\$808.3	\$204.8	\$258.2	\$282.5	\$293.1	\$310.3	\$1,038.6	\$1,055.7
Acquired tangible asset amortization	0.1	0.1	0.1	0.1	0.5	-	46.2	6.4	-	-	52.6	52.6
Acquired intangible asset amortization	0.6	0.6	0.6	0.6	2.4	0.6	4.9	0.1	2.6	2.6	8.2	8.2
Acquisition, integration and related costs	0.1	0.5	0.0	0.3	0.9	0.0	0.0	-	-	-	0.1	0.1
Other adjustments	-	3.4	-	-	3.4	-	-	-	-	-	-	-
Non-GAAP gross profit	\$197.7	\$197.5	\$204.5	\$215.9	\$815.5	\$205.4	\$309.2	\$289.1	\$295.7	\$312.9	\$1,099.4	\$1,116.6
GAAP selling, general and administrative expenses	\$96.7	\$93.9	\$100.6	\$104.1	\$395.3	\$108.9	\$188.3	\$174.6				
Acquired tangible asset amortization	-	-	-	-	-	-	(2.1)	(2.4)				
Acquired intangible asset amortization	(1.0)	(0.9)	(0.9)	(0.9)	(3.7)	(0.9)	(4.4)	(4.5)				
Acquisition, integration and related costs	(1.0)	(0.4)	(0.3)	(0.5)	(2.2)	(3.1)	(19.7)	(9.6)				
Litigation related expenses and settlements	-	(0.4)	(1.2)	(4.4)	(6.0)	(5.5)	(7.2)	(3.4)				
Other adjustments	-	-	-	-	-	-	-	-				
Non-GAAP selling, general and administrative expenses	\$94.7	\$92.2	\$98.3	\$98.3	\$383.5	\$99.5	\$154.9	\$154.7				
GAAP research and development expenses	\$34.5	\$33.9	\$35.4	\$33.4	\$137.2	\$36.1	\$47.8	\$53.1				
Acquired intangible asset amortization	-	-	-	-	-	-	-	-				
Acquisition, integration and related costs	-	-	-	-	-	-	(0.1)	(0.1)				
Non-GAAP research and development expenses	\$34.5	\$33.9	\$35.4	\$33.4	\$137.2	\$36.1	\$47.8	\$53.1				
GAAP litigation settlements and awards	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0				
Litigation related expenses and settlements	-	-	-	-	-	-	-	(0.0)				
Non-GAAP litigation settlements and awards	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0				
GAAP operating expenses	\$131.2	\$127.8	\$136.0	\$137.5	\$532.5	\$145.0	\$236.1	\$227.7				
Acquired tangible asset amortization	-	-	-	-	-	-	(2.1)	(2.4)				
Acquired intangible asset amortization	(1.0)	(0.9)	(0.9)	(0.9)	(3.7)	(0.9)	(4.4)	(4.5)				
Acquisition, integration and related costs	(1.0)	(0.4)	(0.3)	(0.5)	(2.2)	(3.1)	(19.7)	(9.7)				
Litigation related expenses and settlements	-	(0.4)	(1.2)	(4.4)	(6.0)	(5.5)	(7.2)	(3.4)				
Other adjustments	-	-	-	-	-	-	-	-				
Non-GAAP operating expenses	\$129.2	\$126.1	\$133.7	\$131.7	\$520.7	\$135.6	\$202.6	\$207.8				
GAAP operating profit	\$65.7	\$65.1	\$67.6	\$77.4	\$275.8	\$59.7	\$22.1	\$54.8	\$70.2	\$78.5	\$206.9	\$215.2
Acquired tangible asset amortization	0.1	0.1	0.1	0.1	0.5	-	48.2	8.8	2.3	2.3	59.4	59.4
Acquired intangible asset amortization	1.6	1.5	1.5	1.5	6.1	1.5	9.3	4.6	7.4	7.4	22.8	22.8
Acquisition, integration and related costs	1.0	0.9	0.3	0.8	3.1	3.1	19.7	9.7	4.7	4.7	37.2	37.2
Litigation related expenses and settlements	-	0.4	1.2	4.4	6.0	5.5	7.2	3.4	6.6	6.6	22.6	22.6
Other adjustments	-	3.4	-	-	3.4	-	-	-	-	-	-	-
Non-GAAP operating profit	\$68.5	\$71.4	\$70.8	\$84.2	\$294.8	\$69.8	\$106.6	\$81.3	\$91.2	\$99.5	\$349.0	\$357.3

