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# DELTA REPORT

## 10-K

ENVISTA HOLDINGS CORP

10-K - DECEMBER 31, 2023 COMPARED TO 10-K - DECEMBER 31, 2022

The following comparison report has been automatically generated

TOTAL DELTAS 3663

■ CHANGES 364

■ DELETIONS 1731

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2022** **December 31, 2023**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-39054



**ENVISTA HOLDINGS CORPORATION**

(Exact name of registrant as specified in its charter)

Delaware

83-2206728

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification Number)

200 S. Kraemer Blvd., Building E

92821-6208

Brea, California

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code: 714-817-7000

Securities Registered Pursuant to Section 12(b) of the Act:

**Title of each class**

**Trading Symbol(s)**

**Name of each exchange on which registered**

Common stock, \$0.01 par value

NVST

New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

**NONE**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes  No

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the

past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes  No

As of **February 10, 2023** **February 9, 2024**, the number of shares of the Registrant's common stock outstanding was **163,231,502**. **171,550,131**. The aggregate market value of the common stock of the Registrant held by non-affiliates on **July 1, 2022** **June 30, 2023**, the last business day of the Registrant's most recently completed second fiscal quarter, was **\$4.7 billion** **\$4.9 billion** (based upon the closing price of **\$39.14** **\$33.84** of the Registrant's common stock as reported on the New York Stock Exchange on such date).

#### DOCUMENTS INCORPORATED BY REFERENCE

Part III incorporates certain information by reference from the Registrant's proxy statement for its **2023** **2024** annual meeting of stockholders to be filed pursuant to Regulation 14A within 120 days after Registrant's fiscal year-end. With the exception of the sections of the **2023** **2024** Proxy Statement specifically incorporated herein by reference, the **2023** **2024** Proxy Statement is not deemed to be filed as part of this Form 10-K.

In this Annual Report, the terms "Envista" or the "Company" refer to Envista Holdings Corporation, Envista Holdings Corporation and its consolidated subsidiaries or the consolidated subsidiaries of Envista Holdings Corporation, as the context requires.

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We own or have rights to trademarks, service marks or trade names that we use in connection with the operation of our business. In addition, our names, logos and website names and addresses are owned by us or licensed by us. We also own or have the rights to copyrights that protect the content of our solutions. Solely for convenience, the trademarks, service marks, trade names and copyrights referred to in this report are listed without the ©, ® and ™ symbols, but we will assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensors to these trademarks, service marks, trade names and copyrights.

This report may include trademarks, service marks or trade names of other companies. Our use or display of other parties' trademarks, service marks, trade names or products is not intended to, and does not imply a relationship with, or endorsement or sponsorship of us by, the trademark, service mark or trade name owners.

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Unless otherwise indicated, information contained in this report concerning our industry and the markets in which we operate is based on information from independent industry and research organizations, other third-party sources (including industry publications, surveys and forecasts), and management estimates. Management estimates are derived from publicly available information released by independent industry analysts and third-party sources, as well as data from our

internal research, and are based on assumptions made by us upon reviewing such data and our knowledge of such industry and markets that we believe to be reasonable. Although we believe the data from these third-party sources is reliable, we have not independently verified any third-party information.

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Unless otherwise indicated, all financial data in this Annual Report refer to continuing operations only.

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## INFORMATION RELATING TO FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this Annual Report are "forward-looking statements" within the meaning of the U.S. federal securities laws. All statements other than historical factual information are forward-looking statements, including without limitation statements regarding: projections of revenue, expenses, profit, profit margins, tax rates, tax provisions, cash flows, pension and benefit obligations and funding requirements, our liquidity position or other projected financial measures; management's plans and strategies for future operations, including statements relating to anticipated operating performance, cost reductions, restructuring activities, new product and service developments, competitive strengths or market position, acquisitions and the integration thereof, divestitures, spin-offs, split-offs or other distributions, strategic opportunities, securities offerings, stock repurchases, dividends and executive compensation; growth, declines and other trends in markets we sell into; future regulatory approvals and the timing thereof; outstanding claims, legal proceedings, tax audits and assessments and other contingent liabilities; future foreign currency exchange rates and fluctuations in those rates; the anticipated timing of any of the foregoing; assumptions underlying any of the foregoing; and any other statements that address events or developments that Envista intends or believes will or may occur in the future. Terminology such as "believe," "anticipate," "should," "could," "intend," "will," "plan," "expect," "estimate," "project," "target," "may," "possible," "potential," "forecast" and "positioned" and similar references to future periods are intended to identify forward-looking statements, although not all forward-looking statements are accompanied by such words. Forward-looking statements are based on assumptions and assessments made by our management in light of their experience and perceptions of historical trends, current conditions, expected future developments and other factors they believe to be appropriate. These forward-looking statements are subject to a number of risks and uncertainties, including but not limited to the risks and uncertainties set forth under "Item 1A. Risk Factors" in this Annual Report.

Forward-looking statements are not guarantees of future performance and actual results may differ materially from the results, developments and business decisions contemplated by our forward-looking statements. Accordingly, you should not place undue reliance on any such forward-looking statements. Forward-looking statements contained herein speak only as of the date of this Annual Report. 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.

## PART I

### ITEM 1. BUSINESS

#### Overview

Envista is a global family of more than 30 trusted dental brands, including Nobel Biocare, Ormco, DEXIS and Kerr united by a shared purpose: to partner with professionals to improve lives by digitizing, personalizing and democratizing oral care. We help our customers deliver the best possible patient care through industry-leading solutions, technologies, and services. Our diversified portfolio of solutions covers a broad range of dentists' clinical needs for diagnosing, treating, and preventing dental conditions as well as improving the aesthetics of the human smile. We offer comprehensive solutions to support implant-based tooth replacements, orthodontic treatments, digital imaging and diagnostics, diagnostic solutions. We further support the dental community with leading solutions in restoratives, endodontics, rotary, infection prevention and loupes.

We were formed in 2018, as a wholly-owned subsidiary of Danaher Corporation ("Danaher"), to serve as the ultimate parent company of the dental platform of Danaher. On September 20, 2019, we completed our initial public offering and on December 18, 2019, Danaher completed the disposition of its ownership interest in us, separated from Danaher.

With a foundation comprised of the proven Envista Business System ("EBS") methodology, an experienced leadership team, and a strong culture grounded in continuous improvement, commitment to innovation, and deep customer focus, we are well equipped to meet the end-to-end needs of dental professionals worldwide. We are one of the largest global dental products companies, with significant market positions in some of the most attractive segments of the dental products industry. We serve more than a million dentists dental professionals in over 140 130 countries through one of the largest commercial organizations in the dental products industry and through our dealer partners. In 2022, 2023, we generated total sales of \$2.6 billion, of which approximately 83% 85% were derived from sales of consumables, services and spare parts.

We were built through the acquisition and integration of over 25 leading dental businesses and brands over the course of more than 15 years. Our core leadership team has been in place since 2016 and has extensive dental and healthcare industry experience and we have over 12,700 employees to execute on our purpose to partner with professionals to improve lives. Since 2016, we have leveraged EBS to streamline our operating structure, reduced our number of sites from over 230 to under 100, and significantly transformed our business. EBS is a set of lean, innovation, growth and leadership-focused tools and processes that differentiates us and underpins our competitive advantage. The application of EBS has reduced costs and business complexity, freeing up resources that we have invested in acquisitions, research and development for new product development focusing on implant-based tooth replacements, digital imaging and workflow solutions, aligners, and infection prevention as well as growing our direct sales infrastructure, especially in emerging markets (which we have historically defined as developing markets of the world, which prior to the COVID-19 pandemic, experienced extended periods of accelerated growth in gross domestic product and infrastructure, including Eastern Europe, the Middle East, Africa, Latin America and Asia (with the exception of Japan and Australia)).

The Dental market is large, attractive, and has a number of secular drivers that we believe will support growth for several years to come. These include the digitization of dental practices globally, which is transforming the way dentists diagnose and treat patients, leading to better clinical outcomes. In addition, we believe future growth in the dental industry will be driven by an aging population, the current under penetration of dental procedures, especially in emerging markets, improving access to complex procedures due to increasing technological innovation, an increasing demand for cosmetic dentistry, and the growth of Dental Service Organizations ("DSOs"), which are expected to drive increasing penetration and access to care globally. Orthodontics and implants both have less than 10% market penetration globally and are areas where we have a significant market presence.

We are a leading dental provider in emerging markets. In 2022, we generated approximately \$563 million, or 22%, of our sales from emerging markets. Our growing scale in these markets has been driven by strategic investments in underpenetrated markets, to benefit from the future growth potential associated with expanding access to dental care in these regions.

Our commercial organization includes over 3,000 employees with deep clinical, product and workflow expertise who interact with customers on a daily basis. We are also a leading global provider of clinical training to enhance patient access to high-quality dental care, reaching over 250,000 dental professionals annually through more than 4,000 training and education events we directly organize. Through our trusted brands, innovative product offerings and comprehensive customer service, we have established strong relationships globally with key constituencies, including DSOs, dental specialists, general dentists, and dental laboratories. We believe the continuing expansion of our global commercial organization will provide us with significant opportunities for future growth as we increase our penetration in various geographic markets.

Innovation is a core part of our strategy and our research and development ("R&D") expenditure has been approximately \$287.3 million since 2020. We target our R&D efforts to address customers' unmet needs and our commercial scale gives us deep insight into all fields of dentistry. Through our investments in R&D, we have supported multiple new product development initiatives, such as the DTX software suite, the N1™ implant system, and Spark™ clear aligners, each of which is discussed in more detail below.

Our business is operated through two segments: *Specialty Products & Technologies*, which is comprised of our Implant-Based Tooth Replacement and Orthodontic Solutions businesses, and *Equipment & Consumables*, which is comprised of our *Imaging & Diagnostic Solutions* and *Everyday Dental Consumables* businesses.

The following table presents the Company's revenues disaggregated by geographical region for the years ended December 31, 2022 December 31, 2023 and 2021 2022 (\$ in millions).

	Specialty Products & Technologies	Equipment & Consumables	Total
<b>Year ended December 31, 2022</b>			
<b>Geographical region:</b>			
North America	\$ 711.1	\$ 655.3	\$ 1,366.4
Western Europe	388.9	121.1	510.0
Other developed markets	91.0	38.6	129.6
Emerging markets	407.6	155.5	563.1
<b>Total</b>	<b>\$ 1,598.6</b>	<b>\$ 970.5</b>	<b>\$ 2,569.1</b>
<b>Year ended December 31, 2021</b>			
<b>Geographical region:</b>			
North America	\$ 668.9	\$ 659.3	\$ 1,328.2
Western Europe	366.6	125.9	492.5
Other developed markets	98.2	41.2	139.4
Emerging markets	374.1	174.7	548.8
<b>Total</b>	<b>\$ 1,507.8</b>	<b>\$ 1,001.1</b>	<b>\$ 2,508.9</b>

#### **Specialty Products & Technologies**

Our Specialty Products & Technologies segment develops, manufactures and markets dental implant systems, including regenerative solutions, dental prosthetics and associated treatment software and technologies, as well as orthodontic bracket systems, aligners and lab products. We typically market these products directly to end-users through our commercial organization, and 89% of our 2022 sales for this segment were direct sales. In 2022, our Specialty Products & Technologies segment generated \$1.6 billion of sales, representing year-over-year sales and core sales increase of 6.0% and 9.1%, respectively. In 2022, 45% of segment sales were derived from North America, 24% from Western Europe, 6% from other developed markets, and 25% from emerging markets. Sales of consumables, services and spare parts comprised 94% of segment sales in 2022. This segment is comprised of our Implant-Based Tooth Replacement and Orthodontic Solutions businesses and includes the Nobel Biocare, Ormco, Spark, Implant Direct, Alpha-Bio Tec, and Orascopic brands among others.

#### **Equipment & Consumables**

Our Equipment & Consumables segment develops, manufactures and markets dental equipment and supplies used in dental offices, including digital imaging systems, software and other visualization/magnification systems; endodontic systems and related products; restorative materials, rotary burs, impression materials, bonding agents and cements; and infection prevention products. In 2022, our Equipment & Consumables segment generated \$1.0 billion of sales. In 2022, 68% of segment sales were derived from North America, 12% from Western Europe, 4% from other developed markets, and 16% from emerging markets. We distribute our Equipment & Consumables segment products primarily through our channel partners, representing approximately 89% of sales in this segment in 2022. This segment is comprised of our Imaging & Diagnostic Solutions and Everyday Dental businesses and includes the Kerr, Metrex, DEXIS, i-CAT, and DTX brands among others.

	Specialty Products & Technologies	Equipment & Consumables	Total
<b>Year ended December 31, 2023</b>			
<b>Geographical region:</b>			
North America	\$ 702.0	\$ 610.5	\$ 1,312.5
Western Europe	447.7	121.7	569.4
Other developed markets	90.4	36.9	127.3
Emerging markets	402.3	155.0	557.3
<b>Total</b>	<b>\$ 1,642.4</b>	<b>\$ 924.1</b>	<b>\$ 2,566.5</b>
<b>Year ended December 31, 2022</b>			
<b>Geographical region:</b>			
North America	\$ 711.1	\$ 655.3	\$ 1,366.4
Western Europe	388.9	121.1	510.0
Other developed markets	91.0	38.6	129.6
Emerging markets	407.6	155.5	563.1
<b>Total</b>	<b>\$ 1,598.6</b>	<b>\$ 970.5</b>	<b>\$ 2,569.1</b>

#### Acquisitions and Divestitures

Our growth strategy contemplates future investments and acquisitions and we continually evaluate potential investments and acquisitions that either strategically fit with our existing portfolio or expand our portfolio into new and attractive business areas. Our operations and results can be affected by the rate and extent to which appropriate acquisition opportunities are available, acquired businesses are effectively integrated and anticipated synergies or cost savings are achieved. During the year ended December 31, 2022, we completed two acquisitions.

On July 5, 2022, we acquired all of the equity of Osteogenics Biomedical Inc., Allotech LLC and OBI Biologics, Inc. (together "Osteogenics") for total consideration of approximately \$128.2 million, subject to certain customary adjustments as provided in the Equity Purchase Agreement dated May 17, 2022. Osteogenics develops innovative regenerative solutions for periodontists, oral and maxillofacial surgeons, and clinicians involved in implant dentistry throughout the world, and is part of the Company's Specialty Products & Technologies segment.

On April 20, 2022, we completed the acquisition of Carestream Dental Technology Parent Limited's ("Carestream Dental") intraoral scanner business (the "Intraoral Scanner Business") for total consideration of \$580.3 million, including contingent consideration of \$7.5 million, and subject to certain customary adjustments as provided in the Stock and Asset Purchase Agreement dated December 21, 2021 and as subsequently amended by the closing agreement dated as of April 20, 2022. The Intraoral Scanner Business manufactures, markets, sells, commercializes, distributes, services, trains, supports, and maintains operations of intraoral scanners and software, and is part of our Equipment & Consumables segment. We purchased the Intraoral Scanner Business through the

For more information regarding our acquisition of certain assets and the assumption of certain liabilities as well as the acquisition of all of the equity of certain subsidiaries of Carestream Dental activity, please refer to Note 3 in our Consolidated Financial Statements included elsewhere in this Annual Report.

Additionally, on December 31, 2021, we closed the divestiture of our KaVo Treatment Unit and Instrument Business (the "Divestiture"). For more information regarding the Divestiture, please refer to Note 4 in our Consolidated Financial Statements included elsewhere in this Annual Report. With the Divestiture and the two our recent acquisitions, we continue to make significant progress toward our long-term goal of transforming our product portfolio towards higher growth and higher margin segments of dentistry.

#### Restructuring Activities

We implemented significant restructuring activities across our businesses to execute our strategy, streamline operations, take advantage of available capacity and resources and to adjust our cost structure. For additional information regarding our restructuring activities, please refer to Note 20 to our audited consolidated financial statements Consolidated Financial Statements included elsewhere in this Annual Report.

#### COVID-19 Impact

The extent of the impact of the COVID-19 pandemic on our business remains uncertain and difficult to predict because of the dynamic and evolving nature of the situation. The global impact of the outbreak continues to adversely affect many industries, and different geographies continue to reflect the effects of public health restrictions in various ways. The economic recovery following the impact of the COVID-19 pandemic is only partially underway and has been gradual, uneven and characterized by meaningful dispersion across sectors and regions with uncertainty regarding its ultimate length and trajectory. During the year ended December 31, 2022, notwithstanding improvement in many markets in which we operate due to a return to more normalized business operations, certain markets continued to be adversely impacted by COVID-19. In particular, sales decreased in China due to lockdowns early in the year and a subsequent relaxing of restrictions, which resulted in increased infection rates.

Please refer to "Item 1A. Risk Factors--Risks Related to Our Business" and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" for a more detailed discussion of the potential impact of the COVID-19 pandemic and associated economic disruptions, and the actual operational and financial impacts that we have experienced to date.

#### **Russia-Ukraine Conflict**

Russia's invasion of Ukraine and the global response to this invasion, including sanctions imposed by the U.S. and other countries, could have an adverse impact on our business, including our ability to market and sell products in the affected regions, potentially heightening our risk of cyber security attacks, impacting our ability to enforce our intellectual property rights in Russia, creating disruptions in the global supply chain, and potentially having an adverse impact on the global economy, financial markets, energy markets, currency rates and otherwise. Russia's invasion of Ukraine did not have a material impact on our financial position or results of operations as of and for the year ended December 31, 2022.

#### **General Economic Conditions**

In addition to industry-specific factors, we, like other businesses, face challenges related to global economic conditions, including rising inflation, increasing interest rates, fluctuating foreign currency exchange rates, slowing economic growth, and continuing supply chain disruptions. Dental costs are largely out-of-pocket for the consumer and thus utilization rates can vary significantly depending on economic growth. While many of our products are considered necessary by patients regardless of the economic environment, certain products and services that support discretionary dental procedures may be more susceptible to changes in economic conditions.

#### **Our Purpose**

Our purpose is to partner with dental professionals to improve quality of life by digitizing, personalizing, and democratizing oral care.

- **Digitize**. Our broad portfolio of diagnostic equipment and clinical software solutions empowers dental professionals to effectively capture and visualize patient anatomy allowing the clinician to develop and execute integrated, efficient, and predictable treatment plans.
- **Personalize**. Our digitized workflows enable the development and communication of personalized treatment plans. When coupled with our world class implant and orthodontic solutions, we support clinicians in delivering confidence to patients around the world.
- **Democratize**. Our integrated workflows improve the efficiency of care and accelerate the productivity of clinicians, allowing them to treat more patients with more predictable outcomes. We are committed to working with dental professionals to improve access to dental care around the world.

#### **Our Strategy**

Our strategic focus is comprised of three key elements, which are based on the EBS strategic areas of Lean, Innovation, Growth and Leadership.

- ***"Establish a Strong Foundation"***: We have been successful in the past in driving continuous improvements and margin expansion through the application of EBS. Beginning in 2016, we consolidated our operating companies, substantially reduced our manufacturing sites, consolidated sales offices, streamlined our R&D organization, and centralized our direct and indirect procurement organizations. We simplified our portfolio by reducing the number of our imaging brands and exiting lower growth/margin businesses. We have also executed cost reduction initiatives. We continue to pursue a number of ongoing strategic initiatives across our operating companies relating to efficient sourcing and improvements in manufacturing and back-office support, all with a focus on continually improving quality, delivery, cost, growth and innovation.
- ***"Reinvest for Growth"***: Streamlining our business operations and reducing costs has allowed us to reposition ourselves to create a digital and consumable workflow-oriented portfolio. We have invested in our Specialty Products & Technology segment, adding manufacturing capacity and personnel to these businesses, with plans for further investment in 2023. We intend to drive shareholder value by deploying capital to acquire or invest in other businesses that strategically fit into or extend our product offering into new or attractive adjacent markets - the recent Intraoral Scanner Business and Osteogenics acquisitions are examples of this strategy in action. We are planning to expand our clinical training and education infrastructure to further increase brand loyalty, deepen our relationships with dental practitioners and further enhance patient access to high quality dental care. We believe these investments better position us to effectively meet the needs of our customers, particularly the growing DSO segment, which values a comprehensive, end-to-end product offering with the ability to roll out new technologies and procedure-focused trainings at scale.
- ***"Maintain and Pursue Long-Term Market Leadership"***: As we seek to continue to improve our business and drive increased cash flow, we expect to strategically invest in innovation in order to better serve our customers and accelerate organic growth. We have invested significant resources in the

following areas which we believe will help drive long-term market leadership:

- **Digital Workflow:** We have developed our Diagnostic and Treatment Planning Software, DTX, to meet the growing demands for digital connectivity of dental practices.
- **Specialty Products & Technologies:** We have launched several new products in our Orthodontic Solutions business over the past few years, which have contributed meaningfully to our overall sales in the segment. Since 2020, we have expanded capacity for our Spark clear aligners and added over 1,000 new employees to our Orthodontic Solutions business. Our R&D expenditures in our Implant-Based Tooth Replacement business accelerated the development of new implant systems such as N1. We will continue to invest in our global commercial footprint and product innovation to grow our strong position in the Implant and Orthodontics markets, both of which are underpenetrated.
- **Emerging Markets:** We are a leading dental product provider in emerging markets, with R&D, product management, operations, regulatory affairs, sales and marketing, and customer service resources focused on these markets. We have built a business that generated less than \$30 million in sales in 2011 to one that generated \$563 million in sales in 2022. We expect to continue to invest in emerging markets as we believe this will be a strong growth driver for our business in the future. We have succeeded in emerging markets by harnessing our existing go-to-market infrastructure, building familiarity with local customer needs and regulations, and establishing dedicated locally-based management resources.

## Our Industry

Within the global dental products industry, we believe segments such as Implant-Based Tooth Replacements, Orthodontic Treatments, and Imaging and Diagnostics Solutions will grow at a more rapid pace than the overall market. We believe future growth of the dental products industry will be driven by an aging population, the current under penetration of dental procedures, especially in emerging markets, improving access to complex procedures due to increasing technological innovation, an increasing demand for cosmetic dentistry, and growth of DSOs, which are expected to drive increasing penetration and access to care globally.

While both equipment and consumables represent significant expenditures for dental service providers, the sales dynamics for each differ. The sale of equipment depends on technological advancements, dentists' willingness to invest in new technologies, opening of new offices and replacement demand. On the other hand, consumables are more dependent on patient volume. We believe large multi-category manufacturers that provide a broad portfolio of equipment and consumables have more recession-resilient product portfolios and can gain meaningful competitive advantage over their peers as larger customers increasingly seek package deals and consolidate suppliers, and digital dentistry adoption creates links between different products in the dental practitioners' offices.

While the U.S. represents a significant portion of the global dental products industry, we have also been focused on building significant scale in emerging markets. Prevalence and penetration of treatments is largely tied to socio-economic factors such as availability and affordability of care. We expect generally improving economic trends and increased consumer disposable income in emerging markets, as well as advancements in technological innovation that reduces complexity and cost and increases efficiency, will help drive penetration of dental care in these under-served markets.

### Key Segments Within the Dental Products Industry

- **Implant-Based Tooth Replacements:** The implant industry is significant and enjoys higher margins and growth than the overall dental products market. The U.S. and the Greater China region represent key growth drivers for this industry. In the U.S., implant penetration far lags other developed markets such as Germany, Spain and Italy. In China, the prevalence of severe tooth loss is higher than in the U.S., while implant penetration is far below the U.S. We expect product innovation and increased affordability to help drive future growth in emerging markets.
- **Orthodontic Solutions:** Traditional wires and brackets systems continue to be the preferred choice in complex and young adult cases, due to their better clinical outcomes. In recent years, clear aligners have become an increasingly popular treatment option and are expected to grow at a significantly faster pace than traditional metal wires and brackets. Clear aligners are aesthetically pleasing and clinically proven to be effective in less severe cases, which combined with technological advancements that have significantly increased the number of providers offering orthodontic treatments, have expanded the addressable market for orthodontic procedures. Going forward, we believe this product segment will continue to grow at a high pace as aesthetics become increasingly important to patients.
- **Imaging & Diagnostics:** Imaging (both x-ray and other visualization solutions) is considered the entry-point for many dental diagnostic exams and subsequent treatments. The rapid adoption of digital technologies in the imaging segment has transformed dental practices and has increased access to care as well as the quality of care delivered to patients. We believe enhanced connectivity amongst different types of dental imaging/diagnostic equipment and integration with downstream treatment planning and treatment delivery solutions will further improve dental workflows and lead to better treatment outcomes. We believe digitalization and connectivity will continue to drive high growth in this segment.

### Growth Drivers

We believe that many product offerings in our core business are underpenetrated globally and present a significant opportunity for growth through the continued penetration of our differentiated products. Beyond our core business, there are also a number of adjacent dental products, which we believe provide an opportunity to further grow and expand our product offerings in the future.

We believe continued growth in both the global dental industry and global dental products market will be driven by a variety of factors, including:

- **An aging population.** According to the World Health Organization, in 2020 there were nearly 1 billion people aged 60 or over in the world, comprising 13% of the global population. By 2050, that number is expected to double to approximately 2.1 billion people and comprise 22% of the world's population, largely driven by aging in low and middle-income countries. With the aging of the population, prevalence of dental conditions, including edentulism (full tooth loss), dry mouth, root and coronal caries, and periodontitis, increases. As the global population continues to age, we believe older patients will help drive increased demand for dental products and services.
- **The current under penetration of dental procedures, especially in emerging markets.** According to the Global Economy and Development Working Paper 100 of the Brookings Institution, it is estimated that between 2015 and 2030, the middle class population in emerging markets will grow by approximately 2.4 billion people, from 2.0 billion to 4.4 billion. This major demographic shift is generating a large, new customer base with increased access to dental products and services along with the resources to pay for them. According to the World Health Organization, the number of dentists in China is approximately 45 per 100,000 people compared to 60 in the U.S. and 85 in Germany. The expansion of training opportunities for dental professionals in emerging markets is also leading to increased patient awareness and access to premium dental products and procedures, further facilitating the market's growth.
- **Improving access to complex procedures due to increasing technological innovation.** The market for digital dental solutions has grown substantially in recent years due to increased demand from dentists and dental professionals for increased efficiency and better product workflows, with rapid adoption of these technologies not only in the U.S. and Europe, but also in emerging markets. Digital dental solutions enhance the workflow of dentists from diagnostics to treatment. Providing better diagnostics allows dentists to more effectively treat patient needs, often at lower cost. Beyond diagnostics, digital dental solutions are also increasingly being utilized in implant, orthodontic and restorative treatment planning. This simplifies case planning and execution, which is especially relevant for newer dentists as technology helps to de-skill complex procedures and increase outcome predictability.
- **An increasing demand for cosmetic dentistry.** Increased awareness of the importance of oral health maintenance and increasing consumer focus on cosmetic dentistry continues to act as a meaningful growth driver for the global dental industry. Orthodontic procedures are increasingly aesthetically driven as evidenced by the rapid adoption of clear aligners. We believe aesthetically-driven patients seeking an increasing number of tooth replacement procedures and teeth straightening procedures will continue to drive the demand for dental implants and aligners.
- **Growth of DSOs, which are expected to drive increasing penetration and access to dental care globally.** In the U.S. and globally, increasing demand for dental services has driven the growth of alternative care delivery networks. DSOs in the U.S. are focused on underserved markets where access to general as well as complex dental care is relatively underpenetrated. Globally, growth of private insurance as well as private provider networks provide access to more complex procedures that are not covered under social insurance. We believe the continued growth of these care delivery networks will increase demand for dental products and more complex procedures which require more advanced technologies.

## Our Competitive Strengths

We believe we have significant competitive strengths, including:

- **Envista Business System.** We believe our deep-rooted commitment to EBS helps drive our success and market leadership and differentiates us in the dental industry. EBS encompasses not only lean tools and processes, but also methods for driving innovation, growth and leadership. Within the EBS framework, we pursue a number of ongoing strategic initiatives relating to streamlining business operations, portfolio simplification, reduction of costs, redeployment of resources, customer insight generation, product development and commercialization, efficient sourcing, and improvement in manufacturing and back-office support, all with a focus on continually improving quality, delivery, cost, growth and innovation.
- **Brand leadership with a long track record and strong brand recognition.** We built our business around brands with long histories of innovation and strong brand recognition in the dental products market. The founder of Nobel Biocare introduced the world's first dental implant and Nobel Biocare has since become a world leader in the field of innovative implant-based tooth replacements. Ormco has over 60 years of distinguished history providing orthodontists with high quality, innovative products. Multiple brands within our Imaging & Diagnostic Solutions and Everyday Dental businesses have more than 100 years of history in dental products. We believe the long history and leadership of our well-known brands in the dental products industry enhances our connections with both patients and providers and supports our strong market position.
- **Attractive portfolio with leadership in key attractive segments.** We believe we have one of the most attractive offerings in the industry, enabling us to be a vendor of choice for many dental practitioners, dental laboratories, distributors and DSOs. The breadth and depth of our product offerings address a broad range of dentists' clinical needs from consumables to digital equipment solutions. Our catalog of products covers the spectrum from value-focused products to premium brands, allowing providers to fully address patient needs in different market segments. Within our product portfolio, we believe we are one of the largest manufacturers in implants and orthodontics and have one of the largest installed bases of imaging devices. Our broad product offering positions us particularly well to serve the needs of DSOs, which have been one of the fastest growing segments of our customer base.
- **Global commercial reach.** Our operating companies serve more than a million dentists in over 140 countries through one of the largest customer-facing sales teams in the dental products industry and through a diverse, global dealer network. We believe our diverse sales channels, global manufacturing and distribution, and local market knowledge help us to better address customers' needs. We are also a leading global provider of clinical training to enhance patient access to high-quality dental care. In 2022, we generated 51% of our sales from markets outside of the U.S.

- **Strong position in emerging markets.** Emerging markets represented 22% of our total sales in 2022. We are a leading dental provider in emerging markets with dedicated R&D, product management, operations, regulatory affairs, sales and marketing, and customer service resources focused on these markets. With this structure, we believe that we are well positioned to capture additional share in emerging markets.
- **Track record of innovation.** Our operating companies have a long track record of successful innovation, having pioneered many new dental product categories since their inception. Our strong commercial infrastructure allows us to obtain insights into unmet needs at the practitioner level and translate them into differentiated products. Our focus on innovation has yielded many differentiated products over the years, such as NobelActive dental implants, Damon bracket and wire system and i-CAT 3D imaging system. Our new product development activities are complemented by externally sourcing technologies through a broad network of partnerships, collaborations, and investments involving third-party research institutions, universities and innovative start-up companies.
- **Experienced management team with extensive dental industry experience.** Our executive officer team has extensive dental and healthcare industry experience and a proven track record of applying EBS to execute on our strategic and operational goals. Under their leadership, we have undertaken a significant transformation to better position our business for organic and inorganic growth and diversify our sales globally. We believe our management team will continue to drive growth and profitability in our business in the future.

## Our Business Segments

The table below describes the percentage of our total annual sales attributable to each of our segments over each of the three years ended **December 31, 2022** December 31, 2023. For additional information regarding sales, operating profit and identifiable assets by segment, please refer to Note 23 in our **audited consolidated financial statements** **Consolidated Financial Statements** included elsewhere in this Annual Report.

	2022	2021	2020		2023	2022	2021	
	2023	2021	2020		2023	2022	2021	
Specialty Products & Technologies	Specialty Products & Technologies	62%	60%	58%	Specialty Products & Technologies	64%	62%	60%
Equipment & Consumables	Equipment & Consumables	38%	40%	42%	Equipment & Consumables	36%	38%	40%

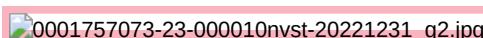
### Specialty Products & Technologies

Our Specialty Products & Technologies segment including our Nobel Biocare and Ormco brands, develops, manufactures and markets dental implant systems, including regenerative solutions, dental prosthetics and associated treatment software and technologies, as well as orthodontic bracket systems, aligners and lab products. We have a strong direct relationship with our customers through a sales force of more than 2,300 employees. In 2022, direct sales typically market these products directly to end-users represented 89% through our commercial organization, and 88% of our 2023 sales for this segment were direct sales. In 2023, our Specialty Products & Technologies segment generated \$1.6 billion of sales, representing year-over-year sales and core sales increase of 2.7% and 2.9%, respectively. In 2023, 43% of segment sales were derived from North America, 27% from Western Europe, 6% from other developed markets, and sales 24% from emerging markets. Sales of consumables, services and spare parts comprised 94% of segment sales, sales in 2023. We believe strong industry fundamentals and new product solution introductions in this segment will continue to drive substantial growth for us.

### Implant-Based Tooth Replacements

We are a world leader in the field of innovative implant-based tooth replacements offering a full portfolio of solutions that enable dentists to deliver single-tooth to full-mouth restorations. One of our brands, Nobel Biocare, is the pioneer of implant science grounded in clinical research and has introduced a number of solutions innovations that have become widely adopted in the premium implant industry. Our comprehensive product offering includes dental implant systems, guided surgery systems, biomaterials, and prefabricated and custom-built prosthetics. Other well-known brands in our portfolio include Alpha-Bio Tec™, Implant Direct™, and NobelProcera™. We also offer a comprehensive education program to fully train our broad range of clinical customers, from clinicians performing basic implant procedures to the most advanced practitioners, with the goal of enhancing patient access to high-quality dental care. Our customers include oral surgeons, prosthodontists and periodontists. Other well-known implant brands in our portfolio include Alpha-Bio Tec, Implant Direct, periodontists, prosthodontists, and Nobel-Procera general dentists.™

The table below provides a summary description of select solutions and products offered by our Implant-Based Tooth Replacement business:



Our Implant-Based Tooth Replacement brands have a long history of innovation, which include both the first documented case of a titanium implant placement being placed in a human and the introduction of the concept of living bone adhering to an artificial implant (known as osseointegration). Today, our Nobel Biocare brand

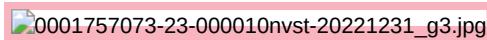
offers several implant systems and is integrating them with the DTX suite of software applications described below. Currently, NobelActive is our top implant system in terms of sales and number of placements. NobelActive offers high primary stability allowing patients to receive and use prosthetics the same day as the implant is placed. The most recent example of our innovation leadership is the N1 implant system, which was launched in Europe in 2020 and received clearance from the U.S. Food and Drug Administration in 2021, with authorization for sale in further regions pending, and which we believe will be a significant product and will simplify the implant procedure. N1's unique implant and site preparation method was created with the goal to reduce complexity and streamline workflows during implant and restorative procedures. Through our Implant Direct and Alpha-Bio Tec value implant businesses, we also offer a variety of implant systems that cover a broad range of price points in the market. Implant Direct also offers a complete prosthetic portfolio which includes our SMARTbase™ abutments. Our recent Osteogenics acquisition added innovative regenerative solutions to our portfolio.

Since being acquired in 2014, Nobel Biocare has focused on reinvigorating its product offerings and has released over 30 new products. Among these are the comprehensive software packages 'DTX Studio Implant,' which is used for treatment planning of dental implants and 'DTX Studio Lab,' which is used for prosthetics treatment planning. These software packages are now integrated in our broader DTX software suite, which also includes the new 'DTX Studio Clinic' software package offered with our imaging devices. With DTX, clinicians can use one software ecosystem from image acquisition and diagnosis to treatment planning, implant surgery, and restoration planning and placement, as well as collaborate with treatment partners such as other dentists or laboratories on one digital platform. We believe this will enable significant clinical workflow efficiencies and more predictable clinical outcomes.