GAAP to Non-GAAP Reconciliations | Consolidated Income Statement

(Unaudited; in millions, except per share data) ⁽¹⁾

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022 Guidance ⁽²⁾		FY 2022 Guidance ⁽²⁾	
									Low	High	Low	High
GAAP non-operating income (expense)	(\$0.7)	\$0.1	(\$0.1)	(\$0.7)	(\$1.4)	(\$0.6)	\$4.5	(\$2.8)	(\$11.7)	(\$11.7)	(\$10.6)	(\$10.6)
Realized and unrealized gains or losses	0.8	0.1	0.2	0.8	1.9	0.8	(8.2)	(5.4)	-	-	(12.9)	(12.9)
Financing related adjustments	-	-	-	-	-	-	0.6	0.5	0.5	0.5	1.5	1.5
Other adjustments	-	-	-	-	-	-	(0.5)	(0.4)	(0.0)	(0.0)	(0.9)	(0.9)
Non-GAAP non-operating income (expense)	\$0.1	\$0.1	\$0.2	\$0.1	\$0.4	\$0.2	(\$3.6)	(\$8.2)	(\$11.2)	(\$11.2)	(\$22.9)	(\$22.9)
GAAP provision for income taxes	\$11.5	\$15.0	\$9.8	\$8.4	\$44.7	\$12.5	\$8.5	\$14.1	\$14.7	\$16.9	\$49.8	\$51.9
Tax impact of non-GAAP adjustments	0.6	1.2	0.5	1.4	3.7	2.5	19.5	4.9	4.9	4.9	31.9	31.9
Excess tax benefits from stock-based compensation	4.3	1.3	6.4	4.4	16.4	1.7	0.2	0.3	-	-	2.2	2.2
Non-GAAP provision for income taxes	\$16.4	\$17.5	\$16.7	\$14.2	\$64.9	\$16.8	\$28.2	\$19.3	\$19.6	\$21.8	\$83.9	\$86.0
GAAP net income (loss)	\$53.4	\$50.2	\$57.8	\$68.3	\$229.6	\$46.6	\$18.1	\$37.9	\$43.8	\$50.0	\$146.5	\$152.6
Acquired tangible asset amortization	0.1	0.1	0.1	0.1	0.5	-	48.2	8.8	2.3	2.3	59.4	59.4
Acquired intangible asset amortization	1.6	1.5	1.5	1.5	6.1	1.5	9.3	4.6	7.4	7.4	22.8	22.8
Acquisition, integration and related costs	1.0	0.9	0.3	0.8	3.1	3.1	19.7	9.7	4.7	4.7	37.2	37.2
Litigation related expenses and settlements	-	0.4	1.2	4.4	6.0	5.5	7.2	3.4	6.6	6.6	22.6	22.6
Other adjustments	-	3.4	-	-	3.4	-	(0.5)	(0.4)	(0.0)	(0.0)	(0.9)	(0.9)
Realized and unrealized gains or losses	0.8	0.1	0.2	0.8	1.9	0.8	(8.2)	(5.4)	-	-	(12.9)	(12.9)
Financing related adjustments	-	-	-	-	-	-	0.6	0.5	0.5	0.5	1.5	1.5
Tax impact of non-GAAP adjustments	(0.6)	(1.2)	(0.5)	(1.4)	(3.7)	(2.5)	(19.5)	(4.9)	(4.9)	(4.9)	(31.9)	(31.9)
Excess tax benefits from stock-based compensation	(4.3)	(1.3)	(6.4)	(4.4)	(16.4)	(1.7)	(0.2)	(0.3)	-	-	(2.2)	(2.2)
Non-GAAP net income (loss)	\$52.1	\$54.0	\$54.3	\$70.1	\$230.4	\$53.2	\$74.8	\$53.9	\$60.4	\$66.5	\$242.2	\$248.4
GAAP net income (loss) per share	\$0.92	\$0.88	\$1.00	\$1.18	\$3.98	\$0.81	\$0.33	\$0.70	\$0.80	\$0.92	\$2.65	\$2.76
Acquired tangible asset amortization	0.00	0.00	0.00	0.00	0.01	0.00	0.87	0.16	0.04	0.04	1.07	1.07
Acquired intangible asset amortization	0.03	0.03	0.03	0.03	0.11	0.03	0.17	0.09	0.14	0.14	0.41	0.41
Acquisition, integration and related costs	0.02	0.02	0.01	0.01	0.05	0.05	0.36	0.18	0.09	0.09	0.67	0.67
Litigation related expenses and settlements	0.00	0.01	0.02	0.08	0.10	0.10	0.13	0.06	0.12	0.12	0.41	0.41
Other adjustments	0.00	0.06	0.00	0.00	0.06	0.00	(0.01)	(0.01)	(0.00)	(0.00)	(0.02)	(0.02)
Realized and unrealized gains or losses	0.01	0.00	0.00	0.01	0.03	0.01	(0.15)	(0.10)	0.00	0.00	(0.23)	(0.23)
Financing related adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.01	0.01	0.03	0.03
Tax impact of non-GAAP adjustments	(0.01)	(0.02)	(0.01)	(0.02)	(0.06)	(0.04)	(0.35)	(0.09)	(0.09)	(0.09)	(0.58)	(0.58)
Excess tax benefits from stock-based compensation	(0.07)	(0.02)	(0.11)	(0.08)	(0.28)	(0.03)	(0.00)	(0.01)	0.00	0.00	(0.04)	(0.04)
Non-GAAP net income (loss) per share	\$0.90	\$0.94	\$0.94	\$1.21	\$3.99	\$0.93	\$1.35	\$1.00	\$1.11	\$1.22	\$4.38	\$4.49
Weighted average shares outstanding - Diluted	57.9	57.4	57.7	57.8	57.7	57.3	55.3	54.1	54.5	54.5	55.3	55.3