#### *Orthodontic Solutions*

For over 60 years, our Orthodontic Solutions businesses have provided orthodontic professionals with high quality, innovative products backed by educational support to enhance the lives of their patients. We are a leading manufacturer and provider of advanced orthodontic technology and services designed to move malpositioned teeth and jaws. Our products include brackets and wires, tubes and bands, archwires, clear aligners, digital orthodontic treatments, retainers, and other orthodontic laboratory products, and are marketed under the Ormcot™, Damon™, Insignia™, AOA™ and Spark™ brands. We also offer a comprehensive education system to fully train our clinical customers from basic to the most advanced movements, with the goal of enhancing patient access to high-quality dental care. Customers of our Orthodontic Solutions are primarily orthodontists.

The table below provides a summary description of select solutions and products offered by our Orthodontic Solutions business:



We are a leader in passive self-ligating metal brackets, marketed as the Damon System. Passive self-ligation is a method of moving teeth using a fraction of the force levels required by brackets that utilize ligatures. In 2018, we launched our next generation product, DQ2™, which offers twice the rotational control as the predecessor bracket, allowing for optimal precision, predictability and efficiency. In 2018, we launched Symetri™ Clear, an advanced aesthetic ceramic bracket designed for refined strength, patient comfort and easy debonding without fracturing. In 2019, we launched SmartArch™, a patented laser-engineered archwire designed to enable clinicians to move into a finish wire after just two archwires, reducing treatment time. In 2021, we launched the Damon Ultima™ System, a revolutionary passive self-ligation braces technology that is the first true full-expression system designed for faster and more precise finishing. Most recently, in 2022 we launched the Ultima™ Hook, the only re-positionable hook designed to save time for doctors.

Having historically focused on brackets and wires, we commercially launched our clear aligner system, in several markets including North America, Europe, and China. Spark, is a clear aligner system designed for mild to complex malocclusion that and is made with TruGEN™ and TruGEN XR™, the latest generation of aligner material. It is designed to deliver higher sustained force retention for efficiency and a high level of transparency for aesthetics. Spark aligners are also designed with polished, scalloped edges to enhance patient comfort. Over the past three years, we have launched a suite of upgrades to our Spark clear aligner Approver™ software designed to improve the customer experience with flexibility and customization features. In addition, we introduced a number of new aligner features including TruRoot for Spark™ Clear Aligners that allow doctors to see actual roots in the treatment plan; and Spark's Integrated Hooks, the innovative alternative to traditional hooks and button cutouts. We also have partnered with industry leading intra oral scanner companies, including our own DEXIS IOS scanner, as part of our commitment to making imaging integrations seamless. We believe that Spark will provide growth opportunities for our Orthodontic Solutions business over the next several years.

#### *Equipment & Consumables*

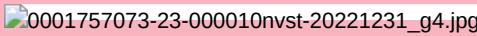
Our Equipment & Consumables segment develops, manufactures and markets dental equipment and supplies used in dental offices, including digital imaging systems, software and other visualization/magnification systems; endodontic systems and related products; restorative materials, rotary burs, impression materials, bonding agents and cements; and infection prevention products. Products In 2023, our Equipment & Consumables segment generated \$0.9 billion of sales. In 2023, 66% of segment sales were derived from North America, 13% from Western Europe, 4% from other developed markets, and 17% from emerging markets. We distribute our Equipment & Consumables segment products primarily through our channel partners, representing approximately 88% of sales in this segment are sold primarily through dental distributors, with 89% of segment sales for the year ended December 31, 2022 made through our channel partners, in 2023. Sales from consumables, services and spare parts comprised approximately 65% 69% of segment sales in 2022, 2023.

#### *Imaging &*

#### *Diagnostic Solutions*

Our Imaging & Diagnostic Solutions business is focused on dental imaging, X-ray, and intraoral scanner solutions used in dental offices, clinics and hospitals. The dental imaging business was primarily established through the acquisition of Gendex in 2004 and PaloDEX™ Group Oy in 2009, but also includes products from numerous other acquisitions, including the acquisition of Carestream's Intraoral Scanner business in 2022. Our equipment products are marketed under a variety of brands, including DEXIS, Gendex, and i-CAT.

The table below provides a summary description of select solutions and products offered by our Imaging & Diagnostic Solutions business:



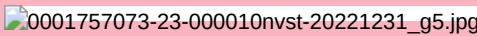
Our Imaging business was the pioneer in 2D/panoramic and 3D imaging and has one of the largest installed bases of dental imaging devices in the industry with over 150,000 imaging devices currently utilized in dental practices. We hold a leading position in 3D imaging through the i-CAT and DEXIS brands. The i-CAT FLX V17 is the business' latest 3D CBCT offering and features a wide range of field of views, enabling a clinician to capture high quality images of the full oral-facial complex at high resolution with low radiation. This helps clinicians to more effectively treat orthodontics, complex oral surgery, implantology and airway cases. Beginning in 2017, we launched the OP3D™ family, a scalable modular imaging system, providing clinicians with the flexibility to upgrade to the latest 3D imaging technology as they expand their capabilities and grow their practices. Our DEXIS brand is an industry leader in intraoral X-Ray digital sensors, which provide two-dimensional images of the mouth. The DEXIS Titanium™ is our flagship sensor and captures high quality images with low radiation and has advanced durable materials that make it highly reliable. Our acquisition of the Intraoral Scanner Business in April 2022 added intraoral scanners and related software to our Imaging portfolio.

The 'DTX Studio Clinic' software package is offered on many of our imaging products, allowing dental professionals to store and access a broad variety of clinical patient images (e.g., 2D/3D/IOS/pictures) in one place. In combination with the 'DTX Studio Implant' and 'DTX Studio Lab' software packages, clinicians can use one software ecosystem from image acquisition and diagnosis to treatment planning, implant surgery and restoration planning and placement, as well as collaborate with treatment partners such as other dentists or laboratories on one digital platform. We believe this will enable significant clinical workflow efficiencies and more predictable clinical outcomes.

#### Everyday Dental Consumables Solutions

Our Everyday Dental Consumables business markets a broad offering of general dental products that are used in dental offices, clinics and hospitals. The business was primarily established through the acquisition of Sybron Dental Specialties in 2006, as well as numerous other acquisitions. Our products are marketed under a variety of brands, including Kerr™, Metrex™, Total Care, Pentron™, Optibond™, Harmonize™, Sonicfill™, Sybron Endo™ and CaviWipes™.

The table below provides a summary description of select solutions and products offered by our Everyday Dental business:



Our products have strong brand and product recognition across many product categories, including restorative, endodontics, and infection control. We offer several products designed to repair and restore fractured or otherwise damaged teeth. The SonicFill composite bulk fill system replaces conventional time-consuming, multi-stage layering techniques with a single fill system that eliminates a liner or final capping layer. We also offer cements and bonding agents, including the leading OptiBond™ line of products. Our Endodontics business offers a variety of products used in the endodontic workflow which help clinicians to locate, shape, clean and fill root canals. We also produce curing lights and other products including impression materials, burs, amalgams and waxes under several brands. During 2020, we launched SimpliShade™, a universal composite featuring three shades resulting in quicker shade-matching, leading to faster chair times and streamlining restoration workflows and inventory management. In 2022, we introduced the ZenFlex ONE file system for endodontic root canal procedures, offering high cutting efficiency and minimal invasiveness at an affordable price.

Through our Metrex brand, we have a significant position within infection prevention products, which include the CaviWipes and CaviCide™ product lines, and are well positioned in both the dental and general medical market segments.

#### Our Strategy

Our strategic focus is comprised of three key elements, which are based on the EBS strategic areas of Lean, Innovation, Growth and Leadership.

- "Establish a Strong Foundation": We have been successful in the past in driving continuous improvements and margin expansion through the application of EBS. EBS is a set of lean, innovation, growth and leadership-focused tools and processes that differentiates us from our competitors. Beginning in 2016, we consolidated our operating companies, substantially reduced our manufacturing sites, consolidated sales offices, streamlined our R&D organization, and centralized our direct and indirect procurement organizations. We simplified our portfolio by reducing the number of our imaging brands and exiting lower growth/margin businesses. We have also executed cost reduction initiatives. We continue to pursue a number of ongoing strategic initiatives across our operating companies relating to efficient sourcing and improvements in manufacturing and back-office support, all with a focus on continually improving quality, delivery, cost, growth and innovation.
- "Reinvest for Growth": Streamlining our business operations and reducing costs has allowed us to reposition ourselves to create a digital and consumable workflow-oriented portfolio. We have invested in our Specialty Products & Technology segment, adding manufacturing capacity and personnel to these businesses, with plans for further investment in 2024. We intend to drive shareholder value by deploying capital to acquire or invest in other businesses that

strategically fit into or extend our product offering into new or attractive adjacent markets - the Intraoral Scanner Business and Osteogenics acquisitions in 2022 we launched CaviWipes HP, are examples of this strategy in action. We are planning to expand our clinical training and education infrastructure to further increase brand loyalty, deepen our relationships with dental practitioners and further enhance patient access to high quality dental care. We believe these investments better position us to effectively meet the newest member needs of our customers, particularly the CaviWipes family providing growing Dental Service Organization ("DSO") segment, which values a fast one minute universal contact time from an alcohol-free hydrogen peroxide formulation that qualifies for comprehensive, end-to-end product offering with the EPA's Emerging Viral Pathogen claim, ability to roll out new technologies and procedure-focused trainings at scale.

### International Operations

- **"Maintain and Pursue Long-Term Market Leadership":** As we seek to continue to improve our business and drive increased cash flow, we expect to strategically invest in innovation in order to better serve our customers and accelerate organic growth. We have invested significant resources in the following areas which we believe will help drive long-term market leadership:
  - **Digital Workflow:** We have developed our Diagnostic and Treatment Planning Software, DTX, to meet the growing demands for digital connectivity of dental practices.
  - **Specialty Products & Technologies:** We have launched several new products in our Orthodontic Solutions business over the past few years, which have contributed meaningfully to our overall sales in the segment. Since 2020, we have expanded capacity for our Spark clear aligners and added over 1,000 new employees to our Orthodontic Solutions business. Our research and development ("R&D") expenditures in our Implant-Based Tooth Replacement business accelerated the development of new implant systems such as N1. We will continue to invest in our global commercial footprint and product innovation to grow our strong position in the Implant and Orthodontics markets, both of which are underpenetrated.
  - **Emerging Markets:** We are a global leading dental company. Our products product provider in emerging markets (which we have historically defined as developing markets of the world experiencing periods of accelerated growth in gross domestic product and services are available worldwide, and our principal markets outside the U.S. are in infrastructure, including Eastern Europe, Asia, the Middle East, Africa, Latin America and Latin America. In 2022, we Asia (with the exception of Japan and Australia) with R&D, product management, operations, regulatory affairs, sales and marketing, and customer service resources focused on these markets. We have built a business that generated 53% of our less than \$30 million in sales in North America, 20% of our 2011 to one that generated approximately \$557 million in sales in Western Europe, 22% of our sales 2023. We expect to continue to invest in emerging markets as we believe this will be a strong growth driver for our business in the future and 5% is in-line with our purpose of democratizing dental care. We have succeeded in emerging markets by harnessing our sales in other developed markets, existing go-to-market infrastructure, building familiarity with local customer needs and regulations, and establishing dedicated locally-based management resources.

We also have operations around

### Our Industry

The dental market is large, attractive, and has a number of secular drivers that we believe will support future growth. These include the world, digitization of dental practices globally, which is transforming the way dentists diagnose and this geographic diversity allows us treat patients, leading to draw on the skills of a worldwide workforce, provides greater stability to our operations, allows us to drive economies of scale, provides sales streams that may help offset economic trends that are specific to individual economies and offers us an opportunity to access new markets for products, better clinical outcomes. In addition, we believe that our future growth of the dental products industry will be driven by an aging population, the current under penetration of dental procedures - especially in emerging markets, improving access to complex procedures due to increasing technological innovation, an increasing demand for cosmetic dentistry, and growth of DSOs, which are expected to drive increasing penetration and access to care globally. Within the global dental products industry, we believe segments such as Implant-Based Tooth Replacements, Orthodontic Solutions, and Diagnostic Solutions will grow at a more rapid pace than the overall market.

While both equipment and consumables represent significant expenditures for dental service providers, the sales dynamics for each differ. The sale of equipment depends on technological advancements, dentists' willingness to invest in part new technologies, opening of new offices and replacement demand. On the other hand, consumables are more dependent on our ability to continue developing patient volume. We believe large multi-category manufacturers that provide a broad range of equipment and consumables have more recession-resilient portfolios and can gain meaningful competitive advantage over their peers as larger customers increasingly seek package deals and consolidate suppliers, and digital dentistry adoption creates links between different products and sales models that successfully target in the dental practitioners' offices.

While developed markets represent a significant portion of the global dental products industry, we have also been focused on building significant scale in emerging markets.

The manner Prevalence and penetration of treatments is largely tied to socio-economic factors such as availability and affordability of care. We expect generally improving economic trends and increased consumer disposable income in which our products and services are sold outside the U.S. differs by business and by region. Most of our sales in non-U.S. emerging markets, are made by our subsidiaries located outside the U.S., though we also sell directly from the U.S. into non-U.S. markets through various representatives and distributors and, in some cases, directly. In countries with low sales volumes, we generally sell through representatives and distributors.

Information about the effects of foreign currency fluctuations on our business is set forth in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations." For a discussion of risks related to our non-U.S. operations and foreign currency exchange, please refer to "Item 1A. Risk Factors—Risks Related to Our Business" and "Risks Factors—General Risks."

## **Sales and Distribution**

Typical customers and end-users of our products include general dentists, dental specialists, dental hygienists, dental laboratories and other oral health professionals, including DSOs, as well as educational, medical advancements in technological innovation that reduces complexity and governmental entities cost and third-party distributors. These customers choose increases efficiency, will help drive penetration of dental care in these under-served markets.

### **Key Solutions Within the Dental Products Industry**

- **Implant-Based Tooth Replacements:** The implant industry is significant and enjoys higher margins and growth than the overall dental products based on the factors described under the section entitled "Business—Competition."

In 2022, we distributed approximately 41% of our products through third-party distributors. Certain highly technical products, such as dental implant systems, orthodontic appliances, dental laboratory equipment and consumables, and endodontic instruments and materials are typically sold directly to dental professionals and dental laboratories.

One customer, Henry Schein, Inc. ("Henry Schein"), accounted for approximately 11% of our sales for 2022, 12% of our sales for 2021 and 11% of our sales for 2020. Other than Henry Schein, no single customer accounted for more than 10% of combined sales in 2022, 2021, or 2020.

While a sizable portion of our sales are derived from distributors, most of our marketing and advertising activities are directed towards the end-users of our products (e.g., dentists, hygienists and other oral health professionals, DSOs, laboratories and universities). In addition to our marketing efforts, as noted above, we conduct significant training and education programs globally for these end-users to enhance patient access to high-quality dental care. In these programs, our employees and/or experts in the respective clinical fields demonstrate the proper use of our products. We maintain educational and consulting relationships with key experts who assist us in developing new products, new indicated uses for our products and educational programs for health care providers and consumers. We also maintain educational and consulting relationships with dental associations around the world.

## **Research and Development**

We invest substantially in the development of new products. We conduct research and development activities for the purpose of designing and developing new products and applications that address customer needs and emerging trends, as well as enhancing the functionality, effectiveness, ease of use and reliability of our existing products. Our research and development efforts include internal initiatives as well as collaborations with external parties such as research institutions, dental and medical schools and initiatives that use licensed or acquired technology. We expect to continue investing in research and development at a rate consistent with our past practice, with the goal of maintaining or improving our competitive position, and entering new markets.

We generally conduct research and development activities on a business-by-business basis, primarily in North America, the Middle East, Asia and Europe. We anticipate that we will continue to make significant expenditures for research and development as we seek to provide a continuing flow of innovative products to maintain and improve our competitive position. For a discussion of the risks related to the need to develop and commercialize new products and product enhancements, please refer to "Item 1A. Risk Factors—Risks Related to Our Business." Customer-sponsored research and development was not significant in 2022, 2021 or 2020.

## **Intellectual Property**

We own numerous patents, trademarks, copyrights, trade secrets and licenses to intellectual property owned by others. Although in the aggregate our intellectual property is important to our operations, we do not consider any single patent, trademark, copyright, trade secret or license to be of material importance to any segment or to the business as a whole. Our products and technologies are protected by over 1,900 granted patents. From time to time, we engage in litigation to protect our intellectual property rights. For a discussion of risks related to our intellectual property, please refer to "Item 1A. Risk Factors—Risks Related to Our Business." All capitalized brands and product names throughout this document are trademarks owned by, or licensed to, us.

## **Human Capital Resources**

As of December 31, 2022, we employed approximately 12,700 persons, of whom approximately 3,000 were employed in the market. The U.S. and approximately 9,700 were employed outside of the U.S. We have collective bargaining arrangements and union contracts in certain countries, particularly in Europe where certain of our employees are represented by unions and/or works councils. For a discussion of risks related to employee relations, please refer to "Item 1A. Risk Factors—General Risks."

Our success depends on our ability to attract, develop and retain a talented employee base. We aspire to help our employees thrive both personally and professionally. As part of these efforts, we strive to embody our core values, offer a competitive compensation and benefits program, foster a community where everyone feels included, respected and engaged, and provide ample professional development opportunities.

Our Board of Directors reviews human capital matters at each quarterly meeting, including periodic updates on succession planning, leadership development, talent acquisition and retention, diversity and inclusion, employee engagement, total rewards, and culture of the Company, among other topics. The Compensation Committee of the Board of Directors oversees our executive and equity compensation programs. We evaluate and manage risks relating to our human capital strategy as part of our enterprise risk management program.

## Core Values

We endeavor to embody our values in everything we do and in our various programs and initiatives:

- Customer Centricity
- Innovation
- Respect
- Continuous Improvement
- Leadership

## Compensation and Benefits Program

Our compensation programs and practices are designed to attract employees, motivate and reward performance, drive Greater China region represent key growth and support retention. We offer competitive compensation packages based on market data, which include base salary with annual merit increases and may also include annual cash performance incentives, commissions, overtime opportunities, allowances and, in some countries where these are customary, additional monthly payments. In addition, employees in select senior management roles may receive long-term compensation in the form of equity awards. We regularly review our compensation structure to ensure that we remain competitive, reward top performance, as well as to ensure internal equity. We are pleased that we maintained 99% gender pay equity in the U.S. and 99% race/ethnicity pay equity in the U.S. in 2022, drivers for this industry. In the U.S., our benefits package includes health (medical, dental & vision) insurance, paid time off, paid parental leave, a retirement plan implant penetration far lags other developed markets such as Germany, Spain and life and disability coverage. Outside Italy, in China, the prevalence of severe tooth loss is higher than in the U.S., we offer our employees robust benefits based on local regulations while implant penetration is far below the U.S. We expect product innovation and best practices of increased affordability to help drive future growth in emerging markets.

- *Orthodontic Solutions:* Traditional wires and brackets systems continue to be the countries preferred choice in which we operate. Globally, we offer complex and young adult cases, due to their better clinical outcomes. In recent years, clear aligners have become an Employee Assistance Program increasingly popular treatment option and are expected to all employees grow at a significantly faster pace than traditional metal wires and brackets. Clear aligners are more aesthetically pleasing and clinically proven to support be effective for many cases. With the mental health and well-being of employees and their families.

## Diversity and Inclusion

Our commitment technology continuing to diversity and inclusion supports the ability of our employees to show up every day as their authentic selves, creating greater opportunities for teamwork, more thoughtful debate, advance and more reasons clinicians becoming proficient in aligner therapy, the addressable market for orthodontic treatment has expanded. Going forward, we believe orthodontic solutions will continue to celebrate. We are committed grow at a fast pace as aesthetics become increasingly important to a culture where diversity, respect, belonging patients.

- *Diagnostic Solutions:* Imaging (both x-ray and authenticity are valued. We drive diversity other visualization solutions) is often the first step of many dental exams and inclusion by way therefore serves as the entry-point for many high-value treatments. The rapid adoption of diverse candidate slates for executive digital technologies within diagnostic solutions has transformed dental practices and professional level roles and sales roles and we ensure succession plan talent is diverse in representation. We have a Diversity and Inclusion (D&I) Council, consisting of leaders within the Company has increased access to drive accountability and results for our diversity and inclusion strategic efforts and initiatives. We have four standing Diversity and Inclusion Committees in the areas of talent acquisition and engagement, education and learning, events and celebrations, and global communication. We have two Employee Resource Groups: a women's and multicultural employee resource group, care as well as learning events during historical heritage months throughout the year quality of care delivered to celebrate our workforce. In 2022, we hosted multiple Company-wide D&I events for our employees, customers patients. We believe enhanced connectivity amongst different types of dental imaging/diagnostic equipment and integration with downstream treatment planning and treatment delivery solutions will further improve dental students. Additionally, we have strategically partnered with the Consortium for early career diverse talent workflows and with historically Black colleges lead to better treatment outcomes. We believe digitalization and universities (HBCUs) and Hispanic Serving Institutions (HSIs) connectivity will continue to further advance our workforce diversity efforts.

## Learning and Development Opportunities

We aim to empower our employees to thrive in their current roles, as well as to support employees' aspirations to move into different roles. We have a promote-from-within culture with opportunities across our operating companies. We periodically assess succession planning for certain key positions and review our workforce to identify drive high potential employees for future growth and development. We support our employees through a multitude of training and development programs, including training on our EBS and EBS tools through our Envista Business System University, individual development plans (which encourages our employees to take charge of their learning and growth opportunities and provides access to hundreds of online courses), job rotations, and various management trainings. We also have several programs focused on early career development, including internship programs and our six-year General Management Development Program. This commitment to our employees' professional development reflects both our Continuous Improvement and Leadership core values.

## Employee Engagement

In 2022, we completed our second annual employee engagement survey as a standalone public company. We had a 91% participation rate in this survey, with 78% of respondents reporting feeling engaged at work and 82% believing their managers are leading effectively. The results of this survey showed improvement from our inaugural survey. We use the feedback from these surveys to better understand whether our employees have the tools, resources, training and development opportunities to succeed. We assess our employee engagement annually and future surveys will help us benchmark our progress over time and compare our results with companies in our sector. Communication is at the core of our engagement efforts and we host monthly CEO Forums for all employees, to keep our employees informed and to provide opportunities for employees globally to ask senior management questions.

## Community

Our employees have a long history of providing support and care in our communities, donating time, resources, and funds to local causes. In March 2021, we leveraged our expertise in oral health and founded the Envista Smile Project, a 501(c)(3) philanthropic foundation designed to improve the smiles and oral health of disadvantaged communities by supporting increased access to oral care and oral health education. The Envista Smile Project's mission is to collaborate with dental professionals and Envista employee volunteers to donate products, treatment, and oral health education to communities in need around the world. The Envista Smile Project's giving strategy focuses on three areas: mission trips, education, and monetary donations to oral health focused, non-profit organizations.

## Safe Work Environment

We value the safety of our employees and in 2022, have further enhanced our safety program for remote and field-based employees. area. Environmental health and safety ("EHS") significant sites, such as manufacturing, distribution, research and development sites and large offices, are supported through a combination of on-site and remote EHS professionals. Incident reporting and investigation, auditing, and corporate oversight provide for a collaborative and transparent environment to address and minimize potential gaps.

Additional information about our human capital resources, as well as information related to our sustainability efforts, is included in our annual Sustainability Report (located on the Investors subpage of our website [www.envistaco.com](http://www.envistaco.com)). Information on our website, including the Sustainability Report, shall not be deemed incorporated by reference into this Form 10-K.

## Materials

Our manufacturing operations employ a wide variety of raw materials, including metallic-based components, electronic components, chemicals, plastics and other petroleum-based products, and prices of oil and gas also affect our costs for freight and utilities. We purchase raw materials from a large number of independent sources around the world. No single supplier is material, although for some components that require particular specifications or qualifications there may be a single supplier or a limited number of suppliers that can readily provide such components. We utilize a number of techniques to address potential disruption in and other risks relating to our supply chain, including in certain cases the use of safety stock, alternative materials and qualification of multiple supply sources. During 2022, we had no raw material shortages that had a material effect on our business. For a further discussion of risks related to the materials and components required for our operations, please refer to "Item 1A. Risk Factors—Risks Related to Our Business."

## Competition

Although our businesses generally operate in highly competitive markets, our competitive position cannot be determined accurately in the aggregate or by segment since because none of our competitors offer all of the same product and service lines and serve all of the same markets as we do. Because of the range of the products and services we sell and the variety of markets we serve, we encounter a wide variety of competitors, including well-established regional competitors, competitors who are more specialized than we are in particular markets, as well as larger companies or divisions of larger companies with substantial sales, marketing, research and financial capabilities. We face increased competition in a number of our served markets as a result of the entry of competitors based in low-cost manufacturing locations, and increasing consolidation in particular markets. Key competitive factors vary among our businesses and product and service lines, but include the specific factors noted above with respect to each segment and typically also include price, quality, performance, delivery speed, applications expertise, distribution channel access, service and support, technology and innovation, breadth of product, service and software offerings and brand name recognition. For a discussion of risks related to competition, please refer to "Item 1A. Risk Factors—Risks Related to Our Industry."

## Our Competitive Strengths

We believe we have significant competitive strengths, including:

- Envista Business System. We believe our deep-rooted commitment to EBS helps drive our success and market leadership and differentiates us in the dental industry. EBS encompasses not only lean tools and processes, but also methods for driving innovation, growth and leadership.
- Brand leadership with a long track record and strong brand recognition. We built our business around brands with long histories of innovation and strong brand recognition in the dental products market. We believe the heritage and leadership of our well-known brands in the dental products industry enhances our connections with both patients and providers and supports our strong market position.

- **Attractive portfolio with leadership in key attractive segments.** The breadth and depth of our product offerings address a broad range of dentists' clinical needs from consumables to digital equipment solutions. Our catalog of products covers the spectrum from value-focused products to premium brands, allowing providers to fully address patient needs in different market segments. Within our product portfolio, we believe we are one of the largest manufacturers in implants and orthodontics and have one of the largest installed bases of imaging devices. Our broad product offering positions us particularly well to serve the needs of DSOs, which have been one of the fastest growing segments of our customer base.
- **Global commercial reach.** We serve dental professionals in over 130 countries through one of the largest customer-facing sales teams in the dental products industry and through a diverse, global dealer network. In 2023, we generated 53% of our sales from markets outside of the U.S.
- **Strong position in emerging markets.** Emerging markets represented 22% of our total sales in 2023. We are a leading dental provider in emerging markets with dedicated R&D, product management, operations, regulatory affairs, sales and marketing, and customer service resources focused on these markets. With this structure, we believe that we are well positioned to capture additional share in emerging markets.
- **Track record of innovation.** Our businesses have a long track record of successful innovation such as NobelActive dental implants, Spark clear aligners, Damon bracket and wire system and DEXIS OP - 3D imaging system. Our new product development activities are complemented by externally sourcing technologies through a broad network of partnerships, collaborations, and investments involving third-party research institutions, universities and innovative start-up companies.
- **Experienced management team with extensive industry experience.** Our executive officer team has extensive dental and healthcare industry experience and a proven track record of applying EBS to execute on our strategic and operational goals. Under their leadership, we have undertaken a significant transformation to better position our business for organic and inorganic growth and diversify our sales globally. We believe our management team will continue to drive growth and profitability in our business in the future.

#### International Operations

We are a global dental company. Our products and services are available worldwide, and our principal markets outside the U.S. are in Europe, Asia, the Middle East and Latin America. In 2023, we generated 51% of our sales in North America, 22% of our sales in Western Europe, 22% of our sales in emerging markets and 5% of our sales in other developed markets.

We also have operations around the world, and this geographic diversity allows us to draw on the skills of a worldwide workforce, provides greater stability to our operations, allows us to drive economies of scale, provides sales streams that may help offset economic trends that are specific to individual economies and offers us an opportunity to access new markets for products. In addition, we believe that our future growth depends in part on our ability to continue developing products and sales models that successfully target emerging markets.

The manner in which our products and services are sold outside the U.S. differs by business and by region. Most of our sales in non-U.S. markets are made by our subsidiaries located outside the U.S., though we also sell directly from the U.S. into non-U.S. markets through various representatives and distributors and, in some cases, directly. In countries with low sales volumes, we generally sell through representatives and distributors.

Information about the effects of foreign currency fluctuations on our business is set forth in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations." For a discussion of risks related to our non-U.S. operations and foreign currency exchange, please refer to "Item 1A. Risk Factors—Risks Related to Our Business" and "Risks Factors—General Risks."

#### Sales and Distribution

Typical customers and end-users of our products include general dentists, dental specialists, dental hygienists, dental laboratories and other oral health professionals, including DSOs, as well as educational, medical and governmental entities and third-party distributors. These customers choose dental products based on the factors described under the section entitled "Business—Competition."

Our commercial organization includes over 3,000 employees with deep clinical, product and workflow expertise who interact with dental practitioners on a daily basis. Through our trusted brands, innovative product offerings and comprehensive customer service, we have established strong relationships globally with key constituencies, including DSOs, dental specialists, general dentists, and dental laboratories. We believe the continuing expansion of our global commercial organization will provide us with significant opportunities for future growth as we increase our penetration in various geographic markets.

In 2023, we distributed approximately 40% of our products through third-party distributors. Certain highly technical products, such as dental implant systems, orthodontic appliances, dental laboratory equipment and consumables, and endodontic instruments and materials are typically sold directly to dental professionals and dental laboratories.

One customer, Henry Schein, Inc. ("Henry Schein"), accounted for approximately 10% of our sales for 2023, 11% of our sales for 2022 and 12% of our sales for 2021. Other than Henry Schein, no single customer accounted for more than 10% of combined sales in 2023, 2022, or 2021.

While a sizable portion of our sales are derived from distributors, most of our marketing and advertising activities are directed towards the end-users of our products. In addition to our marketing efforts, as noted above, we conduct significant training and education programs globally for these end-users to enhance patient access to high-quality dental care. In these programs, our employees and/or experts in the respective clinical fields demonstrate the proper use of our products. We maintain educational and consulting relationships with key experts who assist us in developing new products, new indicated uses for our products and

educational programs for health care providers and consumers. We also maintain educational and consulting relationships with dental associations around the world.

#### **Research and Development**

Innovation is a core part of our strategy and our R&D expenditure has been approximately \$294 million since 2021. We conduct R&D activities for the purpose of designing and developing new products and applications that address customer needs and emerging trends, as well as enhancing the functionality, effectiveness, ease of use and reliability of our existing products. Our R&D efforts include internal initiatives as well as collaborations with external parties such as research institutions, dental and medical schools and initiatives that use licensed or acquired technology. We expect to continue investing in R&D at a rate consistent with our past practice, with the goal of maintaining or improving our competitive position, and entering new markets.

We generally conduct R&D activities on a business-by-business basis, primarily in North America, the Middle East, Asia, and Europe. We anticipate that we will continue to make significant expenditures for R&D as we seek to provide a continuing flow of innovative products to maintain and improve our competitive position. For a discussion of the risks related to the need to develop and commercialize new products and product enhancements, please refer to "Item 1A. Risk Factors—Risks Related to Our Business." Customer-sponsored R&D was not significant in 2023, 2022 or 2021.

#### **Intellectual Property**

We own numerous patents, trademarks, copyrights, trade secrets and licenses to intellectual property owned by others. Although in the aggregate our intellectual property is important to our operations, we do not consider any single patent, trademark, copyright, trade secret or license to be of material importance to any segment or to the business as a whole. Our products and technologies are protected by over 1,700 granted patents. From time to time, we engage in litigation to protect our intellectual property rights. For a discussion of risks related to our intellectual property, please refer to "Item 1A. Risk Factors—Risks Related to Our Business." All capitalized brands and product names throughout this document are trademarks owned by, or licensed to, us.

#### **Human Capital Resources**

As of December 31, 2023, we employed approximately 12,800 persons, of whom approximately 3,000 were employed in the U.S. and approximately 9,800 were employed outside of the U.S. We have collective bargaining arrangements and union contracts in certain countries, particularly in Europe where certain of our employees are represented by unions and/or works councils. For a discussion of risks related to employee relations, please refer to "Item 1A. Risk Factors—General Risks."

Our success depends on our ability to attract, develop and retain a talented employee base. We aspire to help our employees thrive both personally and professionally. As part of these efforts, we strive to embody our core values, offer a competitive compensation and benefits program, foster an inclusive community and provide professional development opportunities.

Our Board of Directors reviews human capital matters at each quarterly meeting, including periodic updates on succession planning, leadership development, talent acquisition and retention, diversity and inclusion, employee engagement, total rewards, and culture of the Company, among other topics. The Compensation Committee of the Board of Directors oversees our executive and equity compensation programs. We evaluate and manage risks relating to our human capital strategy as part of our enterprise risk management program.

#### **Core Values**

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- Customer Centricity
- Innovation
- Respect
- Continuous Improvement
- Leadership

#### **Compensation and Benefits Program**

Our compensation programs and practices are designed to attract employees, motivate and reward performance, drive growth and support retention. We offer competitive compensation packages based on market data, which include base salary with annual merit increases and may also include annual cash performance incentives, commissions, overtime opportunities, allowances and, in some countries where these are customary, additional monthly payments. In addition, employees in select senior management roles may receive long-term compensation in the form of equity awards. We regularly review our compensation structure to ensure that we remain competitive, reward top performance, as well as to ensure internal equity. We partner with independent third-party experts to conduct annual pay assessments. Our most recent pay equity review demonstrated that we had maintained 99% gender pay equity in the U.S. and 99% race/ethnicity pay equity in the U.S. In the U.S., our benefits package includes health (medical, dental & vision) insurance, paid time off, paid parental leave, a retirement plan and life and disability coverage. Outside of the U.S., we offer our employees robust benefits based on local regulations and best practices of the countries in which we operate. Globally, we offer an Employee Assistance Program to all employees to support the mental health and well-being of employees and their families.

#### **Diversity and Inclusion**

Our strategy to cultivate diversity and inclusion ("D&I") in the workplace encompasses efforts across our organization, with specific direction from executive leadership. We believe it is all of our leaders' responsibility to ensure Envista's D&I initiatives are appropriately aligned with our strategic business priorities. In coordination with efforts being made by our Human Resources professionals, we emphasize the engagement and recruitment of diverse talent in leadership positions across Envista.

#### **Learning and Development Opportunities**

We aim to empower our employees to thrive in their current roles, as well as to support employees' aspirations to move into different roles. We have a promote-from-within culture with opportunities across our operating companies. We periodically assess succession planning for certain key positions and review our workforce to identify high potential employees for future growth and development. We support our employees through a multitude of training and development programs, including training on EBS through our Envista Business System University, individual development plans (which encourages our employees to take charge of their learning and growth opportunities), job rotations, and various management trainings. This commitment to our employees' professional development reflects both our Continuous Improvement and Leadership core values.

#### **Employee Engagement**

We conduct an annual employee engagement survey to solicit employees' input and perspectives on our performance. In 2023, we had a 92% participation rate in this survey, with 76% of respondents reporting feeling engaged at work and 80% believing their managers are leading effectively. We use the feedback from these surveys to better understand whether our employees have the tools, resources, training and development opportunities to succeed. Future surveys will help us benchmark our progress over time and compare our results with companies in our sector. Communication is at the core of our engagement efforts and we host numerous CEO Forums for all employees, to keep our employees informed and to provide opportunities for employees globally to ask questions to senior management.

#### **Community**

Our employees have a long history of providing support and care in our communities, donating time, resources, and funds to local causes. In March 2021, we leveraged our expertise in oral health and founded the Envista Smile Project, a 501(c)(3) philanthropic foundation designed to improve the smiles and oral health of disadvantaged communities by supporting increased access to oral care and oral health education. The Envista Smile Project's mission is to collaborate with dental professionals and Envista employee volunteers to donate products, treatment, and oral health education to communities in need around the world. The Envista Smile Project's giving strategy focuses on three areas: mission trips, education, and monetary donations to oral health focused, non-profit organizations.

#### **Safe Work Environment**

We value the safety of our employees and in 2023, we updated our bi-annual EHS Risk Assessment tool to increase environmental health and safety ("EHS") results and engagement. EHS significant sites, such as manufacturing, distribution, R&D sites and large offices, are supported through a combination of on-site and remote EHS professionals. Incident reporting and investigation, auditing, and corporate oversight provide for a collaborative and transparent environment to address and minimize potential gaps.

Additional information about our human capital resources, as well as information related to our sustainability efforts, is included in our annual Sustainability Report (located on the Investors subpage of our website [www.envistaco.com](http://www.envistaco.com)). Information on our website, including the Sustainability Report, shall not be deemed incorporated by reference into this Form 10-K.

#### **Materials**

Our manufacturing operations employ a wide variety of raw materials, including metallic-based components, electronic components, chemicals, and plastics, and prices of oil and gas also affect our costs for freight and utilities. We purchase raw materials from a large number of independent sources around the world. For certain components that require particular specifications or qualifications there may be a single supplier or a limited number of suppliers that can readily provide such components. We utilize a number of techniques to address potential disruption in and other risks relating to our supply chain, including in certain cases the use of safety stock, alternative materials and qualification of multiple supply sources. During 2023, we had no raw material shortages that had a material effect on our business. For a further discussion of risks related to the materials and components required for our operations, please refer to "Item 1A. Risk Factors—Risks Related to Our Business."

#### **Seasonal Nature of Business**

Based on historical General economic conditions impact our business and financial results, and certain of our businesses experience we generally have more sales in seasonal and other trends related to the second half of the calendar year than in the first half of the calendar year, with the first quarter typically having the lowest end markets and regions that they serve. For example, sales of the year. Based on historical customer buying patterns, we generally capital equipment have more sales historically been stronger in the fourth quarter than in any other quarter of the year, driven in particular by capital spending in our Equipment & Consumables segment. As calendar quarter. However, as a result of this seasonality in sales, profitability in our Equipment & Consumables segment also tends whole, we are not subject to be higher in the second half of the year. There are no assurances that these historical trends will continue in the future. material seasonality.

## Regulatory Matters

We face extensive government regulation both within and outside the U.S. relating to the development, manufacture, marketing, sale and distribution of our products, software and services. The following sections describe certain significant regulations applicable to our operations. These are not the only regulations that our businesses must comply with. For a description of risks related to the regulations that our businesses are subject to, please refer to "Item 1A. Risk Factors—Risks Related to Laws and Regulations."

### Medical Device Regulations

Most of our products are classified as medical devices and are subject to restrictions under domestic and foreign laws, rules, regulations, self-regulatory codes, circulars and orders, including, but not limited to, the U.S. Food, Drug, and Cosmetic Act (the "FDCA"). The FDCA requires these products, when sold in the U.S., to be safe and effective for their intended uses and to comply with the regulations administered by the U.S. Food and Drug Administration (the "FDA"). The FDA regulates the design, development, research, preclinical and clinical testing, introduction, manufacture, advertising, labeling, packaging, marketing, distribution, import and export and record keeping for such products. Certain medical device products are also regulated by comparable agencies in non-U.S. countries in which they are produced or sold.

Unless an exemption applies, the FDA requires that a manufacturer introducing a new medical device or a new indication for use of an existing medical device obtain either a Section 510(k) premarket notification clearance or a premarket approval ("PMA") before introducing it into the U.S. market. The type of marketing authorization is generally linked to the classification of the device. The FDA classifies medical devices into one of three classes (Class I, II or III) based on the degree of risk the FDA determines to be associated with a device and the level of regulatory control deemed necessary to ensure the device's safety and effectiveness.

Our products are either classified as Class I or Class II devices in the U.S. Most of our Class II and certain of our Class I devices are marketed pursuant to 510(k) pre-marketing clearances. The FDA also enforces additional regulations regarding the safety of X-ray emitting devices that we currently market. The process of obtaining a Section 510(k) clearance generally requires the submission of performance data and clinical data, which in some cases can be extensive, to demonstrate that the device is "substantially equivalent" to a device that was on the market before 1976 or to a device that has been found by the FDA to be "substantially equivalent" to such a pre-1976 device. A predecessor device is referred to as "predicate device." As a result, FDA clearance requirements may extend the development process for a considerable length of time.

Medical devices can be marketed only for the indications for which they are cleared or approved. After a device has received 510(k) clearance for a specific intended use, any change or modification that significantly affects its safety or effectiveness, such as a significant change in the design, materials, method of manufacture or intended use, may require a new 510(k) clearance or PMA approval and payment of an FDA user fee. The determination as to whether or not a modification could significantly affect the device's safety or effectiveness is initially left to the manufacturer using available FDA guidance; however, the FDA may review this determination to evaluate the regulatory status of the modified product at any time and may require the manufacturer to cease marketing and recall the modified device until 510(k) clearance or PMA approval is obtained.

Any **medical** devices we manufacture and distribute are subject to pervasive and continuing regulation by the FDA and certain state agencies. These include product listing and establishment registration requirements, which help facilitate FDA inspections and other regulatory actions. As a medical device manufacturer, all of our manufacturing facilities are subject to inspection on a routine basis by the FDA. We are required to adhere to the Current Good Manufacturing Practices ("cGMP") requirements, as set forth in the Quality Systems Regulation ("QSR"), which require, manufacturers, including third-party manufacturers, to follow stringent design, testing, control, documentation and other quality assurance procedures during all phases of the design and manufacturing process.

We must also comply with post-market surveillance regulations, including medical device reporting or **MDR**, ("MDR"), requirements which require that we review and report to the FDA any incident in which our products may have caused or contributed to a death or serious injury. We must also report any incident in which our product has malfunctioned if that malfunction would likely cause or contribute to a death or serious injury if it were to recur.

Labeling and promotional activities are subject to scrutiny by the FDA and, in certain circumstances, by the Federal Trade Commission. Medical devices approved or cleared by the FDA may not be promoted for unapproved or uncleared uses, otherwise known as "off-label" promotion. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses.

In the European Union ("EU"), our products are subject to the medical device laws of the various member states, which are currently for many years were based on **a Directive** **Directives** of the European Commission. However, **in May 2017**, the EU **has adopted** **new**, **formal** regulations to replace such Directives; specifically, the EU Medical Device Regulation (the "EU MDR") which imposes stricter requirements for the marketing and sale of medical devices, including in the area of clinical evaluation requirements, quality systems and post-market surveillance. **Manufacturers** of currently approved medical devices had until **May 2021**. The EU regulations were adopted with staggered transitional periods that have since been updated. In February 2023, the European Parliament and European Council adopted legislation that extended the compliance dates for EU MDR to **meet 2027 or 2028**, based upon the **requirements** risk class of the device. Regulatory requirements in the United Kingdom ("UK") are also changing as a result of Brexit (the UK's withdrawal from the EU), and regulatory requirements in Switzerland are changing as a result of the country's withdrawal from its Mutual Recognition Agreement with the EU **MDR** **Commission**. Complying with the EU MDR **required** and the evolving regulatory regimes in the UK and Switzerland **requires** modifications to our quality management systems, additional resources in certain functions and **required** and **will continue to require** updates to technical files, among other changes.

### Other Healthcare Laws

In addition to the U.S. Foreign Corrupt Practices Act, the UK Bribery Act and similar anti-bribery laws, we are also subject to various health care related laws regulating fraud and abuse, research and development, pricing and sales and marketing practices and the privacy and security of health information, including the U.S. federal regulations described below. Many states, foreign countries and supranational bodies have also adopted laws and regulations similar to, and in some cases more stringent than, the U.S. federal regulations discussed above and below.

- The Federal Anti-Kickback Statute prohibits persons from knowingly and willfully soliciting, offering, receiving or providing remuneration in any form (including any kickback, bribe, or certain rebate), directly or indirectly, to induce or reward the referral of business payable under a government healthcare program, such as Medicare or Medicaid, or in return for the purchase, lease, order, arranging for, or recommendation of items or services covered under a government health care program. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation.
- The Health Insurance Portability and Accountability Act of 1996 ("HIPAA") prohibits knowingly and willfully (1) executing, or attempting to execute, a scheme to defraud any health care benefit program, including private payors, or (2) falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement in connection with the delivery of or payment for health care benefits, items or services. Similar to the Federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the healthcare fraud statute implemented under HIPAA or specific intent to violate it in order to have committed a violation.
- The False Claims Act imposes liability on any person or entity that, among other things, knowingly presents, or causes to be presented, a false or fraudulent claim for payment by a federal health care program, knowingly makes, uses or causes to be made or used, a false record or statement material to a false or fraudulent claim, or knowingly makes a false statement to avoid, decrease or conceal an obligation to pay money to the U.S. federal government. The qui tam provisions of the False Claims Act allow a private individual to bring actions on behalf of the federal government alleging that the defendant has submitted a false claim to the federal government, and to share in any monetary recovery. In addition, the government may assert that a claim including items and services resulting from a violation of the U.S. Federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the civil False Claims Act.
- The federal Civil Monetary Penalties Law prohibits, among other things, the offering or transferring of remuneration to a Medicare or Medicaid beneficiary that the person knows or should know is likely to influence the beneficiary's selection of a particular supplier of Medicare or Medicaid payable items or services.
- The Open Payments Act requires manufacturers of medical devices covered under Medicare, Medicaid or the Children's Health Insurance Program, subject to specific exceptions, to record payments and other transfers of value to a broad range of healthcare providers (including dentists) and teaching hospitals and to report this data as well as ownership and investments interests held by the physicians described above and their immediate family members to the Department of Health and Human Services ("HHS") for subsequent public disclosure. Similar reporting requirements have also been enacted on the state level, and an increasing number of countries worldwide either have adopted or are considering similar laws requiring transparency of interactions with health care professionals.

Federal consumer protection and unfair competition laws broadly regulate marketplace activities and activities that potentially harm consumers. Analogous U.S. state laws and regulations, such as state anti-kickback and false claims laws, also may apply to our business practices, including but not limited to, research, distribution, sales and marketing arrangements and claims involving healthcare items or services reimbursed by any third-party payor, including private insurers. Further, there are state laws that require medical device manufacturers to comply with the voluntary compliance guidelines and the relevant compliance guidance promulgated by the U.S. federal government, or otherwise restrict payments that may be made to healthcare providers and other potential referral sources; state laws and regulations that require manufacturers to file reports relating to pricing and marketing information, which requires tracking gifts and other remuneration and items of value provided to healthcare professionals and entities; state and local laws requiring the registration of sales representatives; and state laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts.

For a discussion of risks related to regulation by the FDA and comparable agencies of other countries, and the other regulatory regimes referenced above, please refer to "Item 1A. Risk Factors—Risks Related to Laws and Regulations."

#### **Healthcare Reform**

In the U.S. and certain foreign jurisdictions, there have been, and we expect there will continue to be, a number of legislative and regulatory changes to the healthcare system. For example, there have been numerous political and legal efforts to expand, repeal, replace or modify the U.S. Patient Protection and Affordable Care Act, as amended by the Health Care and Education Affordability Reconciliation Act (collectively, the "PPACA"), since the law's enactment. The U.S. Supreme Court rejected the latest such case on June 17, 2021, when the Court held that the plaintiffs lacked standing to challenge the PPACA's requirement to obtain minimum essential health insurance coverage or the individual mandate and dismissed the case without specifically ruling on the constitutionality of the PPACA. Federal regulatory agencies continue to interpret and modify PPACA regulations and guidance related to the PPACA, often as a result of presidential directives or the interplay with state law requirements.

Moreover, there has been heightened governmental scrutiny over the manner in which manufacturers set prices for their marketed products, which has resulted in several Congressional inquiries and proposed and enacted legislation designed to, among other things, bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programs and reform government program reimbursement methodologies for medical products. Individual states in the U.S. have also become increasingly active in implementing regulations designed to control product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures and, in some cases, mechanisms to encourage importation from other countries and bulk purchasing.

#### ***Coverage and Reimbursement***

Dental procedures and products are often paid for out-of-pocket. For products where third-party coverage and reimbursement is available, sales will depend, in part, on the extent to which such product will be covered by third-party payors, such as federal, state and foreign government healthcare programs, commercial insurance and managed healthcare organizations, and the level of reimbursement for such product by third-party payors. Decisions regarding the extent of coverage and amount of reimbursement to be provided are made on a plan-by-plan basis. These third-party payors are increasingly reducing reimbursements for medical products and services and, in international markets, many countries have instituted price ceilings on specific products and therapies. Price ceilings, decreases in third-party reimbursement for any product or a decision by a third-party payor not to cover a product could reduce dentist usage and patient demand for the product.

#### ***Data Privacy and Security Laws***

As a global manufacturer of medical devices, having access to and processing confidential, personal and/or sensitive data in the course of our business, we are subject to U.S. (federal and state) and international data privacy, security and data breach notification laws, which may govern the collection, use, disclosure and protection of health-related and other personal and/or sensitive information. Failure to comply with these statutory requirements, or mere publication of data breaches pursuant to these statutory requirements, can subject our company to legal, regulatory, and reputational risks, as well as the financial risks that can accompany regulatory investigations and enforcement actions and private litigation.

For example, in the U.S., HIPAA privacy, security, and breach notification rules require certain of our operations to maintain controls to protect the confidentiality, availability, and integrity of patient health information. In addition, individual states regulate data breach notification requirements as well as more general privacy and security requirements. Entities that are found to be in violation of HIPAA, for example as the result of a breach of unsecured protected health information, a complaint about privacy practices, or an audit by HHS, may be subject to significant civil, criminal and administrative fines and penalties and/or additional reporting and oversight obligations if required to enter into a resolution agreement and corrective action plan with HHS to settle allegations of HIPAA non-compliance.

The Health Information Technology for Economic and Clinical Health ("HITECH") Act was enacted as an update to HIPAA and makes business associates of covered entities directly liable for compliance with certain HIPAA requirements, strengthens the limitations on the use and disclosure of protected health information without individual authorizations, and contemplates enforcement of noncompliance with HIPAA due to willful neglect. These changes have stimulated increased enforcement activity and enhanced the potential that health care providers will be subject to financial penalties for violations of HIPAA. In addition, the Secretary of HHS is required to perform periodic audits to ensure covered entities (and their business associates, as that term is defined under HIPAA) comply with the applicable HIPAA requirements, increasing the likelihood that a HIPAA violation will result in an enforcement action.

In addition to the federal HIPAA regulations, most states also have laws that protect the confidentiality and security of sensitive personal information, and a minority of states explicitly include health information within the scope of the law. These state laws can differ in scope compared to HIPAA, and could apply to protect information or be triggered to report a data breach even where HIPAA does not (and vice-versa). Certain of these laws grant individuals rights to access, correct, or delete personal information, and we may be required to expend significant resources to comply with these laws. Further, all 50 states and the District of Columbia have adopted data breach notification laws that impose, in varying degrees, an obligation to notify affected persons and/or state regulators in the event of a data breach or compromise, including when their personal information has or may have been acquired by an unauthorized person.

Some state breach notification laws may also impose physical and electronic security requirements regarding the safeguarding of personal information, such as social security numbers and bank and credit card account numbers. Violation of state privacy, security, and breach notification laws can trigger significant monetary penalties or significant legal liability. In addition, certain states' privacy, security, and data breach laws, including, for example, the California Consumer Privacy Act (as amended by the California Privacy Rights Act, the "CCPA"), include private rights of action that may expose us to private litigation regarding our privacy and security practices and significant damages awards or settlements in civil litigation. Numerous other states have adopted within the past three years or are in the process of adopting various privacy-related laws and regulations. Complying with comprehensive state privacy laws and other existing, emerging and changing privacy requirements could cause the Company to incur substantial costs or require it to change its business practices and policies.

We are also subject to the General Data Protection Regulation ("GDPR"), the primary data protection law in the European Union and European Economic Area, including the European Union (collectively, the EU "EU"), as well as associated EU member state data protection laws and the UK GDPR in the United Kingdom. These laws impose significant requirements for covered businesses (controllers and processors) of personal data, including, for example, standards for obtaining consent from individuals to process their personal data, more robust disclosures to individuals, an individual data rights regime, timelines for data breach notifications, limitations on retention and secondary uses of information, requirements pertaining to health data and pseudonymised (i.e., deidentified) data, restrictions on data transfers outside of the EU, and obligations when we contract third-party processors in connection with the processing of personal data. The GDPR allows EU member states certain flexibility to make additional laws and regulations concerning the same issues, including, for example, further limiting the processing of genetic, biometric or health data. Failure to comply with the requirements of the GDPR may result in fines of up to €20,000,000 or up to 4% of the total worldwide annual turnover of the preceding financial year, whichever is higher. Other administrative penalties may be imposed under the applicable national data protection laws of the EU member states.

On August 20, 2021, China promulgated the Personal Information Protection Act Law ("PIPL"), which took effect on November 1, 2021. The PIPL imposes specific rules for processing personal information and it also specifies that the law shall also apply to personal information activities carried out outside China but for the purpose of providing products or services to PRC citizens. The PIPL carries maximum penalties of CNY50 million or 5% of the annual revenue of entities that process personal data.

Other countries throughout the world have or are in the process of passing laws that contain similar requirements to the GDPR and the PIPL. Data localization laws have also been passed or are under consideration in several countries (such as China and Russia), which require personal information relating to their citizens to be maintained on local servers and impose additional data transfer restrictions.

For a discussion of risks related to compliance with data privacy and security laws, please refer to "Item 1A. Risk Factors--Risks Related to Our Business."

#### ***Environmental Laws and Regulations***

Our operations and properties are subject to laws and regulations relating to environmental protection, including those governing air emissions, water discharges and waste management, and workplace health and safety. In addition, certain of our products are regulated by the U.S. Environmental Protection Agency and comparable state regulatory agencies. For a discussion of the environmental laws and regulations that our operations, products and services are subject to and other environmental contingencies, please refer to Note 15 to our audited consolidated financial statements **Consolidated Financial Statements** included in this Annual **Report** as well as the discussion above relating to dental amalgam. **Report**. For a discussion of risks related to compliance with environmental and health and safety laws and risks related to past or future releases of, or exposures to, hazardous substances, please refer to "Item 1A. Risk Factors—Risks Related to Laws and Regulations."

#### ***Export/Import Compliance***

We are required to comply with various U.S. export/import control and economic sanctions laws, including the regulations administered by the U.S. Department of Treasury, Office of Foreign Assets Control, which implement economic sanctions imposed against designated countries, governments and persons based on U.S. foreign policy and national security considerations, and the import regulatory activities of the U.S. Customs and Border Protection. Other nations' governments have implemented similar export and import control regulations, which may affect our operations or transactions subject to their jurisdictions. For a discussion of risks related to export/import control and economic sanctions laws, please refer to "Item 1A. Risk Factors—Risks Related to Laws and Regulations."

#### **Legal Proceedings**

We are, from time to time, subject to a variety of litigation and other legal and regulatory proceedings and claims incidental to our business. Please refer to Note 15 to our **audited consolidated financial statements** **Consolidated Financial Statements** in this Annual Report for more information.

#### **Available Information**

We maintain an internet website at [www.envistaco.com](http://www.envistaco.com). We make available on the Investors subpage of our website (under the link "Filings & Reports"), free of charge, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, ownership reports on Forms 3, 4 and 5 and any amendments to those reports as soon as reasonably practicable after we electronically file or furnish such reports with the SEC. Our internet site and the information contained on or connected to that site are not incorporated by reference into this Form 10-K.

### **ITEM 1A. RISK FACTORS**

*You should carefully consider the risks and uncertainties described below, together with the information included elsewhere in this Annual Report on Form 10-K and other documents we file with the SEC. The risks and uncertainties described below are those that we have identified as material, but are not the only risks and uncertainties facing us. Our business is also subject to general risks and uncertainties that affect many other companies, such as market conditions, economic conditions, geopolitical events, changes in laws, regulations or accounting rules, fluctuations in interest rates, terrorism, wars or conflicts, major health concerns, natural disasters or other disruptions of expected business conditions. Additional risks and uncertainties not currently known to us or that we currently believe are immaterial also may impair our business, including our results of operations, liquidity and financial condition.*

#### **Risk Factors Summary**

The following is a summary of the principal risks that could adversely affect our business, operations and financial results:

- Conditions in the global economy, especially with respect to the particular markets we serve and the volatility of the financial markets may adversely affect our business and financial statements.
- International economic, political, legal compliance and business factors could negatively affect our financial statements.
- **The COVID-19 pandemic has had and could continue to have a material adverse effect on our business and results of operations.**
- Significant developments or uncertainties stemming from trade policies could adversely affect our business.
- Our growth could suffer if the markets into which we sell our products and services decline.
- Our financial results are subject to fluctuations in the cost and availability of commodities.

- If we cannot adjust our manufacturing capacity or the purchases required for our manufacturing activities to reflect changes in market conditions and customer demand, our profitability may suffer.
- If we suffer loss to our facilities, supply chains, distribution systems or information technology systems due to catastrophe or other events, our operations could be seriously harmed.
- The manufacture of many of our products is a highly exacting and complex process.
- A significant disruption in, or breach in security of, our information technology systems or data or violation of data privacy laws could adversely affect our business, reputation and financial statements.
- Data privacy and security laws relating to the handling of personal information (including personal health information) are evolving across the world and may be drafted, interpreted or applied in a manner that results in increased costs, legal claims, fines against us, reputational damage or impedes delivery.
- Our growth depends in part on the timely development and commercialization, and customer acceptance, of new and enhanced products and services based on technological innovation.
- Our ability to attract, develop and retain our key personnel is critical to our success
- Any inability to consummate acquisitions at our historical rate and at appropriate prices, and to make appropriate investments that support our long-term strategy, could negatively impact our growth rate and stock price.
- Our acquisition of businesses, investments, joint ventures and other strategic relationships could negatively impact our financial statements.
- The indemnification provisions of acquisition agreements by which we have acquired companies may not fully protect us and as a result we may face unexpected liabilities.
- **We may fail to realize the anticipated benefits of the IOS Acquisition.**
- Divestitures or other dispositions could negatively impact our business, and contingent liabilities from businesses that we or our predecessors have sold could adversely affect our financial statements.
- **Our rebranding of our Imaging Business and China Business will likely involve substantial costs and may not be favorably received by our customers.**
- Inventories maintained by our distributors and customers may fluctuate from time to time.
- We are dependent upon a limited number of distributors for a significant portion of our sales.
- If we do not or cannot adequately protect our intellectual property, or if third parties infringe our intellectual property rights, we may suffer competitive injury or expend significant resources enforcing our rights.
- Third parties may claim that we are infringing or misappropriating their intellectual property rights and we could suffer significant litigation expenses, losses or licensing expenses or be prevented from selling products or services.
- Defects and unanticipated use or inadequate disclosure with respect to our products or services (including software), or allegations thereof, could adversely affect our business, reputation and financial statements.
- Our restructuring **and site consolidation** actions could have long-term adverse effects on our business.
- Climate related risks **and regulations** may have an impact on our business.
- We have outstanding indebtedness of approximately **\$1.4** **\$1.5** billion as of **February 10, 2023** **February 9, 2024**, and in the future we may incur additional indebtedness.
- We may not be able to generate sufficient cash to service all of our indebtedness.
- We may be unable to raise the funds necessary to repurchase the convertible notes for cash following a fundamental change, or to pay any cash amounts due upon conversion.
- The conditional conversion feature of the convertible notes, if triggered, may adversely affect our financial condition and operating results.
- The capped call transactions may affect the value of the convertible notes and our common stock.
- We are subject to counterparty risk with respect to the capped calls transactions.
- Our variable rate indebtedness exposes us to interest rate **volatility** and we may be adversely affected by the anticipated cessation of **LIBOR**. **volatility**.
- The industries that we serve have undergone, and are in the process of undergoing, significant changes in an effort to reduce costs.
- We face intense competition.
- Changes in governmental regulations may reduce demand for our products or services or increase our expenses.
- Certain of our businesses are subject to extensive regulation by the FDA and comparable agencies of other countries.
- Off-label marketing or misleading advertising of our products could result in substantial penalties.
- Certain modifications to our products may require new 510(k) clearances or other marketing authorizations and may require us to recall or cease marketing our products.
- Our operations, products and services expose us to the risk of environmental, health and safety liabilities.
- Our businesses are subject to extensive regulation.
- The price of our common stock may continue to be volatile.
- Certain provisions in our governing documents and of Delaware law may prevent or delay an acquisition of us, which could decrease the trading price of our common stock.
- Our governing documents contain exclusive forum provisions for certain types of actions and proceedings.
- Conversion of the convertible notes may dilute the ownership interest of our stockholders.

- The issuance or sale of shares of our common stock, or rights to acquire shares of our common stock, could depress the trading price of our common stock and the convertible notes.
- We have recognized substantial impairment charges for our goodwill and indefinite-lived intangible assets and may be required to recognize additional impairment charges for our goodwill and other intangible assets in the future.
- Foreign currency exchange rates may adversely affect our financial statements.
- Changes in tax law relating to multinational corporations could adversely affect our tax position.
- We are subject to a variety of litigation and other legal and regulatory proceedings in the course of our business.
- Work stoppages, union and works council campaigns and other labor disputes could adversely impact our productivity and results of operations.
- Our reputation, ability to do business and financial statements may be impaired by improper conduct by any of our employees, agents or business partners.

## Risks Related to Our Business

**Conditions in the global economy, especially with respect to the particular markets we serve and the volatility of the financial markets may adversely affect our business and financial statements.**

Our business is sensitive to general economic conditions. Sustained inflation, rising interest rates, slower global economic growth, threatened or actual recessions, continuing supply chain disruptions, geopolitical tensions, actual or anticipated default on sovereign debt, volatility in the currency and credit markets, consumer confidence, high levels of unemployment or underemployment (and a corresponding increase in the uninsured and underinsured population), reduced levels of capital expenditures, changes or anticipation of potential changes in government trade, fiscal, tax and monetary policies, changes in capital requirements for financial institutions, government deficit reduction and budget negotiation dynamics, sequestration, austerity measures, social or political unrest, the impact of the COVID-19 pandemic and other challenges that affect the global economy have previously and may continue to adversely affect us and our distributors, customers and suppliers. Our success also depends upon the continued strength of the markets we serve. In many markets, dental reimbursement is largely out of pocket for the consumer and thus utilization rates can vary significantly depending on economic growth. While many of our products are considered necessary by patients regardless of the economic environment, certain products and services that support discretionary dental procedures may be susceptible to changes in economic conditions. The above factors can have the effect of:

- reducing demand for our products and services (in this Annual Report, references to products and services also includes software), limiting the financing available to our customers and suppliers, increasing order cancellations and resulting in longer sales cycles and slower adoption of new technologies;
- increasing the difficulty in collecting accounts receivable and the risk of excess and obsolete inventories;
- increasing price competition in our served markets;
- supply interruptions, which could disrupt our ability to produce our products;
- increasing the risk of impairment of goodwill and other long-lived assets, and the risk that we may not be able to fully recover the value of other assets such as real estate and tax assets;
- increasing the risk that counterparties to our contractual arrangements will change their terms of sale, become insolvent or otherwise unable to fulfill their contractual obligations which, in addition to increasing the risks identified above, could result in preference actions against us; and
- adversely impacting market sizes.

There can be no assurance that the capital markets will be available to us or that the lenders participating in our credit facilities will be able to provide financing in accordance with their contractual obligations. When growth in the global economy or in any of the markets we serve slows for a significant period, there is significant deterioration in the global economy or such markets or when improvements in the global economy do not benefit the markets we serve, our business and financial statements could be adversely affected.

**International economic, political, legal, compliance and business factors could negatively affect our financial statements.**

In 2022, 51% 2023, 53% of our sales were derived from customers outside the U.S. In addition, many of our manufacturing operations, suppliers and employees are located outside the U.S. Since our growth strategy depends in part on our ability to further penetrate markets outside the U.S. and increase the localization of our products and services, we expect to continue to increase our sales and presence outside the U.S., particularly in the emerging markets. Our international business (and particularly our business in emerging markets) is subject to risks that are customarily encountered in non-U.S. operations, including:

- interruption in the transportation of materials to us and finished goods to our customers;
- differences in terms of sale, including payment terms;
- local product preferences and product requirements;
- changes in a country's or region's political or economic conditions, such as the devaluation of particular currencies;
- trade protection measures, sanctions, increased trade barriers, imposition of significant tariffs on imports or exports, embargoes and import or export restrictions and requirements;
- regulatory requirements, including, without limitation, anti-bribery, anti-corruption and laws pertaining to the accuracy of our internal books and records;

- unexpected changes in laws or regulatory requirements, including changes in tax laws;
- capital controls and limitations on ownership and on repatriation of earnings and cash;
- the potential for nationalization of enterprises;
- changes in medical reimbursement policies and programs;
- limitations on legal rights and our ability to enforce such rights;
- difficulty in staffing and managing widespread operations;
- differing labor regulations;
- difficulties in implementing restructuring actions on a timely or comprehensive basis;
- differing protection of intellectual property;
- greater uncertainty, risk, expense and delay in commercializing products in certain foreign jurisdictions, including with respect to product and other regulatory approvals; and
- other factors beyond our control, such as terrorism, war, natural disasters and pandemics, including fluctuations in the severity and duration of the COVID-19 pandemic and resulting restrictions on business activity which may vary significantly by region. pandemics.

Any of these risks could negatively affect our financial statements, business, growth rate, competitive position, results of operations and financial condition.

For example, we generate approximately 10% of our annual sales from Greater China. Accordingly, our business, financial condition and results of operations may be adversely influenced by evolving political, economic and social conditions in China generally. Late in 2022, the Chinese authorities relaxed certain COVID-19 restrictions in parts of China, which has resulted in an increase in COVID-19 cases and has impacted our business in China. Additionally, China's government continues to play a significant role in regulating industry development by imposing industrial policies, and it maintains control over China's economic growth through setting monetary policy and determining treatment of particular industries or companies. For example, China has implemented volume-based procurement policies, a series of centralized reforms instituted in China on both a national and regional basis that has resulted in significant price cuts for medical and dental consumables. Further, considerable uncertainty exists regarding the long-term effects of the expansionary monetary and fiscal policies adopted by the central banks and financial authorities of some of the world's leading economies, including the U.S. and China. Any uncertainty or adverse changes to economic conditions in China or the policies of China's government or its laws and regulations could have a material adverse effect on the overall economic growth of China and could impact our business and operating results, leading to a reduction in demand for our products and adversely affecting our business, growth rate, competitive position, results of operations and financial condition.

In addition, Russia's invasion of Ukraine and the global response to this invasion, including sanctions imposed by the U.S. and other countries, has had and may continue to have an adverse impact on our business, including by impacting our ability to market and sell products in Russia, by potentially heightening our risk of cyber-attacks, cyberattacks, by impacting our ability to enforce our intellectual property rights in Russia, by creating disruptions in the global supply chain, and by potentially having an adverse impact on the global economy, financial markets, energy markets, currency rates and otherwise.

**The COVID-19 pandemic has had and could continue to have a material adverse effect on our business and results of operations.**

Our global operations and the nature of the business of our dental customers expose us to risks associated with public health crises and outbreaks of epidemic, pandemic, or contagious diseases, such as the COVID-19 pandemic. To date, COVID-19 has had, and may continue to have, an adverse impact on our operations, our supply chains and distribution systems, and our revenues and expenses, including as a result of preventive and precautionary measures that we, our dental customers, other businesses, and governments have taken. The increase in consumer demand resulting from the lifting of lockdowns has created significant challenges for supply chains as a result of labor and raw material shortages, which could lead to reduced earnings for many industries.

As a result of the COVID-19 outbreak, we have experienced and may continue to experience significant business disruptions, including restrictions on our ability to travel and distribute our products, temporary closures of most of our facilities, temporary reduced production capacity at certain sites when there are local outbreaks causing higher than usual employee absences due to illness or quarantine requirements, as well as reduction in access to our customers due to prolonged shelter-in-place and/or self-quarantine mandates and significant and unpredictable reductions in the demand for our products. As more business and activities have shifted online and many of our employees are working remotely, we may also be more vulnerable to cyber security threats and attempts to breach our security networks.

**Significant developments or uncertainties stemming from trade policies and regulations could have an adverse effect on our business.**

Trade policies and disputes at times result in increased tariffs, trade barriers, and other protectionist measures, which can increase our manufacturing costs, make our products less competitive, reduce demand for our products, limit our ability to sell to certain customers, limit our ability to procure components or raw materials, or impede or slow the movement of our goods across borders. Increasing protectionism and economic nationalism may lead to further changes in trade policies and regulations, domestic sourcing initiatives, or other formal and informal measures that could make it more difficult to sell our products in, or restrict our access to, some markets.

In particular, trade tensions between the U.S. and China have led to increased tariffs and trade restrictions. It is difficult to predict what further trade-related actions governments may take, which may include trade restrictions and additional or increased tariffs and export controls imposed on short notice, and we may be unable to quickly and effectively react to or mitigate such actions.

Additionally, in connection with the ongoing conflict between Russia and Ukraine, governments including the U.S., United Kingdom, and those of the European Union have imposed export controls on certain products and financial and economic sanctions on certain industry sectors and parties in Russia which has triggered retaliatory sanctions by the Russian government and its allies. **Russia also imposed significant currency control measures aimed at restricting the outflow of foreign currency and capital from Russia.** Although these export controls and sanctions did not have a material impact on our financial position or results of operations as of and for the year ended **December 31, 2022** **December 31, 2023**, the outcome and future impacts of the conflict and governmental responses thereto remain highly uncertain. Existing and future sanctions may have broad and pervasive impacts to the global economy and our operations, which could materially and adversely affect our business and results of operations.

We cannot predict whether additional U.S. and foreign customs quotas, duties (including antidumping or countervailing duties), tariffs, taxes or other charges or restrictions, requirements as to where raw materials must be purchased or other restrictions on our imports will be imposed in the future or adversely modified, or what effect such actions would have on our costs of operations. Future quotas, duties or tariffs may adversely affect our business, financial condition, results of operations or cash flows. Future trade agreements could also provide our competitors with an advantage over us, or increase our costs, either of which could adversely affect our business, financial condition, results of operations or cash flows. Furthermore, trade disputes and protectionist measures, or continued uncertainty about such matters, could result in declining consumer confidence and slowing economic growth or recession, and could cause our customers to reduce, cancel, or alter the timing of their purchases with us. Sustained geopolitical tensions could lead to long-term changes in global trade and supply chains, and decoupling of global trade networks, which could have a material adverse effect on our business and growth prospects.

***Our growth could suffer if the markets into which we sell our products and services decline, do not grow as anticipated or experience cyclical.***

Our growth depends in part on the growth of the markets which we serve, and visibility into these markets is limited (particularly for markets into which we sell through distribution). Any decline or lower than expected growth in our served markets could diminish demand for our products and services, which would adversely affect our financial statements. Our quarterly sales and profits depend substantially on the volume and timing of orders received during the fiscal quarter, which are difficult to forecast. Certain of our businesses operate in industries that may also experience periodic, cyclical downturns.