GAAP to Non-GAAP Reconciliations | Segment Reporting

(Unaudited; in millions) ⁽¹⁾

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022	Q3 2022
Revenue								
Healthcare	299.0	305.1	307.4	327.6	1,239.2	304.2	357.0	327.2
Non-Healthcare	-	-	-	-	-	-	208.3	222.1
GAAP revenue	\$299.0	\$305.1	\$307.4	\$327.6	\$1,239.2	\$304.2	\$565.3	\$549.3
Gross profit								
Healthcare	197.7	197.5	204.5	215.9	815.5	205.4	236.7	211.4
Non-Healthcare	-	-	-	-	-	-	72.5	77.7
Other	(0.8)	(4.6)	(0.8)	(1.0)	(7.2)	(0.6)	(51.1)	(6.5)
GAAP gross profit	\$196.9	\$192.9	\$203.6	\$214.9	\$808.3	\$204.8	\$258.2	\$282.5
Acquired tangible asset amortization	0.1	0.1	0.1	0.1	0.5	-	46.2	6.4
Acquired intangible asset amortization	0.6	0.6	0.6	0.6	2.4	0.6	4.9	0.1
Acquisition, integration and related costs	0.1	0.5	0.0	0.3	0.9	0.0	0.0	-
Other adjustments	-	3.4	-	-	3.4	-	-	-
GAAP adjustments	\$0.8	\$4.6	\$0.8	\$1.0	\$7.2	\$0.6	\$51.1	\$6.5
Healthcare	197.7	197.5	204.5	215.9	815.5	205.4	236.7	211.4
Non-Healthcare	-	-	-	-	-	-	72.5	77.7
Other	-	-	-	-	-	-	-	-
Non-GAAP gross profit	\$197.7	\$197.5	\$204.5	\$215.9	\$815.5	\$205.4	\$309.2	\$289.1
Operating Profit								
Healthcare	N/A	N/A	N/A	N/A	N/A	N/A	106.5	80.9
Non-Healthcare	N/A	N/A	N/A	N/A	N/A	N/A	15.2	14.7
Corporate Overhead	N/A	N/A	N/A	N/A	N/A	N/A	(15.1)	(14.2)
Other	N/A	N/A	N/A	N/A	N/A	N/A	(84.5)	(26.5)
GAAP operating profit	\$65.7	\$65.1	\$67.6	\$77.4	\$275.8	\$59.7	\$22.1	\$54.8
Acquired tangible asset amortization	0.1	0.1	0.1	0.1	0.5	-	48.2	(8.8)
Acquired intangible asset amortization	1.6	1.5	1.5	1.5	6.1	1.5	9.3	(4.6)
Acquisition, integration and related costs	1.0	0.9	0.3	0.8	3.1	3.1	19.7	(9.7)
Litigation related expenses and settlements	-	0.4	1.2	4.4	6.0	5.5	7.2	(3.4)
Other adjustments	-	3.4	-	-	3.4	-	-	-
GAAP adjustments	\$2.8	\$6.2	\$3.2	\$6.8	\$19.0	\$10.1	\$84.5	(\$26.5)
Healthcare	N/A	N/A	N/A	N/A	N/A	N/A	106.5	80.9
Non-Healthcare	N/A	N/A	N/A	N/A	N/A	N/A	15.2	14.7
Corporate Overhead	N/A	N/A	N/A	N/A	N/A	N/A	(15.1)	(14.2)
Other	N/A	N/A	N/A	N/A	N/A	N/A	-	-
Non-GAAP operating profit	\$68.5	\$71.4	\$70.8	\$84.2	\$294.8	\$69.8	\$106.6	\$81.3

Q4 2022 Guidance ⁽²⁾	
Low	High
336.5	351.5
244.7	259.7
\$581.2	\$611.2
211.2	221.9
84.5	91.0
(2.6)	(2.6)
\$293.1	\$310.3
-	-
2.6	2.6
-	-
-	-
\$2.6	\$2.6
211.2	221.9
84.5	91.0
-	-
\$295.7	\$312.9
82.4	88.8
18.7	24.6
(9.9)	(13.9)
(21.0)	(21.0)
\$70.2	\$78.5
2.3	2.3
7.4	7.4
4.7	4.7
6.6	6.6
-	-
\$21.0	\$21.0
82.4	88.8
18.7	24.6
(9.9)	(13.9)
-	-
\$91.2	\$99.5

FY 2022 Guidance ⁽²⁾	
Low	High
1,325.0	1,340.0
675.0	690.0
\$2,000.0	\$2,030.0
864.7	875.4
234.7	241.2
(60.9)	(60.9)
\$1,038.6	\$1,055.7
52.6	52.6
8.2	8.2
0.1	0.1
-	-
\$60.9	\$60.9
864.7	875.4
234.7	241.2
-	-
\$1,099.4	\$1,116.6
339.6	346.0
48.7	54.5
(39.2)	(43.2)
(142.0)	(142.0)
\$206.9	\$215.2
59.4	59.4
22.8	22.8
37.2	37.2
22.6	22.6
-	-
\$142.0	\$142.0
339.6	346.0
48.7	54.5
(39.2)	(43.2)
-	-
\$349.0	\$357.3

GAAP to Non-GAAP Reconciliations | Constant Currency Revenue

(Unaudited; in millions, except percentages) ^(1,3)