In addition, in certain of our businesses, demand depends on customers' capital spending budgets, government funding policies, and matters of public policy and government budget dynamics, as well as product and economic cycles, which can affect the spending decisions of these entities. Demand for our products and services is also sensitive to changes in customer order patterns, which may be affected by announced price changes, marketing or promotional programs, new product introductions, the timing of industry trade shows and changes in distributor or customer inventory levels due to distributor or customer management thereof or other factors. Any of these factors could adversely affect our growth and results of operations in any given period.

***Our financial results are subject to fluctuations in the cost and availability of commodities that we use in our operations.***

As further discussed in the section entitled "Item 1. Business—Materials," our manufacturing and other operations employ a wide variety of components, raw materials and other commodities, including metallic-based components, electronic components, chemicals, **plastics** and **other petroleum-based products**, **plastics**. Prices for and availability of these components, raw materials and other commodities have fluctuated significantly in the past. Any sustained interruption in the supply of these items, including as a result of shipping risks, such as container shortages, blocked shipping lanes, and port backlogs, could adversely affect our business. In addition, due to, among other items, the highly competitive nature of the industries that we serve, the cost-containment efforts of our customers, and the terms of certain contracts we are party to, there can be no assurance that the marketplace will support higher prices or that price increases and productivity gains, procurement deflation projects or savings will fully offset any raw material cost increases in the future. If we are unable to fully recover higher commodity costs through price increases or offset these increases through cost reductions, or if there is a time delay between the increase in costs and our ability to recover or offset these costs, our margins and profitability could decline and our financial statements could be adversely affected.

***If we cannot adjust our manufacturing capacity or the purchases required for our manufacturing activities to reflect changes in market conditions and customer demand, our profitability may suffer. In addition, our reliance upon sole or limited sources of supply for certain materials, components and services could cause production interruptions, delays and inefficiencies.***

We purchase materials, components and equipment from third parties for use in our manufacturing operations, including metallic-based components, electronic components, chemicals, **plastics** and **other petroleum-based products**, **plastics**. Our profitability could be adversely impacted if we are unable to adjust our purchases to reflect changes in customer demand and market fluctuations, including those caused by seasonality or cyclical. During a market upturn, suppliers may extend lead times, limit supplies or increase prices. If we cannot purchase sufficient products at competitive prices and quality and on a timely enough basis to meet increasing demand, we may not be able to satisfy market demand, product shipments may be delayed, our costs may increase or we may breach our contractual commitments and incur liabilities. Conversely, in order to secure supplies for the production of products, we sometimes enter into non-cancelable purchase commitments with vendors, which could impact our ability to adjust our inventory to reflect declining market demands. If demand for our products is less than we expect, we may experience additional excess and obsolete inventories and be forced to incur additional charges and our profitability may suffer. For example, we have recently experienced and may continue to experience inflationary increases in our manufacturing costs and operating expenses. Prolonged

inflation may also reduce or delay orders for our products and for certain products we may be unable to satisfy demand, both of which could adversely impact our sales and results of operations.

In addition, some of our businesses purchase certain materials, components and services from sole or limited source suppliers for reasons of quality assurance, regulatory requirements, cost effectiveness, availability or uniqueness of design. If these or other suppliers encounter financial, operating or other difficulties or if our relationship with them changes, we may not be able to establish additional or replacement suppliers in a timely or cost-effective manner, including as a result of FDA and other regulations that require, among other things, validation of materials and components prior to their use in our products, which could further negatively impact our business and results of operations. The supply chains for our businesses could also be disrupted by supplier capacity constraints, bankruptcy or exiting of the business for other reasons, decreased availability of key raw materials or commodities and external events such as natural disasters, pandemic health issues **including COVID-19 and related lockdowns** and restrictions, war, terrorist actions, **cyber-attacks, cyberattacks**, widespread protests and civil unrest, governmental actions and legislative or regulatory changes. Any of these factors could result in production interruptions, delays, extended lead times and inefficiencies. The supply chains for our businesses have also been impacted by the **recent COVID-19 related lockdowns in China and the Russia-Ukraine conflict**. Failure to obtain the needed supply of these products or to offset the increased costs could adversely impact our operating results.

Because we cannot always immediately adapt our production capacity and related cost structures to changing market conditions, our manufacturing capacity may at times exceed or fall short of our production requirements. Any or all of these problems could result in the loss of customers, provide an opportunity for competing products to gain market acceptance and otherwise adversely affect our financial statements.

***If we suffer loss to our facilities, supply chains, distribution systems or information technology systems due to catastrophe or other events, our operations could be seriously harmed.***

Our facilities, supply chains, distribution systems and information technology systems are subject to catastrophic loss due to fire, flood, earthquake, hurricane, public health crises **(including the COVID-19 pandemic, and pandemics)**, war, terrorism, widespread protests and civil unrest, or other natural or man-made disasters. For example, our corporate headquarters and many of our operations, including certain of our manufacturing facilities, are located in California, which is prone to earthquakes and wildfires, in addition to the other risks discussed above. If any of these facilities, supply chains or systems were to experience a catastrophic loss, it could disrupt our operations, delay production and shipments, result in defective products or services, damage customer relationships and our reputation and result in legal exposure and large repair or replacement expenses. The third-party insurance coverage that we maintain will vary from time to time in both type and amount depending on cost, availability and our decisions regarding risk retention, and may be unavailable or insufficient to protect us against such losses.

***The manufacture of many of our products is a highly exacting and complex process, and if we directly or indirectly encounter problems manufacturing products, our reputation, business and financial statements could suffer.***

The manufacture of many of our products is a highly exacting and complex process, due in part to strict regulatory requirements. Problems can arise during manufacturing for a variety of reasons, including equipment malfunction, failure to follow specific protocols and procedures, problems with raw materials, natural disasters and environmental factors, and if not discovered before the product is released to market could result in recalls and product liability exposure. Because of the time required to approve and license certain regulated manufacturing facilities and other stringent regulations of the FDA and similar agencies regarding the manufacture of certain of our products, an alternative manufacturer may not be available on a timely basis to replace such production capacity. Any of these manufacturing problems could result in significant costs, liability and lost sales, loss of market share as well as negative publicity and damage to our reputation that could reduce demand for our products.

***A significant disruption in, or breach in security of, our information technology systems or data or violation of data privacy laws could adversely affect our business, reputation and financial statements.***

We rely on information technology systems, some of which are provided and/or managed by third parties, to process, transmit and store electronic information (including sensitive data, confidential business information, health information, intellectual property, and personal data relating to employees, customers, other business partners and patients), and to manage or support a variety of critical business processes and activities (such as receiving and fulfilling orders, billing, collecting and making payments, shipping products, providing services and support to customers and fulfilling contractual obligations). In addition, some of our software products and services incorporate information technology that may house personal data and some products or software we sell to customers may connect to our systems for maintenance or other purposes.

These systems, products and services (including those we acquire through business acquisitions) may be materially impacted and/or disrupted by information security incidents. This includes incidents such as ransomware, malware, viruses, phishing, social engineering, human error or malfeasance, power outages, hardware failures, telecommunication or utility failures, catastrophes or other unforeseen events. **In any such circumstances our system redundancy and other disaster recovery planning may be ineffective or inadequate.** This existing risk is potentially compounded by the increased number of our employees with hybrid or full-time remote schedules and the related increase in remote access to our systems. **Cyber-attacks Cyberattacks** may also target hardware, software and information installed, stored or transmitted in our products after such products have been purchased and incorporated into third-party products, facilities or infrastructure. **To the extent artificial intelligence capabilities improve and are increasingly adopted, they may be used to identify vulnerabilities and design increasingly sophisticated cybersecurity attacks.** Vulnerabilities may be introduced from the use of artificial intelligence by us, our customers, suppliers and other business partners and third-party providers.

Like most multinational corporations, our information technology systems have been subject to computer viruses, malicious codes, unauthorized access and other cyberattacks, and we expect the sophistication and frequency of such attacks to continue to increase. In particular, the increasing number of cyberattacks in the healthcare sector poses additional risks to our information technology systems, the products and services we provide, and the data contained therein. Security breaches of our systems, regardless of whether the breach is attributable to a vulnerability in our products or services, or security breaches of third parties' systems on which we rely to process, store, or transmit electronic information, could result in the misappropriation, destruction or unauthorized disclosure of confidential information or personal data belonging to us or our employees, partners, customers, patients or suppliers. Like most multinational corporations, Even security incidents that occur on third and fourth party systems could have a material adverse impact on our information technology systems have been subject to computer viruses, malicious codes, unauthorized access and other cyber-attacks, and we expect the sophistication and frequency of such attacks to continue to increase. business.

Unauthorized tampering, adulteration or interference with our products may also adversely affect product functionality and result in loss of data, risk to patient safety and product recalls or field actions. Additionally, if our business relationship with a third-party provider of information technology systems or services is negatively affected, or if one of our providers were to terminate its agreement with us without adequate notice, we would suffer a significant business disruption.

Any of the cyber-attacks, cyberattacks, breaches or other disruptions or damage described above could interrupt our operations or the operations of our customers, suppliers, partners or distributors; prevent order placement and partners; fulfillment; delay production and shipments; result in theft of our and our customers' intellectual property and trade secrets; damage customer, patient, business partner and employee relationships; harm our reputation; result in defective products or services; or lead to legal or regulatory claims, proceedings, liability and/or penalties. These events may also result in increased costs for security and remediation. All of the foregoing could adversely affect our business, reputation and financial statements.

If we are unable For example, during the second half of 2023, one of our largest distributors experienced a cybersecurity incident which impacted their ability to maintain reliable information technology systems place orders and appropriate controls with respect consequently impacted the timing of orders received. This incident, however, did not have a material impact to global data privacy and security requirements and prevent data breaches, we may suffer adverse regulatory consequences, fines, business disruption and litigation. our financial results.

As cyber threats and regulatory requirements continue to evolve, we may be required to expend significant capital and other resources to protect against the threat of security breaches or to mitigate and alleviate problems caused by security incidents, including unauthorized access to protected health information and personal information stored in our information systems, and the introduction of computer viruses or other malicious software programs to our systems. Our security measures may be inadequate to prevent security breaches, especially those carried out by malicious third parties and our business operations and reputation could be materially adversely affected by these events and any resulting federal and state fines and penalties, legal claims or proceedings, and cancellation of contracts if security breaches are not prevented. The healthcare industry is currently experiencing increased attention on compliance with regulations that require us to safeguard protected health information and mitigate cyber-attacks. There are also significant costs associated with a data breach, including investigation costs, remediation and mitigation costs, notification costs, attorney fees, and the potential for reputational harm and lost revenues due to a loss in confidence. We cannot predict the costs to comply with these laws or the costs associated with a potential data breach, which could have a material adverse effect on our business, results of operations, financial position and cash flows, and our business reputation.

We have installed privacy/security protection systems and devices on our network in an attempt to prevent cyber-threats cyberthreats and other unauthorized access to information. However, there no organization can be no assurance that any such threats or unauthorized access will not definitively prevent all security incidents. Where an incident does occur or, if they do occur, that they will be adequately addressed. In addition, our technology may fail to adequately secure despite the confidential controls we have in place, and personal information we maintain. In such circumstances, sensitive data is impacted, we may be held liable to individuals and regulators, which could result in fines, litigation or adverse publicity that could have a material adverse effect on our business and consolidated financial condition, results of operations and cash flows. Even if we are not held liable, any resulting negative publicity could harm our business, impact operations, and divide divert the attention of management. management while addressing the incident, at the expense of our business. Our risk and exposure to these matters remain heightened because of the evolving nature of these threats, increased regulatory enforcement and the expansion of consumer rights under data privacy and security laws.

We believe that our subcontractors and vendors take precautionary measures to prevent problems that could affect our business operations as a result of failure or disruption to their information systems. However, there is no guarantee such efforts will be successful in preventing a disruption, and it is possible that we may be impacted by third party information system failures. The occurrence of any information system failures with our vendors could result in interruptions, delays, loss or corruption of data and cessations or interruptions in the availability of these systems. All of these events or circumstances, among others, could have an adverse effect on our business, results of operations, financial position and cash flows, and they could harm our business reputation.

***Data privacy and security laws relating to the handling of personal information (including personal health information) are evolving across the world and may be drafted, interpreted or applied in a manner that results in increased costs, legal claims, fines against us, reputational damage or impedes delivery.***

As a global healthcare organization, we are subject to relatively stringent data privacy and security laws, regulations, and customer-imposed controls in numerous jurisdictions as a result of having access to and processing confidential, personal and/or sensitive data in the course of our business. For example, in the U.S., the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") privacy, security, and breach notification rules require certain of our operations to maintain controls to protect the confidentiality, availability, and integrity of patient health information. In addition, individual states regulate data breach notification requirements as well as more general privacy and security requirements. Entities within the U.S. that are found to be in violation of HIPAA, for example as the result of a breach of unsecured protected health information, a complaint about privacy practices, or an audit by HHS, may be subject to significant civil, criminal and administrative fines and penalties and/or additional reporting and oversight obligations if required to enter into a resolution agreement and corrective action plan with HHS to settle allegations of HIPAA non-compliance.

Based on the annual revisions for 2022,2023, penalties for HIPAA violations can range from \$127 \$137 to \$1.919 million \$2.067 million dollars per violation, with a maximum fine of \$1.919 million \$2.067 million for identical violations during a calendar year. In 2018, a nation-wide health benefit company paid \$16 million to HHS following a data breach. Prior to this record payment, the largest HIPAA fine was \$5.55 million. Under the law, state attorneys general have authority to bring civil enforcement actions under HIPAA, and attorneys general are actively engaged in enforcement. In addition, any penalties assessed under HIPAA could be in addition to other penalties assessed by a state for a data breach in violation of state laws.

The Health Information Technology for Economic and Clinical Health ("HITECH") Act was enacted as an update to HIPAA and makes business associates of covered entities directly liable for compliance with certain HIPAA requirements, strengthens the limitations on the use and disclosure of protected health information without individual authorizations, and contemplates enforcement of noncompliance with HIPAA due to willful neglect. These changes have stimulated increased enforcement activity and enhanced the potential that health care providers will be subject to financial penalties for violations of HIPAA. In addition, the Secretary of HHS is required to perform periodic audits to ensure covered entities (and their business associates, as that term is defined under HIPAA) comply with the applicable HIPAA requirements, increasing the likelihood that a HIPAA violation will result in an enforcement action.

In addition to the federal HIPAA regulations, most states also have laws that protect the confidentiality of health information and other personal information, and these laws may be broader in scope with respect to protected health information and other personal information than HIPAA. Certain of these laws grant individuals various rights with respect to personal information, and we may be required to expend significant resources to comply with these laws. Further, all 50 states and the District of Columbia have adopted data breach notification laws that impose, in varying degrees, an obligation to notify affected persons and/or state regulators in the event of a data breach or compromise, including when their personal information has or may have been accessed by an unauthorized person.

Some state breach notification laws may also impose physical and electronic security requirements regarding the safeguarding of personal information, such as social security numbers and bank and credit card account numbers. Violation of state privacy, security, and breach notification laws can trigger significant monetary penalties. In addition, certain states' privacy, security, and data breach laws, including, for example, the CCPA include private rights of action that may expose us to private litigation regarding our privacy and security practices and significant damages awards or settlements in civil litigation. Specifically, the CCPA gave California residents certain rights to access and delete their personal information, opt out of certain personal information sharing, and receive detailed information about how their personal information is used. The California Privacy Rights Act, which went into effect on January 1, 2023, significantly amended the CCPA and imposed additional data protection obligations on covered businesses, including additional consumer rights processes, limitations on data uses, new audit requirements for higher risk processing, and opt outs for certain uses of sensitive data. It also created a new California data privacy protection agency authorized to issue substantive regulations and enforce the CCPA, which could result in increased privacy and information security enforcement.

In addition, as federal, state and local governments consider adopting new privacy and security legislation, our operations may be subject to different standards in different geographical regions. This may require significantly more resources for compliance and increase the risk of regulatory enforcement and private litigation with respect to our privacy and security practices.

We are also subject to the General Data Protection Regulation ("GDPR"), the primary data protection law in the European Union and European Economic Area, including the European Union (collectively, the EU "EU"), as well as associated EU member state data protection laws and the UK GDPR in the United Kingdom. These laws impose significant requirements for covered businesses (controllers and processors) of personal data, including, for example, standards for obtaining consent from individuals to process their personal data, disclosures to individuals, an individual data rights regime, specified timelines for data breach notifications, limitations on retention and secondary uses of information, requirements pertaining to health data and pseudonymised (i.e., deidentified) data, restrictions on data transfers outside of the EU, and obligations when we contract third-party processors in connection with the processing of personal data. The GDPR allows EU member states certain flexibility to make additional laws and regulations concerning the same issues, including, for example, further limiting the processing of genetic, biometric or health data. Failure to comply with the requirements of the GDPR may result in fines of up to €20,000,000 or up to 4% of the total worldwide annual turnover of the preceding financial year, whichever is higher. Other administrative penalties may be imposed under the applicable national data protection laws of the EU member states.

We rely on legal mechanisms for transferring certain personal data outside of the EU. These mechanisms include the EU Standard Contractual Clauses, or SCCs, and until July 2020, the U.S. Privacy Shield Framework. SCCs. In July 2020, the Court of Justice of the European Union issued the "Schrems II" decision invalidating the Privacy Shield Framework and requiring additional due diligence and assessments to be carried out when using Standard Contractual Clauses as transfer mechanisms. This decision has created uncertainty in how businesses may transfer data out of the EU and may result in increased costs and complexity and hinder our transfer for external transfers of data out of the EU and corresponding business operations. EU.

Other countries (for example Brazil and China) have or are in the process of passing laws that contain similar requirements to the GDPR. Data localization laws have also been passed or are under consideration in several countries (such as China and Russia), which require personal information relating to their citizens to be maintained on local servers and impose additional data transfer restrictions.

Compliance with the varying data privacy regulations across the U.S. and around the world have required significant expenditures and may require additional expenditures and changes in our products or business models that increase complexity and competition. We may also experience less demand for our products if we are unable to engineer these to enable our customers to comply with their obligations under data privacy laws.

In addition, government enforcement actions can be costly and interrupt the regular operation of our business, and data breaches or violations of data privacy laws can result in fines, reputational damage and civil lawsuits, any of which may adversely affect our business, reputation and financial statements.

***Our growth depends in part on the timely development and commercialization, and customer acceptance, of new and enhanced products and services based on technological innovation.***

We generally sell our products and services in an industry that is characterized by rapid technological changes, frequent new product introductions and changing industry standards. If we do not develop innovative new and enhanced products and services on a timely basis, our offerings will become obsolete over time and our competitive position and financial statements will suffer. Our success will depend on several factors, including our ability to:

- correctly identify customer needs and preferences and predict future needs and preferences;
- allocate our research and development funding to products and services with higher growth prospects;
- anticipate and respond to our competitors' development of new products and services and technological innovations;
- differentiate our offerings from our competitors' offerings and avoid commoditization;
- innovate and develop new technologies and applications, and acquire or obtain rights to third-party technologies that may have valuable applications in our served markets;
- obtain adequate intellectual property rights with respect to key technologies before our competitors do;
- successfully commercialize new technologies in a timely manner, price them competitively and cost-effectively manufacture and deliver sufficient volumes of new products of appropriate quality on time;
- obtain necessary regulatory approvals of appropriate scope (including by demonstrating satisfactory clinical results where required); and
- stimulate customer demand for and convince customers to adopt new technologies, including assisted or artificial intelligence.

If we fail to accurately predict future customer needs and preferences or fail to produce viable technologies, we may invest heavily in research and development of products and services that do not lead to significant sales, which would adversely affect our profitability.

Even if we successfully innovate and develop new and enhanced products and services, we may incur substantial costs in doing so, and our profitability may suffer. In addition, promising new offerings may fail to reach the market or realize only limited commercial success because of real or perceived efficacy or safety concerns, failure to achieve positive clinical outcomes, uncertainty over third-party reimbursement or entrenched patterns of clinical practice. For additional information on third-party reimbursement of dental products, please refer to "Item 1. Business—Regulatory Matters."

***Our ability to attract, develop and retain our key personnel is critical to our success.***

Our success depends to a significant extent upon the continued service of our executive officers and key management and technical personnel and on our ability to continue to attract, retain, and develop qualified personnel. The competition for these employees is intense. The loss of the services of key personnel could have a material adverse effect on our operating results. In addition, there could be a material adverse effect on us should the turnover rates for key personnel increase significantly or if we are unable to continue to attract qualified personnel. We have experienced several executive officer departures over the past year, including our Chief Financial Officer. While such departures have not had a material effect on our operating results to date, we cannot be certain that these or any subsequent departures would not have a material adverse effect.

Our success also depends on our ability to execute leadership succession plans. The inability to successfully transition key management roles could have a material adverse effect on our operating results.

***Any inability to consummate acquisitions at our historical rate and at appropriate prices, and to make appropriate investments that support our long-term strategy, could negatively impact our growth rate and stock price.***

Our ability to grow sales, earnings and cash flow at or above our historic rates depends in part upon our ability to identify and successfully acquire and integrate businesses at appropriate prices and realize anticipated synergies, and to make appropriate investments that support our long-term strategy. We may not be able to consummate acquisitions at rates similar to the past, which could adversely impact our growth rate and our stock price. Promising acquisitions and investments are difficult to identify and complete for a number of reasons, including high valuations, competition among prospective buyers, the availability of affordable funding in the capital markets and the need to satisfy applicable closing conditions and obtain applicable antitrust and other regulatory approvals on acceptable terms. In addition, competition for acquisitions and investments may result in higher purchase prices. Changes in accounting or regulatory requirements or instability in the credit markets could also adversely impact our ability to consummate acquisitions and investments.

***Our acquisition of businesses, investments, joint ventures and other strategic relationships could negatively impact our financial statements.***

As part of our business strategy we acquire businesses, make investments and enter into joint ventures and other strategic relationships in the ordinary course; please refer to "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" for additional details. Acquisitions, investments, joint ventures and strategic relationships involve a number of financial, accounting, managerial, operational, legal, compliance and other risks and challenges, including the following, any of which could adversely affect our business and financial statements:

- Any business, technology, service or product that we acquire or invest in could under-perform relative to our expectations and the price that we paid or not perform in accordance with our anticipated timetable, or we could fail to operate any such business profitably.
- We may incur or assume significant debt in connection with our acquisitions, investments, joint ventures or strategic relationships, which could also cause a deterioration of our credit ratings, result in increased borrowing costs and interest expense and diminish our future access to the capital markets.
- Acquisitions, investments, joint ventures or strategic relationships could cause our financial results to differ from our own or the investment community's expectations in any given period, or over the long-term.
- Pre-closing and post-closing earnings charges could adversely impact operating results in any given period, and the impact may be substantially different from period to period.
- Acquisitions, investments, joint ventures or strategic relationships could create demands on our management, operational resources and financial and internal control systems that we are unable to effectively address.
- We have in the past and could in the future experience difficulty in integrating personnel, operations and financial and other controls and systems and retaining key employees and customers.
- We may be unable to achieve cost savings or other synergies anticipated in connection with an acquisition, investment, joint venture or strategic relationship.
- We may assume unknown liabilities, known contingent liabilities that become realized, known liabilities that prove greater than anticipated, internal control deficiencies or exposure to regulatory sanctions resulting from the acquired company's or investee's activities and the realization of any of these liabilities or deficiencies may increase our expenses, adversely affect our financial position or cause us to fail to meet our public financial reporting obligations.
- In connection with acquisitions and joint ventures, we often enter into post-closing financial arrangements such as purchase price adjustments, earn-out obligations and indemnification obligations, which may have unpredictable financial results.
- As a result of our acquisitions and investments, we have recorded significant goodwill and other assets on our balance sheet and if we are not able to realize the value of these assets, or if the fair value of our investments declines, we may be required to incur impairment charges.
- We may have interests that diverge from those of our joint venture partners or other strategic partners and we may not be able to direct the management and operations of the joint venture or other strategic relationship in the manner we believe is most appropriate, exposing us to additional risk.
- Investing in or making loans to early-stage companies often entails a high degree of risk, and we may not achieve the strategic, technological, financial or commercial benefits we anticipate; we may lose our investment or fail to recoup our loan; or our investment may be illiquid for a greater-than-expected period of time.

Our ability to acquire other businesses or technologies, make strategic investments or integrate acquired businesses effectively may also be impaired by the effects of the COVID-19 pandemic, government actions in light of the pandemic, trade tensions and increased global scrutiny of foreign investments. For example, a number of countries, including the U.S. and countries in Europe and the Asia-Pacific region, are considering or have adopted restrictions on foreign investments. Governments may continue to adopt or tighten restrictions of this nature, and such restrictions could negatively impact our business and financial results.

***The indemnification provisions of acquisition agreements by which we have acquired companies may not fully protect us and as a result we may face unexpected liabilities.***

Certain of the acquisition agreements by which we have acquired companies require the former owners to indemnify us against certain liabilities related to the operation of the acquired company before we acquired it. In most of these agreements, however, the liability of the former owners is limited and certain former owners may be unable to meet their indemnification responsibilities. We cannot assure you that these indemnification provisions will protect us fully or at all, and as a result we may face unexpected liabilities that adversely affect our financial statements.

***We may fail to realize the anticipated benefits of the IOS Acquisition or those benefits may take longer to realize than expected. We may also encounter significant difficulties in integrating the Intraoral Scanner Business into our operations.***

Our ability to realize the anticipated benefits of the IOS Acquisition will depend, to a large extent, on our ability to integrate the Intraoral Scanner Business into ours. We have and may continue to devote significant management attention and resources to integrate the business practices and operations of the Intraoral Scanner Business with ours. This integration process may be disruptive to our and the Intraoral Scanner businesses, and, if implemented ineffectively, could restrict realization of the expected benefits. In addition, we may fail to realize some of the anticipated benefits of the IOS Acquisition if the integration process takes longer than expected or is more costly than expected. Potential difficulties we may encounter in the integration process include:

- The inability to successfully combine operations in a manner that would result in the anticipated benefits of the IOS Acquisition in the time frame currently anticipated or at all;
- Complexities associated with managing the expanded operations and new products;
- Integrating personnel;

- Creation of uniform standards, internal controls, procedures, policies and information systems;
- Unforeseen increased expenses, delays or regulatory issues associated with integrating the operations and products into our portfolio; and
- Performance shortfalls as a result of the diversion of management attention caused by completing the integration of the operations.

Even if we are able to integrate the Intraoral Scanner Business successfully, this integration may not result in the realization of the full benefits that we currently expect, nor can we give assurances that these benefits will be achieved when expected or at all. Moreover, the integration of the Intraoral Scanner Business may result in unanticipated problems, expenses, liabilities, regulatory risks and competitive responses that could have material adverse consequences. In addition, at the time of closing the IOS Acquisition, there was, and there continues to be, pending litigation against the seller of the Intraoral Scanner Business, to which one of our subsidiaries was added as a defendant after closing. While we do not view this litigation as material, the defense of such litigation, and any other future claims that may arise, may require significant time, attention and resources of our management and other employees within the Company, potentially diverting their attention from our business.

***Divestitures or other dispositions could negatively impact our business, and contingent liabilities from businesses that we or our predecessors have sold could adversely affect our financial statements.***

We continually assess the strategic fit of our existing businesses and may divest, spin-off, split-off or otherwise dispose of businesses that are deemed not to fit with our strategic plan or are not achieving the desired return on investment. These transactions pose risks and challenges that could negatively impact our business and financial statements. For example, when we decide to sell or otherwise dispose of a business or assets, we may be unable to do so on satisfactory terms within our anticipated timeframe or at all, and even after reaching a definitive agreement to sell or dispose a business the sale is typically subject to satisfaction of pre-closing conditions which may not become satisfied. In addition, divestitures or other dispositions may dilute our earnings per share, have other adverse tax, financial and accounting impacts and distract management, and disputes may arise with buyers. In addition, we have retained responsibility for and/or have agreed to indemnify buyers against some known and unknown contingent liabilities related to certain businesses or assets we or our predecessors have sold or disposed. The resolution of these contingencies has not had a material effect on our financial statements, but we cannot be certain that this favorable pattern will continue.

***We are in the process of rebranding our Imaging Business, our China Business, and many of our products, which will likely involve substantial costs and may not be favorably received by our customers.***

We no longer own the "KaVo" brand name, or any variation of the name, logos or related intellectual property rights. We have and will likely continue to incur substantial costs to rebrand our Imaging Business, our China Business, and a number of our products worldwide, which may also require the expenditure of regulatory product registration costs. Rebranding efforts may not be complete before the agreement with Planmeca allowing us to use the "KaVo" brand expires, potentially causing substantial inventory write-offs. We cannot be certain that our customers will be receptive to our proposed rebranding. A failure in our rebranding efforts may affect our ability to attract and retain customers, resulting in reduced revenues.

***Inventories maintained by our distributors and customers may fluctuate from time to time.***

We rely in part on our distributor and customer relationships and predictions of distributor and customer inventory levels in projecting future demand levels and financial results. These inventory levels may fluctuate, and may differ from our predictions, resulting in our projections of future results being different than expected. These changes may be influenced by changing relationships with the distributor and customers, economic conditions, supply chain disruption and end-user preference for particular products. There can be no assurance that our distributors and customers will maintain levels of inventory in accordance with our predictions or past history, or that the timing of distributors' or customers' inventory build or liquidation will be in accordance with our predictions or past history.

***We are dependent upon a limited number of distributors for a significant portion of our sales, and loss of a key distributor could result in a loss of a significant amount of our sales. In addition, adverse changes in our relationships with, or the financial condition, performance, purchasing patterns or inventory levels of, key distributors and other channel partners could adversely affect our financial statements.***

Historically, a substantial portion of our sales had come from a limited number of distributors, particularly Henry Schein, which accounted for approximately 10% of our sales in 2023 and 11% of our sales in 2022 and 12% of our sales in 2021. It is anticipated that Henry Schein will continue to be the largest contributor to our sales for the foreseeable future. We do not currently have a master distribution agreement in place with Henry Schein for the distribution of our products in the U.S. and Canada. There can be no assurance that Henry Schein or any particular distributor will purchase any particular quantity of products from us or continue to purchase any products at all. If Henry Schein or any other key distributor or channel partner significantly reduces the volume of products purchased from us, it would have an adverse effect on our consolidated financial statements.

Our key distributors and other channel partners typically have valuable relationships with customers and end-users. Some of these distributors and other partners also sell our competitors' products or compete with us directly, and if they favor competing products for any reason they may fail to market our products effectively. Adverse changes in our relationships with these distributors and other partners, reduction or discontinuation of their purchases from us or adverse developments in their financial condition, performance or purchasing patterns, could adversely affect our business and financial statements. The levels of inventory maintained by our distributors and other channel partners, and changes in those levels, can also significantly impact our results of operations in any given period. In addition, the consolidation of distributors and customers in certain of our served industries could adversely impact our business and consolidated financial statements.

***If we do not or cannot adequately protect our intellectual property, or if third parties infringe our intellectual property rights, we may suffer competitive injury or expend significant resources enforcing our rights.***

Many of the markets we serve are technology-driven, and as a result intellectual property rights play a significant role in product development and differentiation. We own numerous patents, trademarks, copyrights, trade secrets and other intellectual property and licenses to intellectual property owned by others, which in aggregate are important to our business. The intellectual property rights that we obtain, however, may not be sufficiently broad or otherwise may not provide us a significant competitive advantage, and patents may not be issued for pending or future patent applications owned by or licensed to us. In addition, the steps that we and our licensors have taken to maintain and protect our intellectual property may not prevent it from being challenged, invalidated, circumvented, designed-around or becoming subject to compulsory licensing, particularly in countries where intellectual property rights are not highly developed or protected. The laws of foreign countries in which we do business or contemplate doing business in the future may not recognize intellectual property rights or protect them to the same extent as do the laws of the U.S. In some circumstances, enforcement may not be available to us because an infringer has a dominant intellectual property position or for other business reasons, or countries may require compulsory licensing of our intellectual property. We also rely on nondisclosure and noncompetition agreements with employees, consultants and other parties to protect, in part, trade secrets and other proprietary rights. There can be no assurance that these agreements will adequately protect our trade secrets and other proprietary rights and will not be breached, that we will have adequate remedies for any breach, that others will not independently develop substantially equivalent proprietary information or that third parties will not otherwise gain access to our trade secrets or other proprietary rights. Our failure to obtain or maintain intellectual property rights that convey competitive advantage, adequately protect our intellectual property or detect or prevent circumvention or unauthorized use of such property and the cost of enforcing our intellectual property rights could adversely impact our business, including our competitive position, and financial statements.

***Third parties may claim that we are infringing or misappropriating their intellectual property rights and we could suffer significant litigation expenses, losses or licensing expenses or be prevented from selling products or services.***

From time to time, we receive notices from third parties alleging intellectual property infringement or misappropriation of third parties' intellectual property and cannot be certain that the conduct of our business does not and will not infringe or misappropriate the intellectual property rights of others. Any dispute or litigation regarding intellectual property could be costly and time-consuming to defend due to the complexity of many of our technologies and the uncertainty of intellectual property litigation. Our intellectual property portfolio may not be useful in asserting a counterclaim, or negotiating a license, in response to a claim of infringement or misappropriation. In addition, as a result of such claims of infringement or misappropriation, we could lose our rights to critical technology, be unable to license critical technology or sell critical products and services, be required to pay substantial damages or license fees with respect to the infringed rights, be required to license technology or other intellectual property rights from others, be required to cease marketing, manufacturing or using certain products or be required to redesign, re-engineer or re-brand our products at substantial cost, any of which could adversely impact our business, including our competitive position, and financial statements. Third-party intellectual property rights may also make it more difficult or expensive for us to meet market demand for particular product or design innovations. If we are required to seek licenses under patents or other intellectual property rights of others, we may not be able to acquire these licenses on acceptable terms, if at all. Even if we successfully defend against claims of infringement or misappropriation, we may incur significant costs and diversion of management attention and resources, which could adversely affect our business and financial statements.

***Defects and unanticipated use or inadequate disclosure with respect to our products or services (including software), or allegations thereof, could adversely affect our business, reputation and financial statements.***

Manufacturing or design defects or "bugs" in, unanticipated use of, safety or quality issues (or the perception of such issues) with respect to, "off label" use of, or inadequate disclosure of risks relating to the use of products and services that we make or sell (including items that we source from third parties) can lead to personal injury, death, property damage, loss of profits or other liability. These events could lead to recalls or safety alerts, result in the removal of a product or service from the market and result in product liability or similar claims being brought against us. Any potential product liability claims could exceed the amount of our insurance coverage or may be excluded from coverage under the terms of the policy. Our insurance may not be renewed at a cost and level of coverage comparable to that then in effect. Recalls, removals and product liability and similar claims (regardless of their validity or ultimate outcome) can result in significant costs, as well as negative publicity and damage to our reputation that could reduce demand for our products and services. Our business can also be affected by studies of the utilization, safety and efficacy of medical device products and components that are conducted by industry participants, government agencies and others. Any of the above can result in the discontinuation of marketing of such products in one or more countries, and may give rise to claims for damages from persons who believe they have been injured as a result of product issues, including claims by individuals or groups seeking to represent a class.

For a discussion of risks pertaining to the dental amalgam sold by us, see "Item 1. Business—Regulatory Matters—Medical Device Regulations."

***Our restructuring and site consolidation actions could have long-term adverse effects on our business.***

We are currently implementing significant restructuring and site consolidation activities across our businesses to adjust our cost structure and to increase our operational efficiency, and we may engage in similar activities in the future. These restructuring and consolidation activities and our regular ongoing cost reduction activities (including in connection with the integration of acquired businesses) reduce our available talent, assets and other resources and could slow improvements in our products and services, adversely affect our ability to respond to customers, limit our ability to increase production quickly if demand for our products increases and trigger adverse public attention. As part of our site consolidation initiatives, we may also lose favorable tax incentives or not be able to renew leases on acceptable terms. We may make changes to certain capital projects, close certain production operations and abandon leases for certain facilities that will not be used in our operations. Further, these activities may cause employees or third parties to raise claims against us, potentially resulting in additional costs and/or causing delays in implementation. In addition, delays in implementing planned restructuring activities, site consolidation or other productivity improvements, unexpected costs or failure to meet targeted improvements may diminish the operational or financial benefits we expect to realize from such actions. Moreover, we may not succeed in implementing present or future restructuring activities, site consolidation, or cost reduction activities. Realizing the anticipated benefits from these initiatives, if any benefits are achieved at all, may take several years, and we may be unable to achieve our targeted cost efficiencies and gross margin

improvements. Additionally, we may have insufficient access to capital to fund investments in these strategic initiatives, or our business strategy may change from time to time, which could delay our ability to implement initiatives that we believe are important to our business. Any of the circumstances described above could adversely impact our business and financial statements.

***We may be adversely affected by climate-related risks or by legal, regulatory or market responses to such risks.***

The long-term effects of climate-related risks are difficult to predict and may be widespread. The impacts of climate change may include physical risks (such as rising sea levels or changes in weather patterns), social and human effects (such as population dislocations or harm to health and well-being), compliance costs and transition risks (such as regulatory or technology changes), shifts in market trends (such as customers putting an increased priority on purchasing products that are sustainably made) and other adverse effects. Any of our primary locations may be vulnerable to the adverse effects of climate-related risks. For example, our corporate headquarters are located in California, which has historically experienced, and is likely to continue to experience, climate-related events including drought, water scarcity, flooding, heat waves, wildfires and resultant air quality impacts and power shutoffs associated with wildfire prevention. The effects of climate-related risks could also impair the availability and cost of certain products, commodities and energy (including utilities), which in turn may impact our ability to procure goods or services required for the operation of our business at the quantities and levels we require.

In addition, the increasing concern over climate change has resulted and may continue to result in more regional, federal, and/or global legal and regulatory requirements relating to climate change, including regulating greenhouse gas emissions, alternative energy policies and sustainability initiatives. If legislation or regulations are enacted or promulgated in the U.S. or in any other jurisdictions in which we do business that impose more stringent restrictions and requirements than our current legal or regulatory obligations, we may experience disruptions in, or increases in the costs associated with, sourcing, manufacturing and distributing our products, which may adversely affect our business, results of operations and financial condition. Any such regulatory changes could have a significant effect on our operating and financial decisions, including those involving capital expenditures to reduce emissions and comply with other regulatory requirements.

**Risks Related to Our Indebtedness**

***We have outstanding indebtedness of approximately \$1.4 billion, \$1.5 billion, and in the future we may incur additional indebtedness. This indebtedness could adversely affect our businesses and our ability to meet our obligations.***

As of ~~February 10, 2023~~ February 9, 2024, we had outstanding indebtedness of approximately ~~\$1.4~~ \$1.5 billion, including approximately ~~\$0.9~~ \$904.8 million under our ~~amended and restated credit agreement~~ (the "Amended Second Amended Credit Agreement"), \$518 million Agreement, \$487.2 million under our 2028 Convertible Senior Notes, due June 1, 2025 (the ~~\$115.4~~ million under our 2025 Convertible Notes (together with the 2028 Convertible Notes, the "Notes"), and had an additional ~~\$750~~ million \$750.0 million of borrowing capacity under the revolving credit facility pursuant to the Second Amended Credit Agreement, with the ability to request further increases to the revolving credit facility up to ~~\$350~~ million the greater of consolidated EBITDA or \$525.0 million.

Please refer to Note 16 to our ~~audited consolidated financial statements~~ Consolidated Financial Statements included in this Annual Report. This debt could have important, adverse consequences to us and our security holders, including:

- increasing our vulnerability to adverse economic and industry conditions;
- limiting our ability to obtain additional financing;
- requiring the dedication of a substantial portion of our cash flow from operations to service our indebtedness, which will reduce the amount of cash available for other purposes;
- limiting our flexibility to plan for, or react to, changes in our businesses and ~~industries~~; industry;
- diluting the interests of our existing stockholders as a result of issuing shares of our common stock upon conversion of the Notes; and
- placing us at a possible competitive disadvantage with competitors that are less leveraged than us or have better access to capital.

Our business may not generate sufficient funds, and we may otherwise be unable to maintain sufficient cash reserves, to pay amounts due under our indebtedness, and our cash needs may increase in the future. The Second Amended Credit Agreement contains restrictive covenants that limit our ability to engage in activities that may be in our long-term interest, including for example EBITDA-based leverage and interest coverage ratios. If we breach any of these restrictions and cannot obtain a waiver from the lenders on favorable terms, subject to applicable cure periods, the outstanding indebtedness (and any other indebtedness with cross-default provisions) could be declared immediately due and payable, which would adversely affect our liquidity and financial statements.

The risks described above will increase with the amount of indebtedness we incur, and in the future we may incur significant indebtedness in addition to the indebtedness described above.

***We may not be able to generate sufficient cash to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful and may adversely affect our ability to pay dividends.*** dividends (if we pay dividends in the future).

Our ability to make scheduled payments on or refinance our debt obligations depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond our control. We may be unable to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal and interest on our indebtedness.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures, or to dispose of material assets or operations, alter our dividend policy (if we pay dividends) dividends in the future, seek additional debt or equity capital or restructure or refinance our indebtedness. We may not be able to effect any such alternative measures on commercially reasonable terms or at all and, even if successful, those alternative actions may not allow us to meet our scheduled debt service obligations. The instruments that may govern our indebtedness in the future may restrict our ability to dispose of assets and may restrict the use of proceeds from those dispositions. We may not be able to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations when due.

In addition, we conduct our operations through our subsidiaries. Accordingly, repayment of our indebtedness will depend on the generation of cash flow by our subsidiaries, including certain international subsidiaries, and their ability to make such cash available to us, by dividend, debt repayment or otherwise. Our subsidiaries may not have any obligation to pay amounts due on our indebtedness or to make funds available for that purpose. Our subsidiaries may not be able to, or may not be permitted to, make adequate distributions to enable us to make payments in respect of our indebtedness. Each subsidiary is a distinct legal entity and, under certain circumstances, legal, tax and contractual restrictions may limit our ability to obtain cash from our subsidiaries. In the event that we do not receive distributions from our subsidiaries, we may be unable to make required principal and interest payments on our indebtedness.

Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms or at all, may materially adversely affect our business, financial condition and results of operations and our ability to satisfy our obligations under our indebtedness or pay dividends on our common stock. stock if we pay dividends in the future.

***We may be unable to raise the funds necessary to repurchase the Notes for cash following a fundamental change, or to pay any cash amounts due upon conversion, and our other indebtedness may limit our ability to repurchase the Notes or pay cash upon their conversion.***

Holders of the Notes may require us to repurchase their Notes following a fundamental change at a cash repurchase price generally equal to the principal amount of the Notes to be repurchased, plus accrued and unpaid interest, if any. In addition, upon conversion, we will satisfy part or all of our conversion obligation in cash. We may not have enough available cash or be able to obtain financing at the time we are required to repurchase the Notes or pay the cash amounts due upon conversion. In addition, applicable law, regulatory authorities and the agreements governing our other indebtedness may restrict our ability to repurchase the Notes or pay the cash amounts due upon conversion. Our failure to repurchase the Notes or to pay the cash amounts due upon conversion when required will constitute a default under the indenture indentures governing the 2028 Convertible Notes and the 2025 Convertible Notes between us and Wilmington Trust, National Association, as trustee, dated as of August 10, 2023 and May 21, 2020 (the "Indenture"), respectively. A default under the 2028 Convertible Notes Indenture, the 2025 Convertible Notes Indenture (together, the "Indentures"), or the fundamental change itself could also lead to a default under agreements governing our other indebtedness, which may result in that other indebtedness becoming immediately payable in full. We may not have sufficient funds to satisfy all amounts due under the other indebtedness and the Notes.

***The conditional conversion feature of the Notes, if triggered, may adversely affect our financial condition and operating results.***

In the event the conditional conversion feature of the Notes is triggered, holders of Notes will be entitled to convert the Notes at any time during specified periods at their option. We made an irrevocable election to satisfy the principal amounts of Notes outstanding upon conversion with cash. If one or more holders elect to convert their Notes, we would be required to settle a portion or all of our conversion obligation through the payment of cash, which could adversely affect our liquidity. In addition, even if holders do not elect to convert their Notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the Notes as a current rather than long-term liability, which would result in a material reduction of our net working capital. As of December 31, 2022 December 31, 2023, none of the conditions allowing the Note holders to convert the 2028 Convertible Notes was satisfied. As a result, as of December 31, 2023, the 2028 Convertible Notes are classified as a non-current liability. As of December 31, 2023, one of the conditions allowing the Note holders to convert the 2025 Convertible Notes was satisfied. As a result, as of December 31, 2022 December 31, 2023, the 2025 Convertible Notes are classified as a current liability. The conversion conditions are tested quarterly.

***The existing capped call transactions we entered into in connection with the 2025 Notes may affect the value of the Notes and our common stock.***

In connection with the sale of the 2025 Convertible Notes, we entered into capped call transactions (the "Capped Calls") with the initial purchasers of the 2025 Convertible Notes, their respective affiliates and other financial institutions (the "option counterparties"). The Capped Calls are expected generally to reduce the potential dilution upon any conversion of the 2025 Convertible Notes and/or offset any cash payments we are required to make in excess of the principal amount of converted 2025 Convertible Notes, as the case may be, with such reduction and/or offset subject to a cap.

In connection with establishing their hedges of the Capped Calls, the option counterparties or their affiliates entered into various derivative transactions with respect to our common stock. These parties may modify their hedge positions in the future by entering into or unwinding various derivatives with respect to our common stock and/or purchasing or selling our common stock or other securities of ours in secondary market transactions prior to the maturity of the 2025 Convertible Notes (and are likely to do so during any observation period related to a conversion of the 2025 Convertible Notes). This activity could cause or avoid an increase or a decrease in the market price of our common stock or the Notes.

In August 2023, we completed a partial unwind of the Capped Calls in connection with a partial exchange of our 2025 Convertible Notes.

#### **We are subject to counterparty risk with respect to the Capped Calls.**

The option counterparties are financial institutions, and we will be subject to the risk that any or all of them might default under the Capped Calls. Our exposure to the credit risk of the option counterparties will not be secured by any collateral. Past global economic conditions have resulted in the actual or perceived failure or financial difficulties of many financial institutions. If an option counterparty becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at that time under the Capped Calls with such option counterparty. Our exposure will depend on many factors but, generally, an increase in our exposure will be correlated to an increase in the market price and in the volatility of our common stock. In addition, upon a default by an option counterparty, we may suffer adverse tax consequences and more dilution than we currently anticipate with respect to our common stock. We can provide no assurances as to the financial stability or viability of the option counterparties.

***Our variable rate indebtedness exposes us to interest rate volatility, which could cause our debt service obligations to increase significantly, and we may be adversely affected by the anticipated cessation of LIBOR. significantly.***

Borrowings under certain of our facilities, including our Second Amended Credit Agreement, are made at variable rates of interest and expose us to interest rate volatility. Interest rates increased during 2022, 2022 and 2023. If interest rates continue to increase, our debt service obligations on certain of our variable rate indebtedness will increase even though the amount borrowed remains the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease.

In addition, certain we reference the Secured Overnight Financing Rate ("SOFR") as the primary benchmark rate for our variable rate indebtedness, in lieu of our financial arrangements, including our Amended Credit Agreement, bear interest rates that fluctuate with changes in short-term prevailing interest rates, including the London Interbank Offered Rate ("LIBOR" ("LIBOR")) (or metrics derived from or related to LIBOR). On July 27, 2017, the United Kingdom's Financial Conduct Authority announced that it intends to stop persuading or compelling banks to submit LIBOR rates after 2021. All LIBOR tenors relevant to us will cease to be published or will no longer be representative after June 30, 2023. U.S. bank regulators have advised banks to cease writing, subject to certain limited exceptions, new U.S. Dollar LIBOR contracts after 2021 and the New York Federal Reserve's Alternative Reference Rates Committee ("ARCC") has identified the Secured Overnight Financing Rate ("SOFR") as the recommended risk-free alternative rate for USD LIBOR. Our Amended Credit Agreement provides for the use of SOFR as a replacement rate upon a LIBOR cessation event. SOFR is a relatively new reference rate and has with a very limited history. There are significant differences between LIBOR history, and changes in SOFR such as LIBOR being an unsecured lending rate while SOFR is have, on occasion, been more volatile than changes in other benchmark or market rates. As a secured lending rate, and SOFR is an overnight rate while LIBOR reflects term rates at different maturities. If our LIBOR-based borrowings are converted to SOFR, result, the differences between LIBOR and SOFR, plus the recommended spread adjustment, could result in amount of interest costs that are higher than if LIBOR remained available, which could have a material adverse effect we may pay on our operating results.

variable rate indebtedness is difficult to predict.

#### **Risks Related to Our Industry**

***The industries that we serve have undergone, and are in the process of undergoing, significant changes in an effort to reduce costs, which could adversely affect our financial statements.***

The industries that we serve have undergone, and are in the process of undergoing, significant changes in an effort to reduce costs, including the following:

- Governmental and private health care providers and payors around the world are increasingly utilizing managed care for the delivery of health care services, centralizing purchasing, limiting the number of vendors that may participate in purchasing programs, forming group purchasing organizations and integrated health delivery networks and pursuing consolidation to improve their purchasing leverage and using competitive bid processes to procure health care products and services.
- Certain of our customers, and the end-users to whom our customers supply products, rely on government funding of and reimbursement for health care products and services and research activities. The health care austerity measures in other countries and other potential health care reform changes and government austerity measures have reduced and may further reduce the amount of government funding or reimbursement available to customers or end-users of our products and services and/or the volume of medical procedures using our products and services. Other countries, as well as some private payors, also control the price of health care products, directly or indirectly, through reimbursement, payment, pricing or coverage limitations, tying reimbursement to outcomes or (in the case of governmental entities) compulsory licensing. For example, China has implemented volume-based procurement policies, a series of centralized reforms instituted in China on both a national and regional basis that has resulted in significant price cuts for medical and dental consumables. Global economic uncertainty or deterioration can also adversely impact government funding and reimbursement.

These changes, as well as other impacts from market demand, government regulations, third-party coverage and reimbursement policies and societal pressures have started changing the way health care is delivered, reimbursed and funded and may cause participants in the health care industry and related industries that we serve to purchase fewer of our products and services, reduce the prices they are willing to pay for our products or services, reduce the amounts of reimbursement and funding available for our products and services from governmental agencies or third-party payors, heighten clinical data requirements, reduce

the volume of medical procedures that use our products and services, affect the acceptance rate of new technologies and products and increase our compliance and other costs. In addition, we may be excluded from important market segments or unable to enter into contracts with group purchasing organizations and integrated health networks on terms acceptable to us, and even if we do enter into such contracts they may be on terms that negatively affect our current or future profitability. All of the factors described above could adversely affect our business and financial statements.

***We face intense competition and if we are unable to compete effectively, we may experience decreased demand and decreased market share. Even if we compete effectively, we may be required to reduce prices for our products and services.***

Our businesses operate in industries that are intensely competitive and have been subject to increasing consolidation. Because of the range of the products and services we sell and the variety of markets we serve, we encounter a wide variety of competitors. See "Item 1. Business—Competition." In order to compete effectively, we must retain longstanding relationships with major customers and continue to grow our business by establishing relationships with new customers and external experts, continually developing new products and services to maintain and expand our brand recognition and leadership position in various product and service categories and penetrating new markets, including emerging markets. In addition, significant shifts in industry market share have occurred and may in the future occur in connection with product problems, safety alerts and publications about products, reflecting the competitive significance of product quality, product efficacy and quality systems in our industry. Our failure to compete effectively and/or pricing pressures resulting from competition may adversely impact our financial statements, and our expansion into new markets may result in greater-than-expected risks, liabilities and expenses. **Some of our competitors have a broader product portfolio than we do.** In addition, we are exposed to the risk that our competitors or our customers may introduce private label, generic, or low-cost products that compete with our products at lower price points. **New disruptive technologies may emerge that displace our existing technologies.** If these competitors' products capture significant market share or decrease market prices overall, this could have an adverse effect on our financial statements.

#### **Risks Related to Laws and Regulations**

***Changes in governmental regulations may reduce demand for our products or services or increase our expenses.***

We compete in markets in which we and our customers must comply with supranational, federal, state, local and other jurisdictional regulations, such as regulations governing health and safety, the environment, food and drugs and privacy. We develop, configure and market our products and services to meet customer needs created by these regulations. These regulations are complex, change frequently, have tended to become more stringent over time and may be inconsistent across jurisdictions. Any significant change in any of these regulations (or in the interpretation or application thereof) could reduce demand for, increase our costs of producing or delay the introduction of new or modified products and services, or could restrict our existing activities, products and services. **For example, in response to the COVID-19 pandemic, federal, state, local and foreign governmental authorities have imposed, and may continue to impose, protocols and restrictions intended to contain the spread** We are also incorporating artificial intelligence into certain of the virus, including limitations on the size of gatherings, closures of work facilities, schools, public buildings and businesses, quarantines, lockdowns and travel restrictions. Such restrictions have disrupted and may continue to disrupt our business operations and reduce demand for our products or services. **to make them more effective for us and our customers; however, this subjects us to risks of compliance with the expanding and changing regulations regarding the use of artificial intelligence.**

***Certain of our businesses are subject to extensive regulation by the FDA and comparable agencies of other countries, as well as laws regulating fraud and abuse in the health care industry and the privacy and security of health information. Failure to comply with those regulations could adversely affect our reputation, ability to do business and financial statements.***

Most of our products are medical devices subject to regulation by the U.S. Food and Drug Administration (the "FDA"), by other federal and state governmental agencies, by comparable agencies of other countries and regions, by certain accrediting bodies and by regulations governing hazardous materials (or the manufacture and sale of products containing any such materials). The FDA and these other regulatory authorities enforce additional regulations regarding the safety of X-ray emitting devices. The global regulatory environment has become increasingly stringent and unpredictable. Several countries that did not have regulatory requirements for medical devices have established such requirements in recent years, and other countries have expanded, or plan to expand, their existing regulations. For example, the EU MDR imposes stricter requirements for the marketing and sale of medical devices, including in the area of clinical evaluation requirements, quality systems and post-market surveillance. Medical devices that have been assessed and/or certified under the EU Medical Device Directive may continue to be placed on the market until 2024 2027/2028 (or until the expiry of their certificates, if applicable and earlier); however, requirements regarding the distribution, marketing and sale including quality systems and post-market surveillance have to be observed by manufacturers, importers and distributors as of the application date. Complying with the EU MDR required modifications to our quality management systems, additional resources in certain functions, and required and will continue to require updates to technical files, among other changes. Failure to meet these requirements could adversely impact our business in the EU and other regions that tie their product registrations to the EU requirements.

Similarly, under the Physician Payment Sunshine Act, we are required to collect and report detailed information regarding certain financial relationships we have with covered recipients, including physicians, dentists, teaching hospitals, and certain other non-physician practitioners. We or our subsidiaries may be required to report information under certain state transparency laws that address circumstances not covered by the Physician Payment Sunshine Act, and some of these state laws, as well as the federal law, can be unclear. We are also subject to foreign regulations requiring transparency of certain interactions between suppliers and their customers. While we believe we have substantially compliant programs and controls in place satisfying the above laws and requirements, such compliance imposes additional costs on us and the requirements are sometimes unclear.

To varying degrees, these regulators require us to comply with laws and regulations governing the development, testing, manufacturing, labeling, marketing, distribution and post-marketing surveillance of our products. We cannot guarantee that we will be able to obtain regulatory clearance (such as 510(k) clearance) or approvals for our new products or modifications to (or additional indications or uses of) existing products within our anticipated timeframe or at all, and if we do obtain such clearance or approval it may be time-consuming, costly and subject to restrictions. Our ability to obtain such regulatory clearances or approvals will depend on many factors and the process for obtaining such clearances or approvals could change over time. Even after initial regulatory clearance or approval, we are subject to periodic inspection by these regulatory authorities, and if safety issues arise, we may be required to amend conditions for use of a product, such as providing additional warnings on the product's label or narrowing its approved intended use, which could reduce the product's market acceptance. Failure to obtain required regulatory clearances or approvals before marketing our products (or before implementing modifications to or promoting additional indications or uses of our products), other violations of these regulations, failure to remediate inspectional observations to the satisfaction of these regulatory authorities and real or perceived efficacy or safety concerns or trends of adverse events with respect to our products (even after obtaining clearance for distribution) have led to FDA Form 483 Inspectional Observations, and can lead to warning letters, notices to customers, declining sales, loss of customers, loss of market share, remediation and increased compliance costs, mandatory recalls, seizures of adulterated or misbranded products, injunctions, administrative detentions, refusals to permit importations, partial or total shutdown of production facilities or the implementation of operating restrictions, narrowing of permitted uses for a product, suspension or withdrawal of approvals and pre-market notification rescissions. We are also subject to various laws regulating fraud and abuse, pricing and sales and marketing practices in the health care industry and the privacy and security of health information as well as manufacturing and quality standards, including the federal regulations described in "Item 1. Business —Regulatory Matters." Ensuring that our internal operations and business arrangements with third parties comply with applicable healthcare laws and regulations will involve substantial costs. It is possible that government authorities will conclude that our business practices do not comply with current or future statutes, regulations, agency guidance or case law involving applicable fraud and abuse or other healthcare laws and regulations.

Noncompliance with these standards can result in, among other things, fines, expenses, injunctions, civil penalties, recalls or seizures of products, total or partial suspension of production, refusal of the government to grant 510(k) clearance of devices, withdrawal of marketing approvals, criminal prosecutions and other adverse effects referenced below under "Our businesses are subject to extensive regulation; failure to comply with those regulations could adversely affect our financial statements and our business, including our reputation." Further, defending against any such actions can be costly and time-consuming and may require significant personnel resources. Therefore, even if we are successful in defending against any such actions that may be brought against us, our business may be impaired.

***Off-label marketing or misleading advertising of our products could result in substantial penalties.***

The FDA, the Federal Trade Commission ("FTC") and, in some cases, the Environmental Protection Agency ("EPA") strictly regulate the promotional claims that may be made about approved or cleared products. In particular, any clearances we may receive only permit us to market our products for the uses indicated on the labeling cleared by the FDA. We may request additional label indications for our current products, and the FDA may deny those requests outright, require additional expensive performance or clinical data to support any additional indications or impose limitations on the intended use of any cleared products as a condition of clearance. If the FDA determines that we have marketed or advertised our products for off-label use, we could be subject to fines, injunctions or other penalties. It is also possible that other federal, state or foreign enforcement authorities might take action if they consider our business activities to constitute promotion of an off-label use or misbranding, which could result in significant penalties, including, but not limited to, criminal, civil and administrative penalties, substantial monetary penalties, damages, fines, disgorgement, exclusion from participation in government healthcare programs, and/or the curtailment of our operations. Any of these events could significantly harm our business and results of operations and cause our stock price to decline.

***Certain modifications to our products may require new 510(k) clearances or other marketing authorizations and may require us to recall or cease marketing our products.***

Once a medical device is permitted to be legally marketed in the U.S. pursuant to a 510(k) clearance, a manufacturer may be required to notify the FDA of certain modifications to the device. Manufacturers determine in the first instance whether a change to a product requires a new premarket submission, but the FDA may review any manufacturer's decision. The FDA may not agree with our decisions regarding whether new clearances are necessary. We have made modifications to our products in the past and have determined based on our review of the applicable FDA regulations and guidance that in certain instances new 510(k) clearances or other premarket submissions were not required. We may make similar modifications or add additional features in the future that we believe do not require a new 510(k) clearance. If the FDA disagrees with our determinations and requires us to submit new 510(k) notifications, we may be required to cease marketing or to recall the modified product until we obtain clearance, and we may be subject to significant regulatory fines or penalties.

***Our operations, products and services expose us to the risk of environmental, health and safety liabilities, costs and violations that could adversely affect our business, reputation and financial statements.***

Our operations, products and services are subject to environmental laws and regulations, which impose limitations on the discharge of pollutants into the environment, establish standards for the use, generation, treatment, storage and disposal of hazardous and non-hazardous wastes and impose end-of-life disposal and take-back programs. We must also comply with various health and safety regulations in the U.S. and abroad in connection with our operations. We cannot assure you that our environmental, health and safety compliance program (or the compliance programs of businesses we acquire) have been or will at all times be effective. Failure to comply with any of these laws could result in civil and criminal, monetary and non-monetary penalties and damage to our reputation. In addition, we cannot provide assurance that our costs of complying with current or future environmental protection and health and safety laws will not exceed our estimates or adversely affect our financial statements.

In addition, we may incur costs related to remedial efforts or alleged environmental damage associated with past or current waste disposal practices or other hazardous materials handling practices. We are also from time to time party to personal injury, property damage or other claims brought by private parties alleging injury or damage due to the presence of or exposure to hazardous substances. We may also become subject to additional remedial, compliance or personal injury

costs due to future events such as changes in existing laws or regulations, changes in agency direction or enforcement policies, developments in remediation technologies, changes in the conduct of our operations and changes in accounting rules. For additional information regarding these risks, please refer to Note 15 to our **audited consolidated financial statements** **Consolidated Financial Statements** included in this Annual Report. We cannot assure you that our liabilities arising from past or future releases of, or exposures to, hazardous substances will not exceed our estimates or adversely affect our reputation and financial statements or that we will not be subject to additional claims for personal injury or remediation in the future based on our past, present or future business activities.

***Our businesses are subject to extensive regulation; failure to comply with those regulations could adversely affect our financial statements and our business, including our reputation.***

In addition to the environmental, health, safety, health care, medical device, anticorruption, data privacy and other regulations noted elsewhere in this Annual Report, our businesses are subject to extensive regulation by U.S. and non-U.S. governmental and self-regulatory entities at the supranational, federal, state, local and other jurisdictional **levels**, including laws governing payments to government officials, bribery, fraud, kickbacks and false claims, pricing, sales and marketing practices, conflicts of interest, competition, employment practices and workplace behavior, export and import compliance, economic and trade sanctions, money laundering and data privacy.

We cannot provide assurance that our internal controls and compliance systems will always protect us from acts committed by our employees, agents or business partners (or of businesses we acquire or partner with) that would violate U.S. and/or non-U.S. laws. In particular, the U.S. Foreign Corrupt Practices Act, the UK Bribery Act and similar anti-bribery laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments to government officials for the purpose of obtaining or retaining business, and we operate in countries that have experienced corruption. Any such improper actions or allegations of such acts could damage our reputation and subject us to civil or criminal investigations in the U.S. and in other jurisdictions and related stockholder lawsuits, could lead to substantial civil and criminal, monetary and non-monetary penalties and could cause us to incur significant legal and investigatory fees. In addition, the government may seek to hold us liable for violations committed by companies in which we invest or that we acquire. We also rely on our suppliers to adhere to our supplier standards of conduct, and material violations of such standards of conduct could occur that could have a material effect on our business, reputation and financial statements.

We are **also** required to comply with various import laws and export control and economic sanctions laws, which may affect our transactions with certain customers, business partners and other persons and dealings between our employees and between our subsidiaries. In certain circumstances, export control and economic sanctions regulations may prohibit the export of certain products, services and technologies. In other circumstances, we may be required to obtain an export license before exporting the controlled item. Compliance with the various import laws that apply to our businesses can restrict our access to, and increase the cost of obtaining, certain products and at times can interrupt our supply of imported inventory.

Our products and operations are also often subject to differing national industrial standards, and failure to comply with these rules could result in withdrawal of certifications needed to sell our products and services and otherwise adversely impact our business and financial statements. Non-compliance with applicable requirements (or any alleged or perceived failure to comply) could result in import detentions, fines, damages, civil and administrative penalties, injunctions, suspensions or losses of regulatory approvals, recall or seizure of products, operating restrictions, refusal of the government to approve product export applications or allow us to enter into supply contracts, disbarment from selling to certain governmental agencies or exclusion from government funded healthcare programs, such as Medicare and Medicaid or similar programs in other countries or jurisdictions, integrity oversight and reporting obligations to resolve allegations of non-compliance, disruption of our business, limitation on our ability to manufacture, import, export and sell products and services, loss of customers, significant legal and investigatory fees, disgorgement, individual imprisonment, reputational harm, contractual damages, diminished profits, curtailment or restricting of business operations, criminal prosecution and other monetary and non-monetary penalties. For additional information regarding these risks, please refer to the section entitled "Business—Regulatory Matters."

#### **Risks Related to Ownership of Our Stock**

***The price of our common stock may continue to be volatile, which could lead to securities litigation brought against us or cause investors to lose the value of their investment.***

We have a limited trading history and there may be wide fluctuations in the market value of our common stock as a result of many factors. From our IPO through **February 10, 2023** **February 9, 2024**, the sales price of our common stock as reported by the NYSE has ranged from a low sales price of \$10.08 on March 19, 2020 to a high sales price of \$52.03 on March 29, 2022. Factors that may cause the market price of our common stock to fluctuate, some of which may be beyond our control, include:

- our quarterly or annual earnings, or those of other companies in our industry;
- actual or anticipated fluctuations in our operating results;
- changes in earnings estimated by securities analysts or our ability to meet those estimates;
- the operating and stock price performance of other comparable companies;
- changes to the regulatory and legal environment in which we operate;
- macroeconomic conditions and the economic impact of the COVID-19 pandemic, inflation and rising interest rates and global conflicts, including the Russia-Ukraine war and the Israel-Hamas war;

- unusual events such as significant acquisitions by us and our competitors, divestitures, litigation, regulatory actions and other factors, including factors unrelated to our operating performance;
- **announcements by us or our competitors of new products or technological innovation;**
- overall market fluctuations and domestic and worldwide economic conditions; and
- other factors described in these "Risk Factors" and elsewhere in this Annual Report.

Stock markets in general have experienced volatility recently that has often been unrelated to the operating performance of a particular company. These broad market fluctuations may adversely affect the trading price of our common stock. In the past, periods of volatility in the overall market and the market price of a company's securities have often been followed by securities litigation brought against these companies. Such litigation, if instituted against us, could result in substantial costs and a diversion of our management's attention and resources. In addition, as a result of this volatility, investors may not be able to sell their common stock at or above the purchase price.

***Certain provisions in our second amended and restated certificate of incorporation, our ~~second~~ third amended and restated bylaws, the ~~Indenture~~ **Indentures** governing the Notes, and of Delaware law, may prevent or delay an acquisition of us, which could decrease the trading price of our common stock.***

Our second amended and restated certificate of incorporation and ~~second~~ third amended and restated bylaws contain, and Delaware law contains, provisions that are intended to deter coercive takeover practices and inadequate takeover bids and to encourage prospective acquirers to negotiate with our board of directors rather than to attempt an unsolicited takeover not approved by our board of directors. These provisions include, among others:

- the inability of our stockholders to call a special meeting;
- the inability of our stockholders to act by written consent;
- rules regarding how stockholders may present proposals or nominate directors for election at stockholder meetings;
- the right of our board of directors to issue preferred stock without stockholder approval;
- the division of our board of directors into three classes of directors, with each class serving a staggered three-year term, subject to a phased-in declassification whereby Class III directors were elected to a one-year term at the 2022 annual meeting, Class I directors ~~will be~~ were elected to a one-year term at the 2023 annual meeting and Class II directors will be elected to a one-year term at the 2024 annual meeting such that effective as of the 2024 annual meeting, our board of directors will be fully declassified, and until the full declassification of the Board as of the date of the 2024 annual meeting, this classified board provision could have the effect of making the replacement of incumbent directors more time consuming and difficult;
- prior to our board of directors being fully declassified, stockholders may only remove directors with cause; and
- the ability of our directors, and not stockholders, to fill vacancies (including those resulting from an enlargement of our board of directors) on our board of directors.

Additionally, certain provisions in the Notes and the ~~Indenture~~ **Indentures** governing the Notes could make a third party attempt to acquire us more difficult or expensive. For example, if a takeover constitutes a fundamental change, then holders of the Notes will have the right to require us to repurchase their Notes for cash. In addition, if a takeover constitutes a make-whole fundamental change, then we may be required to temporarily increase the conversion rate. In either case, and in other cases, our obligations under the Notes and the ~~Indenture~~ **Indentures** could increase the cost of acquiring us or otherwise discourage a third party from acquiring us or removing incumbent management, including in a transaction that holders of our securities may view as favorable.

In addition, because we have not chosen to be exempt from Section 203 of the Delaware General Corporation Law (the "DGCL"), this provision could also delay or prevent a change of control that you may favor. Section 203 provides that, subject to limited exceptions, persons that acquire, or are affiliated with a person that acquires, more than 15% of the outstanding voting stock of a Delaware corporation (an "interested stockholder") shall not engage in any business combination with that corporation, including by merger, consolidation or acquisitions of additional shares, for a three-year period following the date on which the person became an interested stockholder, unless (i) prior to such time, the board of directors of such corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder; (ii) upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of such corporation at the time the transaction commenced (excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) the voting stock owned by directors who are also officers or held in employee benefit plans in which the employees do not have a confidential right to tender or vote stock held by the plan); or (iii) on or subsequent to such time the business combination is approved by the board of directors of such corporation and authorized at a meeting of stockholders by the affirmative vote of at least two-thirds of the outstanding voting stock of such corporation not owned by the interested stockholder.

We believe these provisions will protect our stockholders from coercive or otherwise unfair takeover tactics by requiring potential acquirers to negotiate with our board of directors and by providing our board of directors with more time to assess any acquisition proposal. These provisions are not intended to make us immune

from takeovers. However, these provisions will apply even if the offer may be considered beneficial by some stockholders and could delay or prevent an acquisition that our board of directors determines is in the best interests of us and our stockholders. These provisions may also prevent or discourage attempts to remove and replace incumbent directors.

***Our second amended and restated certificate of incorporation designates the state courts in the State of Delaware or, if no state court located within the State of Delaware has jurisdiction, the federal court for the District of Delaware, as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could discourage lawsuits against us and our directors, officers, employees and stockholders.***

Our second amended and restated certificate of incorporation provides that unless our board of directors otherwise determines, the state courts in the State of Delaware or, if no state court located within the State of Delaware has jurisdiction, the federal court for the District of Delaware, will be the sole and exclusive forum for any derivative action or proceeding brought on behalf of us, any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees or stockholders to us or our stockholders, any action asserting a claim arising pursuant to any provision of the DGCL or our second amended and restated certificate of incorporation or third amended and restated bylaws, or any action asserting a claim governed by the internal affairs doctrine. This provision would not apply to claims brought to enforce a duty or liability created by the Securities Exchange Act of 1934, as amended (the "Exchange Act") or any other claim for which the federal courts have exclusive jurisdiction.

In addition, our second third amended and restated bylaws, as amended, provide that the federal district courts of the U.S. will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act of 1933, as amended, unless we consent in writing to the selection of an alternative forum.

These exclusive forum provisions may limit the ability of our stockholders to bring a claim in a judicial forum that such stockholders find favorable for disputes with us or our directors or officers, which may discourage such lawsuits against us and our directors, officers, employees and stockholders.