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022 Guidance ⁽²⁾		FY 2022 Guidance ⁽²⁾	
									Low	High	Low	High
Revenue												
Healthcare	299.0	305.1	307.4	327.6	1,239.2	304.2	357.0	327.2	336.5	351.5	1,325.0	1,340.0
Non-Healthcare	-	-	-	-	-	-	208.3	222.1	244.7	259.7	675.0	690.0
GAAP revenue	\$299.0	\$305.1	\$307.4	\$327.6	\$1,239.2	\$304.2	\$565.3	\$549.3	\$581.2	\$611.2	\$2,000.0	\$2,030.0
Healthcare	N/A	N/A	N/A	N/A	N/A	4.3	6.0	11.1	13.6	13.6	35.0	35.0
Non-Healthcare	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Constant currency adjustments	N/A	N/A	N/A	N/A	N/A	\$4.3	\$6.0	\$11.1	\$13.6	\$13.6	\$35.0	\$35.0
Healthcare	299.0	305.1	307.4	327.6	1,239.2	308.6	363.0	338.3	350.1	365.1	1,360.0	1,375.0
Non-Healthcare	-	-	-	-	-	-	208.3	222.1	244.7	259.7	675.0	690.0
Non-GAAP revenue (constant currency)	\$299.0	\$305.1	\$307.4	\$327.6	\$1,239.2	\$308.6	\$571.3	\$560.4	\$594.8	\$624.8	\$2,035.0	\$2,065.0
Healthcare	N/A	N/A	N/A	N/A	N/A	1.7%	17.0%	6.4%	2.7%	7.3%	6.9%	8.1%
Non-Healthcare	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
GAAP revenue growth	N/A	N/A	N/A	N/A	N/A	1.7%	85.3%	78.7%	77.4%	86.6%	61.4%	63.8%
Healthcare	N/A	N/A	N/A	N/A	N/A	3.2%	19.0%	10.0%	6.9%	11.5%	9.8%	11.0%
Non-Healthcare	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Non-GAAP revenue growth (constant currency)	N/A	N/A	N/A	N/A	N/A	3.2%	87.2%	82.3%	81.6%	90.7%	64.2%	66.6%
Pro Forma Revenue ⁽⁴⁾												
Healthcare	299.0	305.1	307.4	327.6	1,239.2	304.2	357.0	327.2	336.5	351.5	1,325.0	1,340.0
Non-Healthcare	211.1	206.4	227.2	264.0	908.7	250.6	215.2	222.1	244.7	259.7	932.6	947.6
GAAP revenue	\$510.1	\$511.5	\$534.6	\$591.6	\$2,147.8	\$554.9	\$572.2	\$549.3	\$581.2	\$611.2	\$2,257.6	\$2,287.6
Healthcare	N/A	N/A	N/A	N/A	N/A	4.3	6.0	11.1	13.6	13.6	35.0	35.0
Non-Healthcare	N/A	N/A	N/A	N/A	N/A	7.3	12.2	16.9	31.6	31.6	68.0	68.0
Constant currency adjustments	N/A	N/A	N/A	N/A	N/A	\$11.6	\$18.2	\$28.0	\$45.2	\$45.2	\$103.0	\$103.0
Healthcare	299.0	305.1	307.4	327.6	1,239.2	308.6	363.0	338.3	350.1	365.1	1,360.0	1,375.0
Non-Healthcare	211.1	206.4	227.2	264.0	908.7	257.9	227.4	239.0	276.3	291.3	1,000.6	1,015.6
Non-GAAP revenue (constant currency)	\$510.1	\$511.5	\$534.6	\$591.6	\$2,147.8	\$566.5	\$590.5	\$577.3	\$626.4	\$656.4	\$2,360.6	\$2,390.6
Healthcare	N/A	N/A	N/A	N/A	N/A	1.7%	17.0%	6.4%	2.7%	7.3%	6.9%	8.1%
Non-Healthcare	N/A	N/A	N/A	N/A	N/A	18.7%	4.3%	-2.3%	-7.3%	-1.6%	2.6%	4.3%
GAAP revenue growth	N/A	N/A	N/A	N/A	N/A	8.8%	11.9%	2.7%	-1.8%	3.3%	5.1%	6.5%
Healthcare	N/A	N/A	N/A	N/A	N/A	3.2%	19.0%	10.0%	6.9%	11.5%	9.8%	11.0%
Non-Healthcare	N/A	N/A	N/A	N/A	N/A	22.2%	10.2%	5.2%	4.6%	10.3%	10.1%	11.8%
Non-GAAP revenue growth (constant currency)	N/A	N/A	N/A	N/A	N/A	11.1%	15.4%	8.0%	5.9%	11.0%	9.9%	11.3%

(1) Totals may not foot due to rounding. Quarterly reported amounts may vary from amounts previously reported due to rounding conventions.