***Conversion of the Notes may dilute the ownership interest of our stockholders or may otherwise depress the prices of our common stock.***

The conversion of some or all of the Notes may dilute the ownership interests of our stockholders. Upon conversion of the Notes, we have the option to pay or deliver, as the case may be, cash, shares of our common stock, or a combination of cash and shares of our common stock to satisfy any Notes conversion value in excess of the principal amount. If we elect to settle the value in excess of the principal amount in shares of our common stock or a combination of cash and shares of our common stock, any sales in the public market of our common stock issuable upon such conversion could adversely affect prevailing market prices of our common stock. In addition, the existence of the Notes may encourage short selling by market participants because the conversion of the Notes could be used to satisfy short positions, or anticipated conversion of the Notes into shares of our common stock could depress the price of our common stock.

***The issuance or sale of shares of our common stock, or rights to acquire shares of our common stock, could depress the trading price of our common stock and the Notes.***

We may conduct future offerings of our common stock, preferred stock or other securities that are convertible into or exercisable for our common stock to finance our operations or fund acquisitions, or for other purposes. In addition, we have reserved 20,656,197 shares of common stock for the exercise of stock options or vesting of restricted stock units. The Indenture Indentures for the Notes does do not restrict our ability to issue additional equity securities in the future. If we issue additional shares of our common stock or rights to acquire shares of our common stock, if any of our existing stockholders sells a substantial amount of our common stock, or if the market perceives that such issuances or sales may occur, then the trading price of our common stock, and, accordingly, the Notes may significantly decline. In addition, our issuance of additional shares of common stock will dilute the ownership interests of our existing common stockholders, including holders of Notes who have received shares of our common stock upon conversion of their Notes.

## **General Risks**

***We have recognized substantial impairment charges for our goodwill and indefinite-lived assets and may be required to recognize additional impairment charges for our goodwill and other intangible assets, assets in the future.***

As of December 31, 2022 December 31, 2023, the net carrying value of our goodwill and other intangible assets totaled approximately \$4.6 billion \$4.2 billion. In accordance with generally accepted accounting principles, we periodically assess these assets to determine if they are impaired. The valuation models used to determine the fair value of goodwill or indefinite-lived intangible assets are dependent upon various assumptions and reflect management's best estimates. We conducted our annual goodwill and indefinite-lived intangibles impairment test during the fourth quarter of 2023 and recorded a pre-tax goodwill impairment charge of \$212.3 million and a pre-tax impairment charge related to certain indefinite-lived trade names for \$46.0 million. As the fair value of these reporting units and indefinite-lived intangible assets approximate carrying value as of December 31, 2023, any further decline in key assumptions could result in additional impairment in future periods.

Significant negative industry or economic trends, disruptions to our business, inability to effectively integrate acquired businesses, unexpected significant changes or planned changes in use of our assets, changes in the structure of our business, divestitures, market capitalization declines, or increases in associated discount

rates may further impair our goodwill and other intangible assets. Any additional charges relating to such impairments would adversely affect our results of operations in the periods recognized.

**Foreign currency exchange rates may adversely affect our financial statements.**

Sales and purchases in currencies other than the U.S. dollar expose us to fluctuations in foreign currencies relative to the U.S. dollar and, given our global operations, may adversely affect our financial statements. Increased strength of the U.S. dollar increases the effective price of our products sold in U.S. dollars into other countries, which may require us to lower our prices or adversely affect sales to the extent we do not increase local currency prices. Decreased strength of the U.S. dollar could adversely affect the cost of materials, products and services we purchase overseas. Sales and expenses of our non-U.S. businesses are also translated into U.S. dollars for reporting purposes and the strengthening or weakening of the U.S. dollar could result in unfavorable translation effects. In addition, certain of our businesses may invoice customers in a currency other than the business' functional currency, and movements in the invoiced currency relative to the functional currency could also result in unfavorable translation effects. We also face exchange rate risk from our investments in subsidiaries owned and operated in foreign countries.

**Changes in tax law relating to multinational corporations could adversely affect our tax position.**

The U.S. Congress, government agencies in non-U.S. jurisdictions where we and our affiliates do business, and the Organisation for Economic Co-operation and Development ("OECD") have recently focused on issues related to the taxation of multinational corporations. One example is in the area of "base erosion and profit shifting," where profits are claimed to be earned for tax purposes in low-tax jurisdictions, or payments are made between affiliates from a jurisdiction with high tax rates to a jurisdiction with lower tax rates. The OECD has released several components of its comprehensive plan to create an agreed set of international rules for addressing base erosion and profit shifting. As a result, the tax laws in the U.S. and other countries in which we do business could change on a prospective or retroactive basis, and any such changes could adversely affect our business and financial statements.

**We are subject to a variety of litigation and other legal and regulatory proceedings in the course of our business that could adversely affect our business and financial statements.**

We are or could be subject to a variety of litigation and other legal and regulatory proceedings incidental to our business (or the business operations of previously-owned or subsequently-purchased entities), including claims or counterclaims for damages arising out of the use of products or services and claims relating to intellectual property matters, employment matters, tax matters, commercial disputes, breach of contract claims, competition and sales and trading practices, environmental matters, personal injury, insurance coverage, acquisition-related matters and general statutory claims or other claims pursuant to law, as well as regulatory or judicial subpoenas, requests for information, investigations and enforcement. We may also become involved in lawsuits as a result of past or future acquisitions or as a result of liabilities retained from, or representations, warranties or indemnities provided in connection with, businesses acquired or divested by us or our predecessors. The types of claims made in lawsuits may include claims for compensatory damages, incidental damages, consequential damages, and punitive damages (and in some types of cases, treble damages) and/or injunctive relief. The pursuit or defense of these lawsuits may divert our management's attention, we may incur significant expenses in pursuing or defending these lawsuits, and we may be required to pay damage awards or settlements or become subject to equitable remedies that could adversely affect our operations and financial statements. Moreover, any insurance or indemnification rights that we may have may be insufficient or unavailable to protect us against such losses. In addition, developments in proceedings in any given period may require us to adjust the loss contingency estimates that we have recorded in our financial statements, record estimates for liabilities or assets previously not susceptible of reasonable estimates or pay cash settlements or judgments. Any of these developments could adversely affect our financial statements in any particular period. We cannot assure you that our liabilities in connection with litigation and other legal and regulatory proceedings will not exceed our estimates or adversely affect our financial statements and business.

**Work stoppages, union and works council campaigns and other labor disputes could adversely impact our productivity and results of operations.**

Certain of our U.S. and non-U.S. employees are subject to collective labor arrangements. We are subject to potential work stoppages, union and works council campaigns and other labor disputes, any of which could adversely impact our financial statements and business, including our productivity and reputation.

**Our reputation, ability to do business and financial statements may be impaired by improper conduct by any of our employees, agents or business partners.**

We cannot provide assurance that our internal controls and compliance systems will always protect us from acts committed by our employees, agents or business partners (or of businesses we acquire or partner with) that would violate U.S. and/or non-U.S. laws, including the laws governing payments to government officials, bribery, fraud, kickbacks and false claims, pricing, sales and marketing practices, conflicts of interest, competition, employment practices and workplace behavior, export and import compliance, economic and trade sanctions, money laundering and data privacy. In particular, the U.S. Foreign Corrupt Practices Act, the UK Bribery Act and similar anti-bribery laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments to government officials for the purpose of obtaining or retaining business, and we operate in many parts of the world that have experienced governmental corruption to some degree. Any such improper actions or allegations of such acts could damage our reputation and subject us to civil or criminal investigations in the U.S. and in other jurisdictions and related stockholder lawsuits, could lead to substantial civil and criminal, monetary and non-monetary penalties and could cause us to incur significant legal and investigatory fees. In addition, the government may seek to hold us liable for violations committed by companies in which we invest or that we acquire. We also rely on our suppliers to adhere to our supplier standards of conduct, and material violations of such standards of conduct could occur that could have a material effect on our business, reputation and financial statements.

#### ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

#### ITEM 1C. CYBERSECURITY

We are committed to protecting our information assets and systems. We have an enterprise-wide information security program designed to identify, protect against, detect, and respond to and manage reasonably foreseeable cybersecurity risks and threats. We have installed privacy/security protection systems and devices on our network in an attempt to prevent cyberthreats and other unauthorized access to information.

We have adopted a comprehensive Information Security Policy applicable to all of our employees and business partners. We also maintain a Global Security Incident Response Plan ("GSIRP") to ensure we remain prepared in the event of a cyberattack or other form of network penetration. Our GSIRP is a cross functional plan that documents the details and decision-making process required during a response to a security incident, as well as the reporting protocol with clear escalation timelines and responsibilities. We test our GSIRP with tabletop exercises administered by a third party security consultant. We also maintain cyber liability insurance to help mitigate potential liabilities resulting from cyber issues.

Like most multinational corporations, our information technology systems have been subject to computer viruses, malicious codes, unauthorized access and other cyberattacks, and we expect the sophistication and frequency of such attacks to continue to increase. To date, no attempted cyberattack or other attempted intrusion on our information technology networks has resulted in a material adverse impact on our business strategy, results of operations or financial condition. There can be no assurance that future incidents will not materially affect us, including our business strategy, results of operations or financial condition. Please refer to "Item 1A. Risk Factors—Risks Related to Our Business" for further detail about the material cybersecurity risks we face.

Our Senior Director of Information Security reports to our Chief Information Officer and is responsible for leading our enterprise-wide information security team. The team focuses on developing and implementing strategies, processes and response plans to protect the confidentiality, integrity, and availability of our assets. Our Senior Director of Information Security has prior experience as a chief information security officer and over 25 years of experience in Technology and Security. Our security team also includes members who maintain industry security certificates. Our team is additionally supported by third parties to assist in the operations of our program, compliance audits and security penetration testing.

We evaluate and manage risks relating to cybersecurity as part of our overall enterprise risk management program. We perform an annual assessment across the Company to identify and review potential risks. Risks are prioritized based on threat models to improve cybersecurity throughout the Company. Our Board of Directors oversees our enterprise risk management program.

The Audit Committee of our Board of Directors has the responsibility of exercising oversight with respect to our cybersecurity risk management and risk controls. Our Chief Information Officer provides periodic reports to the Audit Committee regarding our cybersecurity program, including our information risk management and oversight, security education and training, cyber threat detection and response processes, and relevant internal and industry cybersecurity attacks. The Board also receives a report out on cybersecurity issues and governance at least annually, with periodic updates as needed.

#### ITEM 2. PROPERTIES

Our corporate headquarters are located in Brea, California in a facility that we lease. As of December 31, 2022 December 31, 2023, our facilities included approximately 34 33 significant office, research and development, manufacturing and distribution facilities. Thirteen of these facilities are located in the U.S. in six states and 21 20 are located outside the U.S. in 13 12 other countries, primarily in Europe and to a lesser extent in Asia, the rest of North America, Latin America and the Middle East. These facilities cover approximately 2.6 million square feet, of which approximately 0.6 million square feet are owned and approximately 2.0 million square feet are leased. Particularly outside the U.S., facilities often serve more than one business segment and may be used for multiple purposes, such as administration, sales, manufacturing, warehousing and/or distribution.

We consider our facilities suitable and adequate for the purposes for which they are used and do not anticipate difficulty in renewing existing leases as they expire or in finding alternative facilities. We believe our properties and equipment have been well-maintained. Please refer to Note 8 to our audited consolidated financial statements Consolidated Financial Statements for additional information with respect to our lease commitments.

#### ITEM 3. LEGAL PROCEEDINGS

We are, from time to time, subject to a variety of litigation and other legal and regulatory proceedings and claims incidental to our business. Based upon our experience, current information and applicable law, we do not believe that these proceedings and claims will have a material effect on our financial position, results of operations or cash flows. However, in the event of unexpected further developments, it is possible that the ultimate resolution of these matters, or other similar matters, if unfavorable, may be materially adverse to our financial position, results of operations or cash flows. For additional information, please see Note 15 to our audited consolidated financial statements Consolidated Financial Statements.

#### ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

#### PART II

## ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

### Information with Respect to our Common Stock

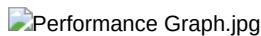
Our common stock is listed on the New York Stock Exchange, or NYSE, and trades under the symbol "NVST."

The number of holders of record of our common stock as of **February 10, 2023** **February 9, 2024** was **21,18**. This number of holders of record does not represent the actual number of beneficial owners of our common stock because shares are frequently held in "street name" by securities dealers and others for the benefit of individual owners who have the right to vote their shares.

### Performance Graph

*The following performance graph and related information shall not be deemed "soliciting material" or "filed" with the Securities and Exchange Commission, nor shall such information be incorporated by reference into any future filings under the Securities Act of 1933 or the Exchange Act, each as amended, except to the extent that we specifically incorporate it by reference into such filing.*

The following graph shows a comparison of cumulative total stockholder return, calculated on a dividend-reinvested basis, for the Company, the S&P 500 Index and the S&P Health Care Index from September 18, 2019, the first day our stock traded on the NYSE, through **December 31, 2022** **December 31, 2023**. The graph assumes \$100 was invested in each of our common stock, the S&P 500 Index, and the S&P Health Care Index as of the market close on September 18, 2019. The S&P 500 Stock Index and the S&P Health Care Index are included for comparative purposes only. They do not necessarily reflect management's opinion that such indices are an appropriate measure of the relative performance of the stock involved, and they are not intended to forecast or be indicative of possible future performance of our common stock. Note that historic stock price performance is not necessarily indicative of future stock price performance.

Performance Graph.jpg

Performance Graph Table						
	September 18, 2019	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023
Performance Graph Table						
September 18, 2019						
Envista Holdings Corporation	Envista Holdings Corporation \$	100 \$	106 \$	121 \$	161 \$	120
S&P 500 Index	S&P 500 Index \$	100 \$	108 \$	128 \$	165 \$	135
S&P 500 Health Care Index	S&P 500 Health Care Index \$	100 \$	113 \$	126 \$	156 \$	150

### Dividend Policy

We have no present intention to pay cash dividends on our common stock. Any determination to pay dividends to holders of our common stock will be at the discretion of our board of directors and will depend upon many factors, including our financial condition, results of operations, projections, liquidity, earnings, legal requirements, restrictions in the agreements governing our existing indebtedness and any other indebtedness we may enter into and other factors that our board of directors deems relevant.

### Recent Sales of Unregistered Securities

On January 21, 2022, we completed the issuance of 273,522 restricted stock units ("RSUs") to Pacific Dental Services, LLC ("PDS") pursuant to a development agreement by and between the Company and PDS dated as of December 23, 2021 (the "Development Agreement") and a share issuance agreement entered into by the parties on the same date. The RSUs will vest upon achievement of certain milestones pursuant to the Development Agreement and will convert on a 1-for-1 basis into shares of our common stock upon vesting. The issuance of these securities was effected without registration in reliance on Section 4(a)(2) of the Securities Act as a sale by the Company not involving a public offering. No underwriters were involved with the issuance of such securities.

## ITEM 6. [Reserved]

## ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### INTRODUCTION

Management's Discussion and Analysis of Financial Condition and Results of Operations of our business is designed to provide a reader of our financial statements with a narrative from the perspective of management. You should read the following discussion in conjunction with the sections entitled "Envista Holdings Corporation Audited Consolidated Financial Statements" included in this Annual Report on Form 10-K. This section of the Form 10-K generally discusses 2023 and 2022 items and year-to-year comparisons between 2023 and 2022. Discussion of 2021 items and year-to-year comparisons between 2022 and 2021. Discussion of 2020 items and year-to-year comparisons between 2021 and 2020 are not included in this Form 10-K, and can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of the Company's Annual Report on Form 10-K for the year ended December 31, 2021 December 31, 2022.

Management's Discussion and Analysis of Financial Condition and Results of Operations is divided into six sections:

- Overview
- Results of Operations
- Liquidity and Capital Resources
- Qualitative and Quantitative Disclosures About Market Risk
- Critical Accounting Estimates
- New Accounting Standards

## OVERVIEW

### General

We provide products that are used to diagnose, treat and prevent disease and ailments of the teeth, gums and supporting bone, as well as to improve the aesthetics of the human smile. We help our customers deliver the best possible patient care through industry-leading solutions, technologies, and services. With leading brand names, innovative technology and significant market positions, we are a leading worldwide provider of a broad range of solutions to support implant-based tooth replacements, orthodontic treatments, digital imaging and diagnostics, diagnostic solutions, as well as general dental consumables, equipment and services, and are dedicated to driving technological innovations that help dental professionals improve clinical outcomes and enhance productivity. Our research and development, manufacturing, sales, distribution, service and administrative facilities are located in more than 30 countries across North America, Asia, Europe, the Middle East and Latin America.

During 2022, 51% 2023, 53% of our sales were derived from customers outside the United States. As a global provider of dental consumables, equipment and services, our operations are affected by worldwide, regional and industry-specific economic and political factors. Given the broad range of dental products, software and services provided and geographies served, we do not use any indices other than general economic trends to predict our overall outlook. Our individual businesses monitor key competitors and customers, including to the extent possible their sales, to gauge relative performance and the outlook for the future.

As a result of our geographic and product line diversity, we face a variety of opportunities and challenges, including rapid technological development in most of our served markets, the expansion and evolution of opportunities in emerging markets, trends and costs associated with a global labor force, consolidation of our competitors and increasing regulation. We operate in a highly competitive business environment in most markets, and our long-term growth and profitability will depend in particular on our ability to expand our business in emerging geographies and emerging market segments, identify, consummate and integrate appropriate acquisitions, develop innovative and differentiated new products and services, expand and improve the effectiveness of our sales force, continue to reduce costs and improve operating efficiency and quality and effectively address the demands of an increasingly regulated global environment. We are making significant investments to address the rapid pace of technological change in our served markets and to globalize our manufacturing, research and development and customer-facing resources (particularly in emerging markets and our dental implant business) in order to be responsive to our customers throughout the world and improve the efficiency of our operations.

### Key Trends and Conditions Affecting Our Results of Operations

#### ***COVID-19 Debt Financing Transactions***

The extent of the impact of the COVID-19 pandemic on our business remains uncertain and difficult to predict because of the dynamic and evolving nature of the situation. The global impact of the outbreak continues to adversely affect many industries, and different geographies continue to reflect the effects of public health restrictions in various ways. The economic recovery following the impact of the COVID-19 pandemic is only partially underway and has been gradual, uneven and characterized by meaningful dispersion across sectors and regions with uncertainty regarding its ultimate length and trajectory. During the year ended December 31, 2022 December 31, 2023, notwithstanding improvement we issued \$500.2 million of 2028 Convertible Notes, entered into the Second Amended Credit Agreement, and executed exchanges with a limited number of holders of the 2025 Convertible Notes consisting of approximately \$403.0 million in cash, which includes accrued interest, and approximately 8.4 million shares of our common stock (the "Notes Exchanges"). We recognized a non-cash inducement charge of \$28.5 million in connection with the Notes Exchanges which was recorded within Other (expense) income in the Consolidated Statements of Operations. See "Liquidity and Capital Resources – Debt Financing Transactions" in this Annual Report on Form 10-K for further discussion.

#### ***General Economic Conditions***

In addition to industry-specific factors, we, like other businesses, face challenges related to global economic conditions, including rising inflation, increasing interest rates, fluctuating foreign currency exchange rates, slowing economic growth, and continuing supply chain disruptions. Dental costs are largely out-of-pocket for the

consumer and thus utilization rates can vary significantly depending on economic growth. While many markets of our products are considered necessary by patients regardless of the economic environment, certain products and services that support discretionary dental procedures may be more susceptible to changes in which we operate due to economic conditions.

#### **Pricing Controls**

Certain countries, as well as some private payors, also control the price of health care products, directly or indirectly, through reimbursement, payment, pricing or coverage limitations, tying reimbursement to outcomes or (in the case of governmental entities) compulsory licensing. For example, China has implemented volume-based procurement ("VBP") policies, a return to more normalized business operations, certain markets continued to be adversely impacted by COVID-19. In particular, sales decreased series of centralized reforms instituted in China due to lockdowns early in the year on both a national and a subsequent relaxing of restrictions, which regional basis that has resulted in increased infection rates.

#### **Russia-Ukraine Conflict**

Russia's invasion of Ukraine significant price cuts for medical and the global response to this invasion, including sanctions imposed by the U.S. and other countries, could have an adverse impact on our business, including our ability to market and sell products in the affected regions, potentially heightening our risk of cyber security attacks, impacting our ability to enforce our intellectual property rights in Russia, creating disruptions in the global supply chain, and potentially having an adverse impact on the global economy, financial markets, energy markets, currency rates and otherwise. Russia's invasion of Ukraine did not have a material impact on our financial position or results of operations as of and for the year ended December 31, 2022. dental consumables.

#### **Industry Trends**

We operate in the large and growing global dental products industry. We believe growth in the global dental industry will be driven by:

- an aging population;
- the current under penetration of dental procedures, especially in emerging markets;
- improving access to complex procedures due to increasing technological innovation;
- an increasing demand for cosmetic dentistry; and
- the growth of DSOs, which are expected to drive increasing penetration of, and access to, dental care globally.

#### **Product Development, New Product Launches and Commercial Investment**

A key element of our targeted value creation strategy is to drive growth through portfolio development and product innovation. Our future growth and success depend on both our pipeline of new products and technologies, including new products and technologies that we may obtain through license or acquisition, and the expansion of the use of our existing products and technologies. We believe we are a leader in dental research and development ("R&D"), &D, with approximately \$287.3 million \$294.4 million of R&D expenditures since 2020 2021 and a track record of product innovation, business development and commercialization.

We continue transforming our portfolio by investing in our Implant-Based Tooth Replacement and Orthodontic Solutions businesses and also making investments in emerging markets, critical to our growth strategy. The cost reduction initiatives we have taken and will continue to undertake in the future allow us to further invest in this growth strategy, which in turn we believe should improve our margins.

Our continued investment in Spark, our clear aligner system, has led to increased manufacturing capacity and continues to gain market adoption as orthodontists and their patients see the benefits of the clear, stain resistant and comfortable design. We believe that Spark will provide growth opportunities for our Orthodontic Solutions business over the next several years.

#### **Foreign Exchange Rates**

Significant portions of our sales and costs are exposed to changes in foreign exchange rates. During the year ended December 31, 2022 December 31, 2023, our products were sold in more than 140 130 countries and 51% 53% of our sales were to customers outside of the United States. We seek to manage our foreign exchange risk, in part, through our operations, including managing same-currency sales in relation to same-currency costs and same-currency assets in relation to same-currency liabilities. As our operations use multiple foreign currencies, including the euro, British pound, Brazilian real, Australian dollar, Japanese yen, Canadian dollar and Chinese yuan, changes in those currencies relative to the U.S. dollar will impact our sales, cost of sales and expenses, and consequently, net income. Exchange rate fluctuations in emerging markets may also directly affect our customers' ability to buy our products in these geographic markets.

On a year-over-year basis, currency exchange rates negatively impacted reported sales by 3.5% 0.9% for the year ended December 31, 2022 December 31, 2023 compared to the comparable period of 2021, 2022, primarily due to the strengthening of the U.S. dollar against most major currencies. Any future strengthening of the U.S. dollar against major currencies would adversely impact our sales and results of operations and any weakening of the U.S. dollar against major currencies would positively impact our sales and results of operations.

#### **General Economic Conditions**

In addition to industry-specific factors, we, like other businesses, face challenges related to global economic conditions, including rising inflation, increasing interest rates, fluctuating foreign currency exchange rates, slowing economic growth, and continuing supply chain disruptions. Dental costs are largely out-of-pocket for the consumer and thus utilization rates can vary significantly depending on economic growth. While many of our products are considered necessary by patients regardless of the economic environment, certain products and services that support discretionary dental procedures may be more susceptible to changes in economic conditions.

Other countries, as well as some private payors, also control the price of health care products, directly or indirectly, through reimbursement, payment, pricing or coverage limitations, tying reimbursement to outcomes or (in the case of governmental entities) compulsory licensing. For example, China has implemented volume-based procurement policies, a series of centralized reforms instituted in China on both a national and regional basis that has resulted in significant price cuts for medical and dental consumables.

#### **Manufacturing and Supply**

To date, COVID-19 has had, and may continue to have, an adverse impact on our supply chains and distribution systems. The increase in consumer demand resulting from the lifting of lockdowns has created significant challenges for supply chains as a result of labor and raw material shortages.

In order to sell our products, we must be able to reliably produce and ship our products in sufficient quantities. Many of our products involve complex manufacturing processes and are produced at one or a limited number of manufacturing sites.

Minor deviations in our manufacturing or logistical processes, unpredictability of a product's regulatory or commercial success or failure, the lead time necessary to construct highly technical and complex manufacturing sites and shifting customer demand increase the potential for capacity imbalances. For a discussion of risks relating to our manufacturing process, refer to "Item 1A. Risk Factors—Risks Related to Our Business."

#### **Russia-Ukraine Conflict**

Russia's invasion of Ukraine and the global response to this invasion, including sanctions imposed by the U.S. and other countries, could have an adverse impact on our business, including our ability to market and sell products in the affected regions, potentially heightening our risk of cyber security attacks, impacting our ability to enforce our intellectual property rights in Russia, creating disruptions in the global supply chain, and potentially having an adverse impact on the global economy, financial markets, energy markets, currency rates and otherwise. While we are experiencing volatility in sales from this region, Russia's invasion of Ukraine did not have a material impact on our overall financial position or results of operations as of and for the years ended December 31, 2023 and 2022.

#### **Israel-Hamas War**

In response to the attacks in Israel and the subsequent hostilities, we continue to monitor the social, political, and economic environment in Israel and in the region for any impact to our operations. Revenue generated from Israel is approximately \$13.0 million annually. We also maintain a production facility in Israel related to our Alpha-Bio Tech Implant brand. While we have experienced some volatility in the region, the Israel-Hamas War has not had a material impact on our business.

#### **Components of Sales and Costs and Expenses**

##### **Sales**

Our sales are primarily derived from the sale of dental consumables, equipment and services to third-party distributors and end-users. For additional information regarding our products, including descriptions of our products, refer to "Item 1. Business—Business Segments."

##### **Costs and Expenses and Other**

*Cost of sales* consists primarily of cost of materials, facilities and other infrastructure used to manufacture our products and shipping and handling costs attributable to delivering our products to our customers. Also included in cost of sales are productivity improvement and restructuring expenses related to our manufacturing operations.

*Selling, general and administrative ("SG&A")* expenses consist of, among other things, the costs of selling, marketing, promotion, advertising and administration (including business technology, facilities, legal, finance, human resources, business development and procurement) and amortization expense for intangible assets that have been acquired through business combinations. Also included in SG&A are productivity improvement and restructuring expenses related to our administrative operations.

*R&D* expenses consist of project costs specific to new product R&D and product lifecycle management, overhead costs associated with R&D operations, regulatory costs, product registrations and investments that support local market clinical trials for approved indications. We manage overall R&D based on our strategic opportunities and do not disaggregate our R&D expenses by the nature of the expense or by product as we do not use or maintain such information in managing our business.

*Nonoperating income (expense)* consists of the non-service cost components of net periodic benefit costs (which include interest costs, expected return on plan assets, amortization of prior service cost or credits and actuarial gains and losses), net gains or losses on equity investments, inducement charges related to convertible debt exchanges, and interest expense, net.

## Business Performance

During the year ended December 31, 2022 December 31, 2023, our sales increased 2.4% decreased 0.1%, while core sales increased 4.1% decreased 0.4% as compared to the comparable period of 2021, 2022. The impact of foreign currency exchange rates reduced sales in the year ended December 31, 2022 December 31, 2023, by 3.5% 0.9% compared to the comparable period of 2021, 2022.

## Acquisitions and Divestitures

Our growth strategy contemplates future acquisitions and we continually evaluate potential acquisitions that either strategically fit with our existing portfolio or expand our portfolio into new and attractive business areas. Our operations and results can be affected by the rate and extent to which appropriate acquisition opportunities are available, acquired businesses are effectively integrated and anticipated synergies or cost savings are achieved. During the year ended December 31, 2022, we completed two acquisitions.

On April 20, 2022, we completed our acquisition of Carestream Dental's Intraoral Scanner Business for total consideration of approximately \$580.3 million, including contingent consideration of \$7.5 million, and subject to certain customary adjustments as provided in the Purchase Agreement. The Intraoral Scanner Business manufactures, markets, sells, commercializes, distributes, services, trains, supports, and maintains operations of intraoral scanners and software, and is part of our Equipment & Consumables segment. We purchased the Intraoral Scanner Business through the acquisition of certain assets and the assumption of certain liabilities as well as the acquisition of all of the equity of certain subsidiaries of Carestream Dental.

On July 5, 2022, we acquired all of the equity of Osteogenics for total consideration of approximately \$128.2 million, subject to certain customary adjustments as provided in the Equity Purchase Agreement dated May 17, 2022. Osteogenics develops innovative regenerative solutions for periodontists, oral and maxillofacial surgeons, and clinicians involved in implant dentistry throughout the world, and is part of our Specialty Products & Technologies segment.

On December 31, 2021, we sold substantially all of the KaVo Treatment Unit and Instrument Business (the "Divestiture") to planmeca Verwaltungs GmbH, Germany ("Planmeca"), pursuant to the master sale and purchase agreement (the "Purchase Agreement") among the Company, Planmeca, and Planmeca Oy, as guarantor. Additionally, on December 30, 2021, we entered into an amendment to the Purchase Agreement (the "Amendment"), providing that However, the transfer of net assets in Russia, China and Brazil (the "Relevant Jurisdictions") be deferred until the purchaser had formed entities for such transfer of assets in each such Relevant Jurisdiction and the applicable asset transfer agreement could be was not executed and consummated (each such asset transfer, a "Deferred closed until 2022 (the "Deferred Local Closing" Closings"). Except for the implementation of the Deferred Local Closings and related matters regarding the assets in the Relevant Jurisdictions, the provisions, terms and conditions of the Purchase Agreement were not materially amended by the Amendment. The Amendment did not alter the preliminary purchase price that Planmeca paid to the Company upon the closing of the Divestiture. At December 31, 2021, we recorded a liability of \$10.8 million for the proceeds related to the Relevant Jurisdictions. As of December 31, 2022, all three Relevant Jurisdictions have closed Deferred Local Closings were completed and the related liability associated with the proceeds released. In we received total net cash consideration of \$386.4 million in accordance with the terms of the Purchase Agreement, we received total net cash consideration of \$386.4 million. Agreement.

The Divestiture was part of our strategy to structurally improve our long-term margins and represented a strategic shift with a major effect on our operations and financial results as described in Accounting Standards Codification ("ASC") 205-20. The sale met the criteria to be accounted for as a discontinued operation. Accordingly, we have applied discontinued operations treatment for the Divestiture as required by ASC 205-20. In accordance with ASC 205-20 we reclassified the Divestiture to assets and liabilities held for sale on our Consolidated Balance Sheets and reclassified the financial results of the Divestiture in our Consolidated Statements of Operations for all periods presented. the years ended December 31, 2022 and 2021. Our Consolidated Statements of Cash Flows include the financial results of the KaVo Treatment Unit and Instrument Business for all periods presented. the years ended December 31, 2022 and 2021. We also revised our discussion and presentation of operating and financial results to be reflective of our continuing operations as required by ASC 205-20. All segment information and descriptions exclude the KaVo Treatment Unit and Instrument Business.

With the sale of the KaVo Treatment Unit and Instrument business Business and our two recent acquisitions, we continue to make significant progress toward our long-term goal of re-calibrating our product portfolio to higher growth and higher margin segments. The Divestiture and the acquisitions shifted our revenue mix from approximately 50% each for the Specialty Products & Technology and Equipment & Consumables segments to 62% 64% for the Specialty Products & Technology segment and 38% 36% for the Equipment & Consumables segment. The Specialty Products & Technology segment is a higher growth and higher margin business than the Equipment & Consumables segment. These transactions have allowed us to focus more on higher value and higher margin consumables, imaging, and digital workflow solutions.

## Non-GAAP Measures

In order to establish period-to-period comparability, we include the non-GAAP measure of core sales in this report. References to the non-GAAP measure of core sales (also referred to as core revenues or sales/revenues from existing businesses) refer to sales calculated according to GAAP, but excluding:

- sales from acquired businesses;
- sales from discontinued products; and
- the impact of currency translation.

We exclude sales from acquired businesses in order to provide accurate year over year comparisons. Sales from discontinued products includes major brands or major products that we have made the decision to discontinue as part of a portfolio restructuring. Discontinued brands or products consist of those which we (1) are no longer manufacturing, (2) are no longer investing in the research or development of, and (3) expect to discontinue all significant sales of 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. We exclude 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.

The portion of sales attributable to currency translation is calculated as the difference between:

- the period-to-period change in sales; and
- the period-to-period change in sales after applying current period foreign exchange rates to the prior year period.

Core sales growth should be considered in addition to, and not as a replacement for or superior to, sales, and may not be comparable to similarly titled measures reported by other companies. We believe that reporting the non-GAAP financial measure of core sales growth provides useful information to investors by helping identify underlying growth trends in our on-going business and facilitating comparisons of our sales performance with our performance in prior and future periods and to our peers. We also use core sales growth to measure our operating and financial performance. We exclude the effect of currency translation from core sales because currency translation is not under our control, is subject to volatility and can obscure underlying business trends.

Throughout this discussion, references to sales volume refer to the impact of both price and unit sales and references to productivity improvements generally refer to improved cost-efficiencies resulting from the ongoing application of EBS. We believe our deep-rooted commitment to EBS helps drive our market leadership and differentiates us in the dental products industry. EBS encompasses not only lean tools and processes, but also methods for driving growth, innovation and leadership. Within the EBS framework, we pursue a number of ongoing strategic initiatives relating to streamlining business operations, portfolio simplification, reduction of costs, redeployment of resources, customer insight generation, product development and commercialization, efficient sourcing, and improvement in manufacturing and back-office support, all with a focus on continually improving quality, delivery, cost, growth and innovation.

## RESULTS OF OPERATIONS

The following discussion and analysis of our consolidated statements of earnings should be read along with our **audited consolidated financial statements** **Consolidated Financial Statements** included elsewhere in this Annual Report on Form 10-K. Unless otherwise indicated, all financial data in this Annual Report on Form 10K 10-K refer to continuing operations only. For more information on the consolidated basis of preparation, see Note 1 to our **audited consolidated financial statements** **Consolidated Financial Statements** elsewhere in this Annual Report on Form 10-K.

(\$ in millions)	Years Ended December 31,						% Change 2022/2021	% Change 2021/2020
	2022		2021		2020			
Sales	\$ 2,569.1	100.0%	\$ 2,508.9	100.0%	\$ 1,929.1	100.0%	2.4 %	30.1 %
Cost of sales	1,094.3	42.6%	1,082.4	43.1%	874.3	45.3%	1.1 %	23.8 %
Gross profit	1,474.8	57.4%	1,426.5	56.9%	1,054.8	54.7%	3.4 %	35.2 %
Operating costs:								
SG&A expenses	1,055.5	41.1%	1,019.8	40.6%	924.6	47.9%	3.5 %	10.3 %
R&D expenses	100.1	3.9%	100.5	4.0%	86.7	4.5%	(0.4)%	15.9 %
Operating profit	319.2	12.4%	306.2	12.2%	43.5	2.3%	4.2 %	603.9 %
Nonoperating income (expense):								
Other income (expense)	3.1	0.1%	2.4	0.1%	(1.0)	(0.1)%	29.2 %	NM
Interest expense, net	(38.4)	(1.5)%	(54.1)	(2.2)%	(62.5)	(3.2)%	(29.0)%	(13.4)%
Income (loss) before income taxes	283.9	11.1%	254.5	10.1%	(20.0)	(1.0)%	11.6 %	NM
Income tax (benefit) expense	45.9	1.8%	(9.0)	(0.4)%	(62.5)	(3.2)%	NM	(85.6)%
Income from continuing operations	238.0	9.3%	263.5	10.5%	42.5	2.2%	(9.7)%	520.0 %
Income (loss) from discontinued operations, net of tax	5.1	0.2%	77.0	3.1%	(9.2)	(0.5)%	(93.4)%	NM
Net income	\$ 243.1	9.5%	\$ 340.5	13.6%	\$ 33.3	1.7%	(28.6)%	922.5 %
Effective tax rate	16.2 %		(3.5)%		312.5 %			

Non-meaningful percentage change related to year-to-year comparisons are designated as NM.

	Years Ended December 31,	% Change	% Change
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(\$ in millions)	2023		2022		2021		2023/2022	2022/2021
Sales	\$ 2,566.5	100.0%	\$ 2,569.1	100.0%	\$ 2,508.9	100.0%	(0.1)%	2.4 %
Cost of sales	1,126.0	43.9%	1,094.3	42.6%	1,082.4	43.1%	2.9 %	1.1 %
Gross profit	1,440.5	56.1%	1,474.8	57.4%	1,426.5	56.9%	(2.3)%	3.4 %
Operating costs:								
SG&A expenses	1,056.9	41.2%	1,055.5	41.1%	1,019.8	40.6%	0.1 %	3.5 %
R&D expenses	93.8	3.7%	100.1	3.9%	100.5	4.0%	(6.3)%	(0.4)%
Goodwill and intangible asset impairment	258.3	10.1%	—	—%	—	—%	NM	— %
Operating profit	31.5	1.2%	319.2	12.4%	306.2	12.2%	(90.1)%	4.2 %
Nonoperating (expense) income:								
Other (expense) income, net	(23.0)	(0.9)%	3.1	0.1%	2.4	0.1%	NM	29.2 %
Interest expense, net	(63.4)	(2.5)%	(38.4)	(1.5)%	(54.1)	(2.2)%	65.1 %	(29.0)%
(Loss) income before income taxes	(54.9)	(2.1)%	283.9	11.1%	254.5	10.1%	(119.3)%	11.6 %
Income tax expense (benefit)	45.3	1.8%	45.9	1.8%	(9.0)	(0.4)%	(1.3)%	NM
(Loss) income from continuing operations	(100.2)	(3.9)%	238.0	9.3%	263.5	10.5%	(142.1)%	(9.7)%
Income from discontinued operations, net of tax	—	—%	5.1	0.2%	77.0	3.1%	(100.0)%	(93.4)%
Net (loss) income	\$ (100.2)	(3.9)%	\$ 243.1	9.5%	\$ 340.5	13.6%	(141.2)%	(28.6)%
Effective tax rate	(82.5)%		16.2 %		(3.5)%			
NM - Non-meaningful percentage change related to year-to-year comparisons								

## Business Segments

Sales by business segment were as follows (\$ in millions):

For the Years Ended December 31,			
	2022	2021	2020
For the Years Ended December 31,			
	2023	2023	2022
Specialty Products & Technologies	Specialty Products & Technologies	\$1,598.6	\$1,507.8
Equipment & Consumables	Equipment & Consumables	970.5	1,001.1
Total	Total	\$2,569.1	\$2,508.9
		\$1,929.1	\$1,929.1

## GAAP Reconciliation

### Sales and Core Sales Growth

2022		vs. 2021 vs.		2023 vs. 2022		2022 vs. 2021	
	2021	2020					
2023 vs. 2022							
Total sales growth (GAAP)	Total sales growth (GAAP)	2.4 %	30.1 %	Total sales growth (GAAP)	(0.1) %	2.4 %	
Less the impact of:	Less the impact of:						
Acquisitions	Acquisitions	(1.8) %	— %				
Discontinued products	— %	0.4 %					
Acquisitions							

Acquisitions		(1.2) %	(1.8) %
Currency exchange rates			
Currency exchange rates			
Currency exchange rates	Currency exchange rates	3.5 % (1.5)%	
Core sales growth (non-GAAP)	Core sales growth (non-GAAP)	4.1 % 29.0 %	

Sales and core sales growth for the year ended December 31, 2022 increased 2.4% December 31, 2023 decreased 0.1% and 4.1% 0.4%, respectively, compared to the comparable period in 2021, 2022. An increase in sales volume positively impacted sales growth by 2.5% 0.7% on a period-over-period basis, combined with a price increase of 1.6%. Sales in developed markets increased primarily due to strong growth in Western Europe combined with a modest increase in North America. Sales in emerging markets increased primarily due to continued recovery from the COVID-19 pandemic, partially offset by a decrease in China sales due to localized responses to the pandemic, including lockdowns early price of 1.1%. The decrease in the year and subsequent relaxing of restrictions which resulted sales is driven by lower demand from North America, partially offset by higher demand in an increase to infection rates. Europe.

#### COST OF SALES AND GROSS PROFIT MARGIN

For the Years Ended December 31,				For the Years Ended December 31,				
(\$ in millions)	(\$ in millions)	2022	2021	2020	(\$ in millions)	2023	2022	2021
Cost of sales	Cost of sales	\$1,094.3	\$1,082.4	\$874.3				
Gross profit margin	Gross profit margin	57.4 %	56.9 %	54.7 %		56.1 %	57.4 %	56.9 %

The increase in cost of sales during the year ended December 31, 2022 December 31, 2023, as compared to the comparable period in 2021, 2022, was primarily due to higher sales unfavorable product mix and the unfavorable impact of higher costs due to inflation, the impact of foreign currency exchange rates, partially offset by lower restructuring spend, the absence of the amortization of the fair value adjustments related to acquired inventory as part of our acquisitions, and by period-over-period savings associated with productivity improvements.

The increase decrease in gross profit margin during the year ended December 31, 2022 December 31, 2023, as compared to the comparable period in 2021, 2022, was primarily due to an increase in unfavorable product mix, unfavorable sales volume and price, combined with lower restructuring spend, partially offset by the unfavorable impact from foreign exchange rates and higher costs due to inflation, the impact of foreign currency exchange rates, partially offset by an increase in volume, the absence of the amortization of the fair value adjustments related to acquired inventory as part of our acquisitions, and by period-over-period savings associated with productivity improvements.

#### OPERATING EXPENSES

For the Years Ended December 31,				For the Years Ended December 31,				
(\$ in millions)	(\$ in millions)	2022	2021	2020	(\$ in millions)	2023	2022	2021
Selling, general and administrative expenses	Selling, general and administrative expenses	\$1,055.5	\$1,019.8	\$924.6				
Selling, general and administrative expenses	Selling, general and administrative expenses							
Selling, general and administrative expenses	Selling, general and administrative expenses							

Research and development expenses	Research and development expenses	\$ 100.1	\$ 100.5	\$ 86.7
Goodwill and intangible asset impairment				
SG&A as a % of sales	SG&A as a % of sales	41.1 %	40.6 %	47.9 %
R&D as a % of sales	R&D as a % of sales	3.9 %	4.0 %	4.5 %

The increase in SG&A expenses as a percentage of sales for the year ended December 31, 2022 as compared to December 31, 2023, was consistent with the comparable period of 2021, was primarily due to higher sales and marketing expenses, increased amortization of intangible assets and acquisition related costs, partially offset by higher sales volume in 2022.

R&D expenses as a percentage of sales for the year ended December 31, 2022 December 31, 2023, was consistent with the comparable period in 2021 2022.

Goodwill and intangible asset impairment for the year ended December 31, 2023 consisted of a \$212.3 million goodwill charge and a \$46.0 million intangible asset charge. Approximately \$134.5 million of the goodwill impairment charge related to our Specialty Products & Technologies segment and \$77.8 million related to our Equipment & Consumables segment. The reduction in value is primarily due to significant increases in discount rates utilized in valuing these reporting units, adverse macroeconomic factors such as higher cost of borrowing and inflationary pressures, geopolitical factors, and lower forecast of operating results which contributed to reduced expectation of future cash flows. The intangible asset impairment charge related to certain indefinite-lived trade names within the Specialty Products & Technologies segment. The reduction in the intangible value is primarily due to higher discount rates and reduction in projected cash flows as discussed above.

#### OTHER (EXPENSE) INCOME, (EXPENSE), NET

Included in otherOther (expense) income, (expense) net for the years year ended December 31, 2022 December 31, 2023 consists primarily of \$29.0 million of inducement and 2021 were \$3.1 million and \$2.6 million, respectively of other income (expense) components expenses associated with the Notes Exchanges, offset by \$2.5 million of net periodic benefit costs. costs and \$3.6 million net gain on equity investments.

#### INTEREST COSTS AND FINANCING

Interest costs were \$38.4 million \$63.4 million and \$54.1 million \$38.4 million for the years ended December 31, 2022 December 31, 2023 and 2021, 2022, respectively. The decrease increase in interest expense for the year ended December 31, 2022 December 31, 2023 as compared to the comparable period of 2021 2022 was primarily due to the absence of accretive interest expense related to the convertible debt discount as a result of adopting ASU 2020-06 and overall lower debt outstanding, partially offset by higher interest rates. rates on our variable rate term borrowings and increased borrowing during the year ended December 31, 2023.

For a discussion of our outstanding indebtedness, refer to Note 16 to our audited consolidated financial statements Consolidated Financial Statements elsewhere in this Annual Report on Form 10-K.

#### INCOME TAXES

	For the Years Ended December 31,		
	2022	2021	2020
Effective tax rate	16.2 %	(3.5)%	312.5 %

	For the Years Ended December 31,		
	2023	2022	2021
Effective tax rate	(82.5)%	16.2 %	(3.5)%

Our effective tax rate for the year ended December 31, 2022 December 31, 2023 was 16.2% (82.5)% compared to (3.5)% 16.2% in 2021 2022. The change in the effective rate was primarily due to the Company's geographical mix impact of earnings the nondeductible impairment of goodwill and nondeductible convertible debt inducement expense for U.S. income tax purposes, establishing a valuation allowance against certain Swiss U.S. non-deductible interest carryforwards, and a decrease in certain discrete tax benefits in 2021 benefits.

On August 16, 2022, the U.S. enacted the Inflation Reduction Act of 2022, which, among other things, implements a 15% minimum tax on book income of certain large corporations, a 1% excise tax on net stock repurchases and several tax incentives to promote clean energy. This legislation did not recurring in 2022, have a material impact on our Consolidated Financial Statements.

#### **SPECIALTY PRODUCTS & TECHNOLOGIES**

Our Specialty Products & Technologies segment primarily develops, manufactures and markets dental implant systems, including regenerative products, dental prosthetics and associated treatment software and technologies, as well as orthodontic bracket systems, aligners and lab products.

#### **Specialty Products & Technologies Selected Financial Data**

For the Years Ended December 31,			For the Years Ended December 31,		
For the Years Ended December 31,			For the Years Ended December 31,		
(\$ in millions)	(\$ in millions)	2022	2021	2020	(\$ in millions)
Sales	Sales	\$1,598.6	\$1,507.8	\$1,117.3	
Operating profit	Operating profit	268.6	272.3	65.8	
Depreciation		20.5	24.0	20.6	
Amortization		60.2	60.0	60.0	
Operating profit as a % of sales	% of sales	16.8 %	18.1 %	5.9 %	
Depreciation as a % of sales		1.3 %	1.6 %	1.8 %	
Amortization as a % of sales		3.8 %	4.0 %	5.4 %	
Operating profit as a % of sales					
Operating profit as a % of sales				14.1 %	18.1 %

#### **GAAP Reconciliation**

##### **Sales and Core Sales Growth**

2022		2021 vs.		2023 vs. 2022		2022 vs. 2021	
		2021	2020				
Total sales growth (GAAP)	Total sales growth (GAAP)	6.0 %	34.9 %			2.7 %	6.0 %
Less the impact of:	Less the impact of:						
Acquisitions	Acquisitions	(1.1)%	— %				
Discontinued products		— %	(0.1)%				



Sales and core sales growth for the year ended December 31, 2022 December 31, 2023 increased 6.0% 2.7% and 9.1% 2.9%, respectively, compared to the comparable period in 2021, 2022. Sales growth increased by 8.4% 4.3% due to higher volume as demand improved for implant systems and orthodontic products, combined with an on a period-over-period basis, partially offset by a decrease in sales price of 1.4% in part due to the VBP program. The increase in sales price which impacted sales growth by 0.7% on a period-over-period basis.

Sales in developed markets, for the year ended December 31, 2022, increased is primarily due to an increase growth in North America, Western Europe, Eastern Europe and as well as sales in emerging markets, primarily due to reduced impact of COVID-19 measures. China, partially offset by lower demand from North America.

Additionally, sales for the year ended December 31, 2022 December 31, 2023 were also positively impacted by the acquisition of Osteogenics.

#### Operating Profit

Operating profit margin was 16.8% 14.1% for the year ended December 31, 2022 December 31, 2023, as compared to an operating profit margin of 18.1% 16.8% for the comparable period of 2021, 2022. The decrease in operating profit margin for the year ended December 31, 2022, was primarily due to unfavorable product mix as well as and a decrease in sales price, higher costs due to the impact of foreign currencies and investments in our long-term growth initiatives, including higher sales and marketing expenses and the impact of inflation. The costs were partially offset by higher an increase in sales volume and price, by period-over-period savings associated with productivity improvements.

#### EQUIPMENT & CONSUMABLES

Our Equipment & Consumables segment primarily develops, manufactures and markets dental equipment and supplies used in dental offices, including digital imaging systems, software and other visualization/magnification systems; endodontic systems and related consumables; restorative materials and instruments, rotary burs, impression materials, bonding agents and cements and infection prevention products.

#### Equipment & Consumables Selected Financial Data

For the Year Ended December 31,			For the Year Ended December 31,		
(\$ in millions)	(\$ in millions)	2022	2021	2020	(\$ in millions)
Sales	Sales	\$970.5	\$1,001.1	\$811.8	2023
Operating profit	Operating profit	172.4	153.8	53.6	2022
Depreciation		8.8	9.9	11.4	2021
Amortization		45.8	21.5	27.3	
Operating profit as a % of sales	Operating profit as a % of sales	17.8 %	15.4 %	6.6 %	
Depreciation as a % of sales		0.9 %	1.0 %	1.4 %	
Amortization as a % of sales		4.7 %	2.1 %	3.4 %	

Operating profit as a % of sales						
Operating profit as a % of sales	16.9	%	17.8	%	15.4	%
<b>GAAP Reconciliation</b>						

#### Sales and Core Sales Growth

	2022 vs. 2021 vs. 2021 2020	2023 vs. 2022	2023 vs. 2022	2022 vs. 2021
Total sales growth (GAAP)	Total sales growth (GAAP) (3.1)% 23.3 %	Total sales growth (GAAP)	(4.8) %	(3.1) %
Less the impact of: Acquisitions	Less the impact of: Acquisitions Acquisitions (2.8)% 1.0 %			
Acquisitions			(1.5) %	(2.8) %
Acquisitions				
Currency exchange rates	Currency exchange rates 2.5 % (0.9)%	Currency exchange rates	0.4 %	2.5 %
Core sales growth (non- GAAP)	Core sales growth (non- GAAP) (3.4)% 23.4 %	Core sales growth (non-GAAP)	(5.9) %	(3.4) %

#### Sales

Sales and core sales growth for the year ended December 31, 2022 December 31, 2023 decreased 3.1% 4.8% and 3.4% 5.9%, respectively, compared to the comparable period in 2021. Price positively 2022. A decrease in sales volume negatively impacted sales growth by 2.9% 5.3% on a period-over-period basis while combined with a decrease in sales decreased by 6.3% price of 0.6%. The decrease in sales is primarily due to lower demand for our imaging products and infection prevention products, offset by increased demand in our restorative and endodontic solutions.

Sales in developed markets, for the year ended December 31, 2022, decreased primarily due to a decrease in from North America, Europe and Western Europe combined with the decrease in sales in China and other emerging markets. China.

Sales for the year ended December 31, 2022 December 31, 2023, were positively impacted by the acquisition of the our Intraoral Scanner Business.

#### Operating Profit

Operating profit margin was 17.8% 16.9% for the year ended December 31, 2022 December 31, 2023, as compared to an operating profit margin of 15.4% 17.8% for the comparable period of 2021, 2022. The increase decrease in operating profit margin was primarily due to higher lower sales, and unfavorable sales price, favorable product mix, and lower restructuring costs, partially offset by lower sales volume, increased period-over-period savings associated with productivity improvements and decreased amortization of intangibles, and an unfavorable incremental material price costs due in part to inflation, intangible assets.

#### LIQUIDITY AND CAPITAL RESOURCES

We assess our liquidity in terms of our ability to generate cash to fund our operating and investing activities. We continue to generate substantial cash from operating activities and believe that our operating cash flow and other sources of liquidity are sufficient to allow us to manage our capital structure on a short-term and long-term basis and continue investing in existing businesses and consummating strategic acquisitions.

Following is an overview of our cash flows and liquidity, which includes the cash flows of the KaVo Treatment Unit and Instrument Business for all periods presented: the years ended December 31, 2022 and 2021:

#### Overview of Cash Flows and Liquidity

Year Ended December 31,	Year Ended December 31,	Year Ended December 31,

(\$ in millions)	(\$ in millions)	2022	2021	2020	(\$ in millions)	2023	2022	2021
Net cash provided by operating activities	Net cash provided by operating activities	\$ 182.7	\$ 361.6	\$ 283.9				
Acquisitions, net of cash acquired		\$ (696.2)	\$ (2.1)	\$ (40.7)				
Payments for additions to property, plant and equipment								
Payments for additions to property, plant and equipment								
Payments for additions to property, plant and equipment	Payments for additions to property, plant and equipment	(75.7)	(54.7)	(47.7)				
Proceeds from sales of property, plant and equipment	Proceeds from sales of property, plant and equipment	3.3	11.6	5.3				
Proceeds from sale of equity investment								
Acquisitions, net of cash acquired								
Proceeds from sale of KaVo Treatment Unit and Instrument Business	Proceeds from sale of KaVo Treatment Unit and Instrument Business	73.9	312.5	—				
Proceeds from the settlement of derivative financial instruments	Proceeds from the settlement of derivative financial instruments	56.0	11.4	14.0				
All other investing activities	All other investing activities	(18.6)	(16.0)	—				
Net cash (used in) provided by investing activities	Net cash (used in) provided by investing activities	\$ (657.3)	\$ 262.7	\$ (69.1)				

Proceeds from issuance of convertible notes due 2028	
Proceeds from issuance of convertible notes due 2028	
Proceeds from issuance of convertible notes due 2028	
Debt issuance costs related to issuance of convertible notes due 2028	
Principal paid related to exchange of convertible notes due 2025	
Proceeds from borrowing	
Repayments of borrowing	
Debt issuance costs related to other borrowings	
Proceeds from revolving line of credit	\$ 124.0
Repayment of revolving line of credit	(124.0)
Proceeds from borrowing	0.3
Repayments of borrowing	(0.5)
Proceeds from issuance of convertible senior notes	—
	517.5

Payment of debt issuance and other deferred financing costs	—	(2.3)	(17.2)	
Purchase of capped calls related to issuance of convertible senior notes	—	—	(20.7)	
Proceeds from stock option exercises				
Proceeds from stock option exercises				
Proceeds from stock option exercises	Proceeds from stock option exercises	21.8	19.5	13.8
Tax withholding payment related to net settlement of equity awards	Tax withholding payment related to net settlement of equity awards	(9.1)	(7.2)	(5.0)
All other financing activities	All other financing activities	—	0.1	4.3
Net cash provided by (used in) financing activities	Net cash provided by (used in) financing activities	\$ 12.5	\$(465.6)	\$492.5

#### Operating Activities

Cash flows from operating activities can fluctuate significantly from period-to-period due to working capital needs and the timing of payments for income taxes, restructuring activities, pension funding and other items impacting cash flows.

Net cash provided by operating activities was **\$182.7 million** **\$275.7 million** during the year ended **December 31, 2022** and **\$361.6 million** **December 31, 2023**, as compared to net cash provided by operating activities of **\$182.7 million** in **2021**. The decrease was **2022**, primarily due to lower net income, higher transaction related costs along with lower incentive compensation payout, transaction costs associated with acquisitions and timing of tax payments. **payments** during the year ended December 31, 2023.

#### Investing Activities

Cash flows relating to investing activities consist primarily of cash used for capital expenditures and acquisitions. Capital expenditures are made primarily for increasing capacity, replacing equipment, supporting new product development and improving information technology systems.

Net cash used in investing activities was **\$657.3** **\$62.4** million during the year ended **December 31, 2022** **December 31, 2023**, as compared to net cash used in investing activities of **\$262.7** **657.3** million provided by investing activities for the comparable period in **2021**. This increase in cash used in investing activities during 2022, was the decrease is primarily due to the prior year period reflecting cash paid with respect to acquisitions, of Osteogenics and the Intraoral Scanner Business, and higher purchase of property, plant and equipment, partially offset by the proceeds from the sale of the Kavo KaVo Treatment Unit and Instruments Instrument Business and the along with proceeds received from settlement of derivative financial instruments. derivatives. Investing activities for the year ended December 31, 2023 consists of lower payments for property, plant and equipment compared to the year ended December 31, 2022 combined with the proceeds received related to the sale of an equity investment.

### Financing Activities and Indebtedness

Net cash provided by financing activities was \$118.9 million during the year ended December 31, 2022 December 31, 2023, compared to \$465.6 million used in financing activities for the comparable period of 2021. The increase in cash provided by financing activities during 2022, was primarily due to our repayment of \$472.0 million of the Euro Term Loan Facility in February 2021 in connection with an amendment higher net borrowings during 2023 partially offset by lower proceeds from stock option exercises as compared to the Credit Agreement prior year.

For a description of our outstanding debt as of December 31, 2022 December 31, 2023 including our Second Amended Credit Agreement and the senior credit facilities, 2028 Convertible Notes, refer to Note 16 to our audited consolidated financial statements Consolidated Financial Statements in this Annual Report on Form 10-K.

We intend to satisfy any short-term liquidity needs that are not met through operating cash flow and available cash primarily through our revolving credit facility.

As of December 31, 2022 December 31, 2023, we had no borrowings outstanding under the revolving credit facility and we had the ability to incur an additional \$750 million \$750.0 million of indebtedness in direct borrowings under the revolving credit facility. As of December 31, 2022 December 31, 2023, we were in compliance with all of our debt covenants.

### **Cash and Cash Requirements**

As of December 31, 2022 December 31, 2023, \$606.9 million \$940.0 million of cash and cash equivalents were held on deposit with financial institutions. Of this amount, \$92.7 million \$261.6 million was held within the United States and \$514.2 million \$678.4 million was held outside of the United States. We will continue to have cash requirements to support working capital needs, capital expenditures and acquisitions, pay interest and service debt, pay taxes and any related interest or penalties and fund our restructuring activities as required and support other business needs. We generally intend to use available cash and internally generated funds to meet these cash requirements, but in the event that additional liquidity is required, particularly in connection with acquisitions, we may need to enter into new credit facilities or access the capital markets. We may also access the capital markets from time to time to take advantage of favorable interest rate environments or other market conditions. However, there is no guarantee that we will be able to obtain alternative sources of financing on commercially reasonable terms or at all. See "Item 1A. Risk Factors—Risks Related to Our Business."

Generally, cash and cash equivalents held in these financial institutions may be withdrawn or redeemed at face value, and we therefore believe that minimal credit risk exists with respect to them. Nonetheless, deposits with these financial institutions exceed the Federal Deposit Insurance Corporation (FDIC) insurance limits or similar limits in foreign jurisdictions, to the extent such deposits are even insured in such foreign jurisdictions. While we monitor on a systematic basis the cash and cash equivalent balances in the operating accounts and adjust the balances as appropriate, these balances could be impacted if one or more of the financial institutions with which we deposit our funds fails or is subject to other adverse conditions in the financial or credit markets. To date, we have experienced no loss of principal or lack of access to our invested cash or cash equivalents; however, we can provide no assurance that access to our cash and cash equivalents will not be affected if the financial institutions where we hold our cash and cash equivalents fail.

While repatriation of some cash held outside the United States may be restricted by local laws, most of our foreign cash could be repatriated to the United States. Following enactment of the Tax Cut and Jobs Act of 2017 ("TCJA") and the associated transition tax, in general, repatriation of cash to the United States can be completed with no incremental U.S. tax; however, repatriation of cash could subject us to non-U.S. jurisdictional taxes on distributions. The cash that our non-U.S. subsidiaries hold for indefinite reinvestment is generally used to finance foreign operations and investments, including acquisitions. The income taxes, if any, applicable to such earnings including basis differences in our foreign subsidiaries are not readily determinable.

As of February 10, 2023 February 9, 2024, we believe that we have sufficient sources of liquidity to satisfy our cash needs over the next 12 months and beyond, including our cash needs in the United States.

### **Purchase Obligations**

The Company's purchase obligations primarily consist of agreements to purchase goods or services that are enforceable and legally binding and that specify all significant terms, including fixed or minimum quantities to be purchased, fixed, minimum or variable price provisions and the approximate timing of the transaction.

The following table sets forth, by period due or year of expected expiration, as applicable, a summary of purchase obligations as of December 31, 2022, December 31, 2023.

Amount of Commitment Expiration per Period									
Amount of Commitment Expiration per Period									
(\$ in millions)	(\$ in millions)	Less Than 1-4- More Than					Amount of Commitment Expiration per Period		
		Total	One Year	3 Years	5 Years	5 Years	(\$ in millions)	Total	Less Than One Year
Purchase Obligations	Purchase Obligations	\$84.6	\$77.9	\$3.2	\$2.4	\$1.1			1-3 Years
									4-5 Years
									More Than 5 Years

For a description of our remaining contractual obligations, such as debt and leases see "Item 8. Financial Statements and Supplementary Data - Notes to Consolidated Financial Statements - Note 16 - Debt and Credit Facilities" and "Note 8 - Leases."

## Off-Balance Sheet Arrangements

### Guarantees and Related Instruments

The following table sets forth, by period due or year of expected expiration, as applicable, a summary of our off-balance sheet commitments as of **December 31, 2022** December 31, 2023.

Amount of Commitment Expiration per Period										
Amount of Commitment Expiration per Period										
(\$ in millions)	(\$ in millions)	Less Than 1- 4- More Than					Amount of Commitment Expiration per Period			
		Total	One Year	3 Years	5 Years	\$ in millions	Total	Less Than One Year	1-3 Years	
Guarantees and related instruments	Guarantees and related instruments	\$19.0	\$14.5	\$3.4	\$0.4	\$0.7			4-5 Years	More Than 5 Years

Guarantees consist primarily of outstanding standby letters of credit and bank guarantees. These guarantees have been provided in connection with certain arrangements with vendors, customers, financing counterparties and governmental entities to secure our obligations and/or performance requirements related to specific transactions.

### Other Off-Balance Sheet Arrangements

In the normal course of business, we periodically enter into agreements that require us to indemnify customers, suppliers or other business partners for specific risks, such as claims for injury or property damage arising out of our products or services or claims alleging that our products or services infringe third-party intellectual property. We have not included any such indemnification provisions in the contractual obligations table above. Historically, we have not experienced significant losses on these types of indemnification obligations.

## Debt Financing Transactions

### Credit Agreement

On **September 20, 2019**, **August 31, 2023**, we entered into a credit agreement (the "Credit Agreement") with a syndicate of banks under which the Second Amended Credit Agreement, whereby we borrowed approximately \$1.3 billion, consisting of entered into the three-year \$650.0 million senior term loan facility due 2028 for \$530.0 million and the three-year €600.0 million senior euro term loan facility due 2028 for €350.0 million (collectively the "Term 2028 Term Loans"). The Second Amended Credit Agreement also included the five-year, \$250.0 million includes a revolving credit facility, facility with an aggregate available borrowing capacity of \$750.0 million. The New Senior Credit Facilities mature on August 31, 2028, and are subject to an earlier maturity date of 91 days prior to the maturity date of the 2028 Convertible Notes, if more than \$250.0 million of such notes are outstanding at that time.

On February 9, 2021, in connection with an amendment to The proceeds from the Second Amended Credit Agreement we repaid \$472.0 million of our were used to repay outstanding indebtedness for the senior term loan facility due 2024 (the "2024 Term Loan") and the senior euro term loan facility.

On June 15, 2021, facility due 2024 (the "2024 Euro Term Loan"). Additionally, we entered into an amended and restated credit agreement (the "Amended Credit Agreement") with a syndicate of banks. The Amended Credit Agreement amends and restates our Credit Agreement, originally dated September 20, 2019 (as amended by Amendment No. 1 to Credit Agreement dated as of May 6, 2020, Amendment No. 2 to Credit Agreement dated as of May 19, 2020, and Amendment No. 3 to Credit Agreement dated as of February 9, 2021).

Under the Amended Credit Agreement: (a) the maturity date of our existing Term Loans has been extended to September 20, 2024, (b) the revolving credit facility has been increased from \$250.0 million to \$750.0 million, (c) we may request further increases to the revolving credit facility in an aggregate amount not to exceed \$350.0 million, (d) the amount of cash and cash equivalents permitted to be netted in the definition of "Consolidated Funded Indebtedness" has been increased to up to the greater of (i) \$250.0 million and (ii) 50% of Consolidated EBITDA as of the most recent measurement period, and (e) the floor on Eurocurrency rate loans applicable to the revolving credit facility and the senior term loan has been reduced to zero, in each case subject to and in accordance with the terms and conditions of the Amended Credit Agreement. We paid fees aggregating approximately \$2.1 million \$5.2 million in connection with the Second Amended Credit Agreement.

### 2028 Convertible Senior Notes (the "Notes")

On **May 21, 2020**, **August 10, 2023**, we issued the 2028 Convertible Notes due on **June 1, 2025**, **August 15, 2028**, unless earlier repurchased, redeemed or converted. The aggregate principal amount, which includes the initial purchasers' exercise in full of their option to purchase an additional \$68 million \$65.2 million principal amount of the 2028 Convertible Notes, was \$517.5 million \$500.2 million. The net proceeds from the issuance, after deducting purchasers' discounts and estimated offering expenses, were \$502.6 million \$485.9 million. We used a portion of the net proceeds to partially exchange the 2025 Convertible Notes. The 2028 Convertible Notes will accrue interest at a rate of 2.375% 1.75% per annum, payable semi-annually in arrears on **June 1**, **February 15** and **December 1**, **August 15** of each year, beginning on **December 1, 2020**, **February 15, 2024**. The 2028 Convertible Notes have an initial conversion rate of 47.5862 21.5942 shares of our common stock per \$1,000 principal amount, of Notes, which is equivalent to an initial conversion price of approximately \$21.01 \$46.31 per share of our common

stock and is subject to adjustment upon the occurrence of specified events. The 2028 Convertible Notes have customary provisions relating to the occurrence of "Events of Default" (as defined in the Indenture governing the 2028 Convertible Notes).

#### Notes Exchanges

Concurrently with the offering of the 2028 Convertible Notes, in separate, privately negotiated transactions, we entered into exchange agreements with a limited number of holders of the 2025 Convertible Notes to exchange \$401.2 million principal amount of the 2025 Convertible Notes for aggregate consideration of approximately \$403.0 million in cash, including accrued interest, and approximately 8.4 million shares of our common stock. We may engage in additional exchanges, or we may repurchase or induce conversions, of the remaining 2025 Convertible Notes.

#### Capped Call Transactions

In connection with the offering of the 2025 Convertible Notes, we entered into the Capped Calls with certain counterparties. The Capped Calls each have an initial strike price of approximately \$21.01 per share, subject to certain adjustments, which corresponds to the initial conversion price of the 2025 Convertible Notes. The Capped Calls have initial cap prices of \$23.79 per share, subject to certain adjustments. The Capped Calls cover, subject to anti-dilution adjustments, 2.9 million shares of the Company's common stock. The Capped Calls are generally intended to reduce or offset the potential dilution from shares of common stock issued upon any conversion of the Notes with such reduction or offset, as the case may be, subject to a cap based on the cap price. The cost of \$20.7 million incurred in connection with the Capped Calls was recorded as a reduction to additional paid-in capital.

Simultaneously with the Notes Exchanges, we also completed a partial unwind of the Capped Calls resulting in a repurchase of 1.0 million shares of our common stock. The Capped Calls will mitigate dilution for the conversion of the remaining 2025 Convertible Notes up to our common stock price of \$23.79. If the remaining 2025 Convertible Notes are converted at a price higher than \$23.79 per share, the Capped Calls will no longer mitigate dilution from the conversion of the 2025 Convertible Notes.

For a description of our outstanding debt as of December 31, 2023, refer to Note 16 to our Consolidated Financial Statements in this Annual Report on Form 10-K.

#### Legal Proceedings

Please refer to Note 15 to our audited consolidated financial statements Consolidated Financial Statements included in this Annual Report for information regarding legal proceedings and contingencies, and for a discussion of risks related to legal proceedings and contingencies, please refer to "Item 1A. Risk Factors—General Risks."

#### QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk from changes in foreign currency exchange rates and commodity prices as well as credit risk, each of which could impact our consolidated financial statements. We generally address our exposure to these risks through our normal operating activities. Please refer to Note 2 to our audited consolidated financial statements Consolidated Financial Statements included in this Annual Report for information regarding derivative financial instruments and discussion of exposures to foreign currency and foreign currency-denominated debt.

#### Interest Rate Risk

Certain of our borrowings are at variable rates of interest, which may expose us to interest rate risk. We have a \$650 million senior term loan facility variable rate 2028 Term Loan for \$530.0 million and a €208 million senior euro term loan facility. To 2028 Euro Term Loan for €350.0 million as of December 31, 2023. We have from time to time entered into interest rate swap agreements to manage our interest rate risk, however we entered into an do not have any interest rate swap agreement during 2022, which matured in September 2022, to convert a portion agreements as of the senior term loan variable rate borrowing into a fixed rate borrowing. December 31, 2023. A 100 basis point increase in the interest rate related to the senior term loan our 2028 Term Loan and the senior euro term loan our 2028 Euro Term Loan would have increased our interest expense by \$7.0 million \$6.2 million for 2022, 2023.

#### Currency Exchange Rate Risk

We face transactional exchange rate risk from transactions with customers in countries outside the United States and from intercompany transactions between affiliates. Transactional exchange rate risk arises from the purchase and sale of goods and services in currencies other than our functional currency or the functional currency of our applicable subsidiary. We also face translational exchange rate risk related to the translation of financial statements of our foreign operations into U.S. dollars, our functional currency. Costs incurred and sales recorded by subsidiaries operating outside of the United States are translated into U.S. dollars using exchange rates effective during the respective period. As a result, we are exposed to movements in the exchange rates of various currencies against the U.S. dollar. In particular, we have more sales in European currencies than we have expenses in those currencies. Therefore, when European currencies strengthen or weaken against the U.S. dollar, operating profits are increased or decreased, respectively. The effect of a change in currency exchange rates on our net investment in international subsidiaries is reflected in the accumulated other comprehensive loss component of equity.

On January 17, 2023, we entered into a two-year \$150.0 million cross-currency swap derivative contract to partially hedge our net investment in foreign operations against the adverse movement in exchange rates between the U.S. dollar and the euro. This cross-currency contract effectively converts a portion of our U.S. dollar

senior term loan facilities to obligations denominated in euros and will partially offset the impact of changes in currency rates on foreign currency denominated net investments. For additional information on hedging transactions and derivative financial instruments, please refer to Note 11 to our Consolidated Financial Statements in this Annual Report on Form 10-K.