(2) Updated for guidance provided on November 8, 2022

(3) Constant currency adjustments are intended to reflect current year revenue at prior year foreign exchange rates for comparison purposes.

(4) Represents pro forma financial information, which is being provided for year-over-year comparison purposes only. Pro forma financial information includes historical results for the acquired Sound United business prior to the transaction date on April 11, 2022.



Description of Non-GAAP Adjustments

The non-GAAP financial measures reflect adjustments for the following items, as well as the related income tax effects thereof, as these items may impact period-to-period comparability; furthermore, management also believes that these items are not indicative of the Company's on-going core operating performance:

Constant currency revenue adjustments: Some of our sales agreements with foreign customers provide for payment in currencies other than the U.S. Dollar. These foreign currency revenues, when converted into U.S. Dollars, can vary significantly from period-to-period depending on the average and quarter-end exchange rates during a respective period. We believe that comparing these foreign currency denominated revenues by holding the exchange rates constant with the prior year period is useful to management and investors in evaluating our revenue growth rates on a period-to-period basis. We anticipate that fluctuations in foreign exchange rates and the related constant currency adjustments for calculation of our revenue growth rate will continue to occur in future periods.

Acquired tangible asset amortization: These transactions represent amortization expense in connection with business or assets acquisitions associated with acquired tangible assets and asset valuation step-ups.

Acquired intangible asset amortization: These transactions represent amortization expense in connection with business or assets acquisitions associated with acquired intangible assets including, but not limited to customer relationships, intellectual property, trade names and non-competition agreements.

Acquisition, integration and related costs: These transactions represent gains, losses, and other related costs associated with acquisitions, integrations, investments and divestitures, including but not limited to, asset impairments and in-process research and development.

Litigation related expenses, settlements and awards: These transactions represent gains, losses, and other related costs associated with certain litigation matters, which can vary in their characteristics, frequency and significance to our operating results.

Other adjustments: In the event there are gains, losses and other adjustments which impact period-to-period comparability and do not represent the underlying ongoing results of the business, the Company may choose to exclude these from non-GAAP earnings.

Realized and unrealized gains or losses: These transactions represent gains, losses, and other related costs associated with foreign currency denominated transactions and investments. Changes in the underlying currency rates relative to the U.S. Dollar may result in realized and unrealized foreign currency gains and losses between the time these receivables and payables arise and the time that they are settled in cash. Unrealized and realized gains and losses on investments may impact the Company's reported results of operations for a period. These items are highly variable, difficult to predict and outside the control of those responsible for the underlying operations of the business. Other items also included here are mark-to-market gains and losses of derivative contracts that are not designated as hedging instruments or the ineffective portions of cash flow hedges.

Financing related adjustments: The Company may enter into various financial arrangements whereby costs are incurred and certain instrument features are valued and expensed accordingly but are not necessarily indicative of the on-going cash flow generation of the Company and therefore excludes these costs from non-GAAP earnings. For GAAP earnings per diluted share purposes, the Company cannot reflect the anti-dilutive impact, if applicable, in its diluted shares calculations. However, the Company believes that reflecting the anti-dilutive impact of these instruments in non-GAAP earnings per diluted share provides management and investors with useful information in evaluating the financial performance of the Company on a per share basis.

Tax impact of non-GAAP adjustments: In order to reflect the tax effected impact of the non-GAAP adjustments, the Company will adjust the non-GAAP earnings by the approximate tax impact of these adjustments.

Excess tax benefits from stock-based compensation: GAAP requires that excess tax benefits recognized on stock-based compensation expense be reflected in our provision for income taxes rather than paid-in capital. As these excess tax benefits may be highly variable from period-to-period, the Company may choose to exclude these tax benefits from non-GAAP earnings to facilitate comparability between periods and with peers.