We have Other than the above cross-currency swap derivative contract, we generally accepted accept the exposure to exchange rate movements without using derivative financial instruments to manage this risk. Both positive and negative movements in currency exchange rates against the U.S. dollar will therefore continue to affect the reported amount of sales and net earnings in our consolidated financial statements. In addition, we have assets and liabilities held in foreign currencies. A 10% depreciation in major currencies relative to the U.S. dollar as of December 31, 2022 December 31, 2023 would have reduced equity by approximately \$248 million \$253 million.

#### **Credit Risk**

We are exposed to potential credit losses in the event of nonperformance by counterparties to our financial instruments. Financial instruments that potentially subject us to credit risk primarily consist of receivables from customers. For additional information on our credit risk from customers, please refer to "Item 1. Business."

Our businesses perform credit evaluations of our customers' financial conditions as appropriate and also obtain collateral or other security when appropriate.

#### **Commodity Price Risk**

For a discussion of risks relating to commodity prices, refer to "Item 1A. Risk Factors—Risks Related to Our Business."

### **CRITICAL ACCOUNTING ESTIMATES**

Management's discussion and analysis of our financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, sales and expenses, and related disclosure of contingent assets and liabilities. We base these estimates and judgments on historical experience, the current economic environment and on various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ materially from these estimates and judgments.

We believe the following accounting estimates are most critical to an understanding of our financial statements. Estimates are considered to be critical if they meet both of the following criteria: (1) the estimate requires assumptions about material matters that are uncertain at the time the estimate is made, and (2) material changes in the estimate are reasonably likely from period-to-period. For a detailed discussion on the application of these and other accounting estimates, refer to Note 2 to our audited consolidated financial statements. Consolidated Financial Statements in this Annual Report on Form 10-K.

#### **Business Combinations – Purchase-Price Allocation**

Our growth strategy contemplates future acquisitions that either strategically fit with our existing portfolio or expand our portfolio. As a result, accounting for such business combinations requires the allocation of purchase price to the various assets and liabilities of the acquired business at their respective fair values. We use all available information to make these fair value determinations. Determining the fair value of assets acquired requires judgement and assumptions regarding future projection of sales and operating margin, including discount rates.

#### **Acquired Intangibles**

Our business acquisitions typically result in the recognition of goodwill, patents, technology, customer relationships and other intangible assets, which affect the amount of future period amortization expense and possible impairment charges that we may incur. Refer to Notes 2, 3 and 9 to our audited consolidated financial statements. Consolidated Financial Statements for a description of our policies relating to acquisitions, goodwill and acquired intangibles.

On We review goodwill and identified intangible assets for impairment whenever events or changes in circumstances indicate that the first business day related carrying amounts may not be recoverable. We also test goodwill and intangible assets with indefinite lives at least annually for impairment. Determining whether an impairment loss occurred requires various valuation approaches, including making a comparison of the carrying amount to the sum of discounted cash flows expected to be generated by the asset. These analyses require us to make judgments and estimates about future sales, expenses, market conditions and discount rates related to these assets. If actual results are not consistent with our estimates and assumptions, goodwill and other intangible assets may be overstated and a charge would need to be taken to net income which would adversely affect our consolidated financial statements.

During the fourth quarter of 2022, 2023, we performed our annual goodwill and indefinite-lived intangible asset impairment test. We first assessed qualitative factors. For goodwill, we used a combination of techniques, including an income approach and a market-based approach in performing our annual goodwill impairment test to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount or performed a quantitative impairment test. When tested quantitatively, the estimated fair value of amount. Our reporting units was determined are the financial components of operating segments which constitute businesses for which discrete financial information is available and regularly reviewed by segment management. We estimate the fair values for our reporting units by using various valuation methods, including a combination of techniques, including an income approach discounted cash flow model with inputs developed using both internal and a market-based approach. data. Our significant assumptions in the discounted cash flow models vary amongst, and are specific to, each reporting unit which include, but are not limited to, discount rates, revenue growth rates, and operating margin assumptions. The discounted cash flow model (i.e., an income approach) requires judgments and assumptions about projected sales growth, future operating margins, discount rates and terminal values. In evaluating the estimates derived by the market-based approach, management makes judgments about the relevance and reliability of the

multiples by considering factors unique to our reporting units, including operating results, business plans, economic projections, anticipated future cash flows, business trends and our market capitalization. There are inherent uncertainties related to these assumptions and our judgment in applying them to the analysis of goodwill impairment.

Our annual goodwill impairment analysis in 2023 indicated that the fair values of three of our eight reporting units exceeded their carrying values and consequently did not result in a \$212.3 million impairment charge.

We review identified intangible assets for impairment whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable. We also test intangible assets with indefinite lives at least annually for impairment. Determining whether an impairment loss occurred requires a comparison of the carrying amount to the sum of discounted cash flows expected to be generated by the asset. These analyses require us to make judgments and estimates about future sales, expenses, market conditions and discount rates related to these assets.

If actual results are not consistent with our estimates and assumptions, goodwill and other intangible assets may be overstated and a charge would need to be taken against net income which would adversely affect our consolidated financial statements.

#### **Contingent Liabilities**

As discussed in Note 15 to our audited consolidated financial statements, we are, from time to time, subject to a variety of litigation and similar contingent liabilities incidental to our business (or the business operations of previously owned entities). We recognize a liability for any contingency that is known or probable of occurrence and reasonably estimable. These assessments require judgments concerning matters such as litigation developments and outcomes, the anticipated outcome of negotiations, the number of future claims and the cost of both pending and future claims. In addition, because most contingencies are resolved over long periods of time, liabilities may change in the future due to various factors, including those discussed in Note 15 to our audited consolidated financial statements. If the reserves we established with respect to these contingent liabilities are inadequate, we would be required to incur an expense equal to the amount of the loss incurred in The excess of the reserves, which would adversely affect our financial statements.

#### **Pension Plans**

For estimated fair value over carrying value (expressed as a description percentage of our pension accounting practices, refer carrying value for the respective reporting unit) for the five reporting units not impaired, ranged from approximately 15% to Note 13 approximately 147%, and zero for the three reporting units with impairments. In order to our audited consolidated financial statements. Calculations evaluate the sensitivity of the amount of pension costs and obligations depend on the assumptions fair value calculations used in the actuarial valuations, including assumptions regarding discount rates, expected return goodwill impairment test, we applied a hypothetical 10% decrease to the fair values of each reporting unit and compared those hypothetical values to the reporting unit carrying values. Based on plan assets, rates this hypothetical 10% decrease, the excess of salary increases, health care cost trend rates, mortality rates and other factors. If the assumptions used in calculating pension costs and obligations are incorrect or if the factors underlying the assumptions change (as estimated fair value over carrying value (expressed as a result percentage of differences in actual experience, changes in key economic indicators or other factors) our financial statements could be materially affected. A 50 basis point reduction in the discount rates used carrying value for the plans for 2022 would have increased the net obligation by \$6.2 million (\$4.8 million on an after-tax basis) from the amounts recorded in the financial statements as of December 31, 2022. A 50 basis point increase in the discount rates used respective reporting unit for the plans for 2022 would have decreased the net obligation by \$5.4 million (\$4.2 million on an after-tax basis) from the amounts recorded in the financial statements as of December 31, 2022.

The plan assets consist of various insurance contracts, equity and debt securities as determined by the administrator of each plan. The estimated long-term rate of return five reporting units not impaired, ranged from 3.50% approximately 4% to 4.10% approximately 122%. A 50 basis points For the three impaired reporting units, the application of a hypothetical 10% decrease in the expected long-term rate of return on plan assets for 2023 fair value would result in an increase additional impairment of \$0.4 million in pension expense for the plans for 2023.

#### **Income Taxes**

For a description of our income tax accounting policies, refer to Note 21 to our audited consolidated financial statements. We establish valuation allowances for our deferred tax assets if it is more likely than not that some or all of the deferred tax asset will not be realized. This requires us to make judgments and estimates regarding: (1) the ability under tax law to carry back losses, (2) timing and amount of the reversal of taxable temporary differences, (3) expected future taxable income of the appropriate character, and (4) the impact of prudent and feasible tax planning strategies that the Company would implement to prevent an otherwise expiring tax attribute to be unutilized. Future changes to enacted tax rates would also impact the amounts of deferred tax assets and liabilities and could have an adverse impact on our financial statements.

We provide for unrecognized tax benefits when, based upon the technical merits, it is "more likely than not" that an uncertain tax position will not be sustained upon examination. Judgment is required in evaluating tax positions and determining income tax provisions. We re-evaluate the technical merits of our tax positions and may recognize an uncertain tax benefit in certain circumstances, including when: (1) a tax audit is completed; (2) applicable tax laws change, including a tax case ruling or legislative guidance; or (3) the applicable statute of limitations expires.

An increase of 1.0% in our 2022 nominal tax rate would have resulted in additional income tax expense for the year ended December 31, 2022 of \$2.8 million approximately \$251 million.

On August 16, 2022, For indefinite-lived intangible assets, we used the U.S. enacted relief from royalty method to estimate the Inflation Reduction Act fair value. Our significant assumptions vary amongst, and are specific to, each underlying indefinite-lived intangible asset which includes, but is not limited to, discount rates, revenue growth rates assumptions (including perpetual growth rates) and royalty rates. As a result of 2022, which, our annual indefinite-lived intangible impairment

test during 2023, we recorded an impairment charge of \$46.0 million related to certain indefinite-lived trade names within the Specialty Products & Technologies segment. The reduction in value is primarily due to higher discount rates and reduction in projected cash flows as discussed above.

Our 2023 annual impairment analysis for indefinite-lived intangible assets, indicated that the fair value of two of our three trade names did not exceed their carrying value and consequently resulted in a \$46.0 million impairment charge. The excess of the estimated fair value over carrying value (expressed as a percentage of carrying value for the asset) for the remaining intangible asset was approximately 25%. In order to evaluate the sensitivity of the fair value calculations used in the indefinite-lived intangible asset impairment test, we applied a hypothetical 10% decrease to the fair value and compared that hypothetical value to the underlying asset carrying value. Based on this hypothetical 10% decrease, the excess of the estimated fair value over carrying value (expressed as a percentage of carrying value for the intangible asset) for the intangible asset was approximately 13%. For the two trade names impaired, the application of a hypothetical 10% decrease in fair value would result in an additional impairment of approximately \$30 million.

Furthermore, we review the carrying amounts of other finite-lived intangible assets whenever events or circumstances indicate that the carrying amounts of an asset may not be recoverable. Impairment indicators include, among other things, implements conditions, cash flow deficits, historic or anticipated declines in revenue or operating profit, and adverse legal or regulatory developments. If it is determined that such indicators are present and the review indicates that the assets will not be fully recoverable based on undiscounted estimated cash flows, their carrying values are reduced to estimated fair market value. Estimated fair market value is determined primarily using projected cash flows discounted at a 15% minimum tax on book income rate commensurate with the risk involved. For the purposes of certain large corporations, a 1% excise tax on net stock repurchases identifying and several tax incentives to promote clean energy. Based on our current analysis measuring impairment, long-lived assets are grouped with other assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the provisions, we do cash flows of other assets and liabilities. We did not believe this legislation will have a material impact on our financial statements. record any impairment loss for finite-lived intangible assets in 2023, 2022 and 2021.

## NEW ACCOUNTING STANDARDS

For a discussion of the new accounting standards impacting us, refer to Note 2 to our [audited consolidated financial statements](#) Consolidated Financial Statements in this Annual Report on Form 10-K.

## ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information required by this item is included under "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations."

## ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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### Report of Management on Envista Holdings Corporation's Internal Control Over Financial Reporting

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Internal control over financial reporting is defined in Rules 13a-15(f) and 15d-15(f) promulgated under the Securities Exchange Act of 1934.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2022 December 31, 2023. In making this assessment, the Company's management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in "Internal Control-Integrated Framework" (2013 framework). Based on this assessment, management concluded that, as of December 31, 2022 December 31, 2023, the Company's internal control over financial reporting is effective.

The Company's independent registered public accounting firm has issued an audit report on the effectiveness of the Company's internal control over financial reporting. This report dated February 16, 2023 February 15, 2024 appears on page 73 67 of this

**Report of Independent Registered Public Accounting Firm**

To the Stockholders and the Board of Directors of Envista Holdings Corporation

**Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of Envista Holdings Corporation (the Company) as of **December 31, 2022** **December 31, 2023** and **2021**, the related consolidated statements of operations, comprehensive **(loss)** income, changes in stockholders' equity and cash flows for each of the three years in the period ended **December 31, 2022** **December 31, 2023**, and the related notes and financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at **December 31, 2022** **December 31, 2023** and **2021**, and the results of its operations and its cash flows for each of the three years in the period ended **December 31, 2022** **December 31, 2023**, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of **December 31, 2022** **December 31, 2023**, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated **February 16, 2023** **February 15, 2024** expressed an unqualified opinion thereon.

**Adoption of ASU No. 2020-06**

As discussed in Note 2 to the consolidated financial statements, the Company changed its method of accounting for convertible instruments in 2022 due to the adoption of ASU 2020-06 Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815 – 40).

**Basis for Opinion**

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

**Critical Audit Matters**

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

**Goodwill Impairment**

<b>Description of the Matter</b>	<b>Goodwill Impairment</b>
<b>Description of the Matter</b>	As discussed in Note 9 to the consolidated financial statements, the Company's annual test date for goodwill impairment is the first business day of its fiscal fourth quarter. Total goodwill as of <b>December 31, 2022</b> <b>December 31, 2023</b> was <b>\$3.5 billion</b> <b>\$3.3 billion</b> and represented <b>53%</b> <b>approximately 50%</b> of total assets. As discussed in Note 9 of the consolidated financial statements, goodwill is not amortized but rather is tested for impairment at least annually at the reporting unit level. The Company did not record any impairment of recorded impairments totaling <b>\$212.3 million</b> related to the carrying value of goodwill of certain of its reporting units during the year ended <b>December 31, 2022</b> <b>December 31, 2023</b> .

Auditing management's goodwill impairment test for one of the Company's impaired reporting units was challenging and judgmental due to the estimation required to determine the fair value of the reporting unit. In particular, the significant judgments underlying the fair value estimate of this reporting unit relate to the assumptions of discounted future cash flows based on estimates of financial forecasts. These significant assumptions are affected by estimated future market and economic conditions.

**How We Addressed the Matter in Our Audit**

We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the Company's goodwill impairment evaluation process. For example, we tested controls over management's review of the estimated fair value values of the reporting unit, units, the significant assumption assumptions utilized in the estimation of the fair value of the reporting unit, units, discussed above, and the data inputs utilized in the fair value estimate.

estimates.

To test the estimated fair value values of the Company's reporting unit, units, our principal audit procedures included (i) evaluating assessing the significant assumption, discussed above, historical results compared to projected results, (ii) engaging valuation specialists to assess the methods, models, and (iii) testing assumptions used within the valuation, and (iv) verifying underlying data used assumptions utilized by management in the Company in its analysis, valuation of the reporting units, including the key inputs, inclusive of the revenue projections and discount rates attributable to the reporting units. For example, we compared the significant assumption assumptions used by management, to historical results, the Company's business model models and other relevant factors. We also evaluated the consistency and appropriateness of the significant assumption assumptions selected for use in the discounted cash flow method against forecasts. We performed sensitivity analyses of the significant assumption to evaluate changes in fair value of the reporting unit to determine if contrary evidence exists. We also assessed the historical accuracy of management's forecasts of financial results used in developing fair value estimates to assist in evaluating the reliability of the forecast utilized in the estimate.

**Business Combinations Indefinite-lived Intangible Asset Impairment**

**Description of the Matter**

In April 2022, the Company completed its acquisition of the Carestream Dental Technology Parent Limited's Intraoral Scanner Business (the Intraoral Scanner Business) for total consideration of \$580.3 million, as disclosed As discussed in Note 32 to the consolidated financial statements, the Company's annual test date for the impairment of indefinite-lived intangible assets is the first business day of its fiscal fourth quarter. Total value of indefinite-lived intangible assets as of December 31, 2023, was \$452.7 million and represented 7% of total assets. The transaction was accounted for as a business combination. Company recorded impairments totaling \$46.0 million related to the carrying value of certain of its indefinite-lived intangible assets during the year ended December 31, 2023.

Auditing the Company's accounting management's indefinite-lived intangible asset impairment test for its acquisition one of the Intraoral Scanner Business Company's indefinite-lived intangible assets was complex challenging and judgmental due to the significant estimation required by management to determine the fair value of certain acquired the indefinite-lived intangible assets. The asset. In particular, the significant estimation was primarily due to the judgment utilized in the inputs of the valuation model used by management to measure judgments underlying the fair value estimate of this indefinite-lived intangible asset relate to the acquired developed technology asset assumptions of discounted future cash flows based on estimates of financial forecasts. These significant assumptions are affected by estimated future market and the sensitivity of the fair value, economic conditions.

**How We Addressed the Matter in Our Audit**

We obtained an understanding, evaluated the design, and tested the Company's operating effectiveness of controls over its acquisition of the Intraoral Scanner Business. Company's indefinite-lived intangible asset impairment evaluation process. For example, we tested controls over the recognition and measurement management's review of the developed technology estimated fair value of the indefinite-lived intangible asset, the significant assumptions utilized in the estimation of the fair value of the indefinite-lived intangible asset, discussed above, and the consideration transferred, inclusive of data inputs utilized in the valuation models and underlying assumptions used to develop such estimates. fair value estimate.

To test the estimated fair value of the developed technology indefinite-lived intangible asset, we performed audit procedures that included, among others, testing the significant assumptions used in the model, including the completeness and accuracy of the underlying data.

As part of these procedures, we assessed the reasonableness of the estimates used in the valuation by (i) assessing the historical results compared to projected results, (ii) engaging valuation specialists to assess the methods, models, and assumptions used within the valuation, and (iii) verifying underlying assumptions utilized by management in the valuation of the acquired indefinite-lived intangible asset, including the key inputs, inclusive of the revenue projections and discount rates attributable to the acquired indefinite-lived intangible asset. We also assessed the historical accuracy of management's forecasts of financial results used in developing fair value estimates to assist in evaluating the reliability of the forecast utilized in the estimate.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2018.

Irvine, California

February 16, 2023 15, 2024

## Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Envista Holdings Corporation

### Opinion on Internal Control Over Financial Reporting

We have audited Envista Holdings Corporation's internal control over financial reporting as of **December 31, 2022** **December 31, 2023**, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Envista Holdings Corporation (the Company) maintained, in all material respects, effective internal control over financial reporting as of **December 31, 2022** **December 31, 2023**, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of **December 31, 2022** **December 31, 2023** and **2021**, 2022, the related consolidated statements of operations, comprehensive (loss) income, changes in stockholders' equity and cash flows for each of the three years in the period ended **December 31, 2022** **December 31, 2023**, and the related notes and financial statement schedule listed in the Index at Item 15(a) and our report dated **February 16, 2023** **February 15, 2024** expressed an unqualified opinion thereon.

### Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Report of Management on Envista Holdings Corporation's Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Irvine, California

February **16, 2023** **15, 2024**

**ENVISTA HOLDINGS CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**  
(**\$** in millions, except share amounts)

		As of December 31,			
		31,			
		2022	2021		
		As of December 31,			
		2023		2023	2022
<b>ASSETS</b>	<b>ASSETS</b>				
Current assets:	Current assets:				
Current assets:					
Cash and cash equivalents	Cash and cash equivalents	\$ 606.9	\$ 1,073.6		
Trade accounts receivable, less allowance for credit losses of \$16.2 and \$20.7, respectively	393.5	331.9			
Cash and cash equivalents					
Cash and cash equivalents					
Trade accounts receivable, less allowance for credit losses of \$17.3 and \$16.2, respectively					
Inventories, net	Inventories, net	300.8	263.8		
Prepaid expenses and other current assets	Prepaid expenses and other current assets	123.4	154.3		
<b>Assets held for sale</b>		—	12.2		
Total current assets	Total current assets	1,424.6	1,835.8		
Property, plant and equipment, net	Property, plant and equipment, net	293.6	264.1		
Operating lease right-of-use assets	Operating lease right-of-use assets	131.8	128.1		
Other long-term assets	Other long-term assets	153.7	167.8		
Goodwill	Goodwill	3,496.6	3,132.0		
Other intangible assets, net	Other intangible assets, net	1,086.7	1,046.4		
<b>Total assets</b>	<b>Total assets</b>	<b>\$ 6,587.0</b>	<b>\$ 6,574.2</b>		
<b>LIABILITIES AND EQUITY</b>	<b>LIABILITIES AND EQUITY</b>				
Current liabilities:	Current liabilities:				
Current liabilities:					
Short-term debt					
Short-term debt					
Short-term debt	Short-term debt	\$ 510.0	\$ 432.4		

Trade accounts payable	Trade accounts payable	228.3	185.8
Accrued expenses and other liabilities	Accrued expenses and other liabilities	471.4	562.3
Operating lease liabilities	Operating lease liabilities	27.0	23.7
Liabilities held for sale		—	4.0
Total current liabilities	Total current liabilities	1,236.7	1,208.2
Operating lease liabilities	Operating lease liabilities	121.4	120.4
Other long-term liabilities	Other long-term liabilities	151.3	304.2
Long-term debt	Long-term debt	870.7	883.4
Commitments and contingencies	Commitments and contingencies		Commitments and contingencies
Stockholders' equity:	Stockholders' equity:		
Preferred stock, \$0.01 par value, 15.0 million shares authorized; no shares issued or outstanding at December 31, 2022 and December 31, 2021		—	—
Common stock - \$0.01 par value, 500.0 million shares authorized; 163.7 million shares issued and 163.2 million shares outstanding at December 31, 2022; 162.0 million shares issued and 161.6 million shares outstanding at December 31, 2021		1.6	1.6
Preferred stock, \$0.01 par value, 15.0 million shares authorized; no shares issued or outstanding at December 31, 2023 and December 31, 2022			
Preferred stock, \$0.01 par value, 15.0 million shares authorized; no shares issued or outstanding at December 31, 2023 and December 31, 2022			
Preferred stock, \$0.01 par value, 15.0 million shares authorized; no shares issued or outstanding at December 31, 2023 and December 31, 2022			

Common stock - \$0.01 par value, 500.0 million shares authorized; 173.3 million shares issued and 171.5 million shares outstanding at December 31, 2023; 163.7 million shares issued and 163.2 million shares outstanding at December 31, 2022			
Additional paid-in capital	Additional paid-in capital	3,699.0	3,732.6
Retained earnings	Retained earnings	731.4	466.9
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(225.1)	(143.5)
Total Envista stockholders' equity		4,206.9	4,057.6
Noncontrolling interests		—	0.4
Total stockholders' equity			
Total stockholders' equity			
Total stockholders' equity	Total stockholders' equity	4,206.9	4,058.0
Total liabilities and stockholders' equity	Total liabilities and stockholders' equity	\$6,587.0	\$6,574.2

See the accompanying Notes to the Consolidated Financial Statements.

**ENVISTA HOLDINGS CORPORATION**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(\$ and shares in millions, except per share amounts)

		Year Ended December 31,		
		2022	2021	2020
Sales	Sales	\$2,569.1	\$2,508.9	\$1,929.1
Sales				
Sales				
Cost of sales				
Cost of sales				
Cost of sales	Cost of sales	1,094.3	1,082.4	874.3
Gross profit	Gross profit	1,474.8	1,426.5	1,054.8
Gross profit				
Gross profit				
Operating expenses:				

Operating expenses:					
Operating expenses:	Operating expenses:				
Selling, general and administrative	Selling, general and administrative	1,055.5	1,019.8	924.6	
Selling, general and administrative					
Selling, general and administrative					
Research and development	Research and development	100.1	100.5	86.7	
Research and development					
Research and development					
Goodwill and intangible asset impairment					
Goodwill and intangible asset impairment					
Goodwill and intangible asset impairment					
Operating profit	Operating profit	319.2	306.2	43.5	
Nonoperating income (expense):					
Other income (expense)	Other income (expense)	3.1	2.4	(1.0)	
Operating profit					
Operating profit					
Nonoperating (expense) income:					
Nonoperating (expense) income:					
Nonoperating (expense) income:					
Other (expense) income, net	Other (expense) income, net				
Other (expense) income, net	Other (expense) income, net				
Other (expense) income, net	Other (expense) income, net				
Interest expense, net	Interest expense, net	(38.4)	(54.1)	(62.5)	
Income (loss) before income taxes					
		283.9	254.5	(20.0)	
Interest expense, net					
Interest expense, net					
(Loss) income before income taxes					
(Loss) income before income taxes					
(Loss) income before income taxes					
Income tax expense (benefit)	Income tax expense (benefit)	45.9	(9.0)	(62.5)	
Income from continuing operations, net of tax					
		238.0	263.5	42.5	

Income (loss) from discontinued operations, net of tax (Note 4)	5.1	77.0	(9.2)
Net income	\$ 243.1	\$ 340.5	\$ 33.3
Income tax expense (benefit)			
Income tax expense (benefit)			
(Loss) income from continuing operations, net of tax			
(Loss) income from continuing operations, net of tax			
(Loss) income from continuing operations, net of tax			
Income from discontinued operations, net of tax (Note 4)			
Income from discontinued operations, net of tax (Note 4)			
Income from discontinued operations, net of tax (Note 4)			
Net (loss) income			
Net (loss) income			
Net (loss) income			
Earnings per share: Earnings per share:			
Earnings from continuing operations - basic	\$ 1.46	\$ 1.63	\$ 0.27
Earnings from continuing operations - diluted	\$ 1.34	\$ 1.48	\$ 0.26
Earnings per share:			
Earnings per share:			
(Loss) earnings from continuing operations - basic			
(Loss) earnings from continuing operations - basic			
(Loss) earnings from continuing operations - basic			
(Loss) earnings from continuing operations - diluted			
(Loss) earnings from continuing operations - diluted			
(Loss) earnings from continuing operations - diluted			
Earnings (loss) from discontinued operations - basic	\$ 0.03	\$ 0.48	\$ (0.06)
Earnings (loss) from discontinued operations - diluted	\$ 0.03	\$ 0.43	\$ (0.06)
Earnings from discontinued operations - basic			
Earnings - basic	\$ 1.49	\$ 2.11	\$ 0.21
Earnings - diluted	\$ 1.37	\$ 1.92 *	\$ 0.20

Earnings from discontinued operations - basic								
Earnings from discontinued operations - basic								
Earnings from discontinued operations - diluted								
Earnings from discontinued operations - diluted								
Earnings from discontinued operations - diluted								
(Loss) earnings - basic								
(Loss) earnings - basic								
(Loss) earnings - basic								
(Loss) Earnings - diluted								
Average common stock and common equivalent shares outstanding:	Average common stock and common equivalent shares outstanding:							
Basic	Basic	162.9	161.2	159.6				
Basic								
Basic								
Diluted								
Diluted	Diluted	177.6	177.6	164.1				

\* Earnings per share is computed independently for earnings per share from continuing operations and earnings per share from discontinued operations. The sum of earnings per share from continuing operations and earnings per share from discontinued operations does not equal earnings per share due to rounding.

\* Earnings per share is computed independently for earnings per share from continuing operations and earnings per share from discontinued operations. The sum of earnings per share from continuing operations and earnings per share from discontinued operations does not equal earnings per share due to rounding.

\* Earnings per share is computed independently for earnings per share from continuing operations and earnings per share from discontinued operations. The sum of earnings per share from continuing operations and earnings per share from discontinued operations does not equal earnings per share due to rounding.

See the accompanying Notes to the Consolidated Financial Statements.

**ENVISTA HOLDINGS CORPORATION**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME**  
**(*\$* in millions)**

	Year Ended December 31,		
	2022		
	2021	2020	
Net income	<i>\$</i> 243.1	<i>\$</i> 340.5	<i>\$</i> 33.3
Other comprehensive (loss) income, net of income taxes:			

Foreign currency translation adjustments	(100.9)	(77.1)	53.9
Cash flow hedge adjustments	1.7	4.6	(6.4)
Pension plan adjustments	17.6	20.8	4.9
Total other comprehensive (loss) income, net of income taxes	(81.6)	(51.7)	52.4
Comprehensive income	\$ 161.5	\$ 288.8	\$ 85.7

	Year Ended December 31,		
	2023	2022	2021
Net (loss) income	\$ (100.2)	\$ 243.1	\$ 340.5
Other comprehensive income (loss), net of income taxes:			
Foreign currency translation adjustments	16.8	(100.9)	(77.1)
Cash flow hedge adjustments	—	1.7	4.6
Pension plan adjustments	(8.9)	17.6	20.8
Total other comprehensive income (loss), net of income taxes	7.9	(81.6)	(51.7)
Comprehensive (loss) income	\$ (92.3)	\$ 161.5	\$ 288.8

See the accompanying Notes to the Consolidated Financial Statements.

**ENVISTA HOLDINGS CORPORATION**  
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
(\$ in millions)

	Common Stock						
	Accumulated						
	Common Stock	Additional Capital	Retained Earnings	Other Loss	Total Comprehensive	Envista Equity	Noncontrolling Interests
Balance, December 31, 2019	\$ 1.6	\$ 3,589.7	\$ 93.1	\$ (144.2)	\$ 3,540.2	\$ 2.6	
<b>Common Stock</b>							
Balance, December 31, 2020							
Balance, December 31, 2020							
Balance, December 31, 2020							
Common stock-based award activity	Common stock-based award activity	—	32.2	—	—	32.2	—
Equity component of convertible senior notes, net of financing costs and taxes	—	77.9	—	—	77.9	—	
Purchase of capped calls related to issuance of convertible senior notes, net of taxes	—	(15.7)	—	—	(15.7)	—	
Common stock-based award activity							

Common stock-based award activity						
Separation related adjustments						
Separation related adjustments						
Separation related adjustments	Separation related adjustments	—	0.3	—	—	0.3
Net income	Net income	—	—	33.3	—	33.3
Other comprehensive income	—	—	—	52.4	52.4	—
Changes in noncontrolling interests	—	—	—	—	—	(2.2)
Balance, December 31, 2020	1.6	3,684.4	126.4	(91.8)	3,720.6	0.4
Common stock-based award activity	—	41.4	—	—	41.4	—
Separation related adjustments	—	6.8	—	—	6.8	—
Net income						
Net income	Net income	—	—	340.5	—	340.5
Other comprehensive loss	Other comprehensive loss	—	—	(51.7)	(51.7)	—
Other comprehensive loss						
Balance, December 31, 2021	Balance, December 31, 2021	1.6	3,732.6	466.9	(143.5)	4,057.6
Cumulative effect of adjustment related to change in accounting principle. (Note 16)	—	(77.8)	21.4	—	(56.4)	—
Balance, December 31, 2021	Balance, December 31, 2021	—	—	—	—	—
Cumulative effect of adjustment related to change in accounting principle. (Note 2)	—	—	—	—	—	—
Cumulative effect of adjustment related to change in accounting principle. (Note 2)	—	—	—	—	—	—
Cumulative effect of adjustment related to change in accounting principle. (Note 2)	—	—	—	—	—	—
Balance, January 1, 2022	Balance, January 1, 2022	—	—	—	—	—
Balance, January 1, 2022	Balance, January 1, 2022	1.6	3,654.8	488.3	(143.5)	4,001.2
Balance, January 1, 2022	Balance, January 1, 2022	0.4	—	—	—	—

Change in noncontrolling interest	Change in noncontrolling interest	—	—	—	—	—	(0.4)
Change in noncontrolling interest							
Change in noncontrolling interest							
Common stock-based award activity							
Common stock-based award activity							
Common stock-based award activity	Common stock-based award activity	—	44.2	—	—	44.2	—
Net income	Net income	—	—	243.1	—	243.1	—
Net income							
Net income							
Other comprehensive loss							
Other comprehensive loss							
Other comprehensive loss	Other comprehensive loss	—	—	—	(81.6)	(81.6)	—
Balance, December 31, 2022	Balance, December 31, 2022	\$ 1.6	\$3,699.0	\$731.4	\$ (225.1)	\$4,206.9	\$ —
Balance, December 31, 2022							
Balance, December 31, 2022							
Common stock-based award activity							
Common stock-based award activity							
Partial exchange of convertible notes due 2025 and partial unwind of capped call transactions. (Note 16)							
Partial exchange of convertible notes due 2025 and partial unwind of capped call transactions. (Note 16)							
Partial exchange of convertible notes due 2025 and partial unwind of capped call transactions. (Note 16)							
Net loss							
Net loss							
Net loss							
Other comprehensive income							
Other comprehensive income							

Other comprehensive income

Balance, December 31, 2023

Balance, December 31, 2023

Balance, December 31, 2023

See the accompanying Notes to the Consolidated Financial Statements.

**ENVISTA HOLDINGS CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(**\$ in millions**)

	Year Ended December 31,			Year Ended December 31,		
	2022	2021	2020	2023	2022	2021
Cash flows from operating activities:	Cash flows from operating activities:					
Net income	\$243.1	\$340.5	\$ 33.3			
Net (loss) income						
Net (loss) income						
Net (loss) income						
Noncash items:	Noncash items:					
Depreciation						
Depreciation						
Depreciation	Depreciation	31.8	40.8	42.4		
Amortization	Amortization	106.0	82.8	90.2		
Allowance for credit losses	Allowance for credit losses	4.8	5.6	23.0		
Stock-based compensation expense	Stock-based compensation expense	30.5	28.2	22.6		
Gain on equity investments, net						
Gain on sale of property, plant and equipment	Gain on sale of property, plant and equipment	(1.9)	(2.2)	—		
Gain on sale of KaVo treatment unit and instrument business	Gain on sale of KaVo treatment unit and instrument business	(8.9)	(11.7)	—		
Restructuring charges	Restructuring charges	4.7	10.8	11.1		
Impairment charges		6.4	18.4	32.6		
Goodwill and intangible asset impairments						

Other impairment charges					
Fair value adjustment of acquisition-related inventory	Fair value adjustment of acquisition-related inventory	9.5	—	—	
Amortization of right-of-use assets	Amortization of right-of-use assets	24.3	28.3	30.5	
Inducement expense related to exchange of convertible notes					
Amortization of debt discount and issuance costs	Amortization of debt discount and issuance costs	4.1	23.3	13.4	
Change in deferred income taxes	Change in deferred income taxes	(29.0)	(59.0)	(91.4)	
Change in trade accounts receivable	Change in trade accounts receivable	(71.0)	(43.2)	71.9	
Change in inventories	Change in inventories	(39.9)	(66.0)	11.9	
Change in trade accounts payable	Change in trade accounts payable	44.5	(20.3)	21.6	
Change in prepaid expenses and other assets	Change in prepaid expenses and other assets	(11.7)	(11.5)	(2.5)	
Change in accrued expenses and other liabilities	Change in accrued expenses and other liabilities	(133.0)	34.3	10.0	
Change in operating lease liabilities	Change in operating lease liabilities	(31.6)	(37.5)	(36.7)	
Net cash provided by operating activities	Net cash provided by operating activities	182.7	361.6	283.9	
Cash flows from investing activities:					
Acquisitions, net of cash acquired		(696.2)	(2.1)	(40.7)	
Payments for additions to property, plant and equipment					

Payments for additions to property, plant and equipment				
Payments for additions to property, plant and equipment	Payments for additions to property, plant and equipment	(75.7)	(54.7)	(47.7)
Proceeds from sales of property, plant and equipment	Proceeds from sales of property, plant and equipment	3.3	11.6	5.3
Proceeds from sale of equity investment				
Acquisitions, net of cash acquired				
Proceeds from sale of KaVo treatment unit and instrument business, net	Proceeds from sale of KaVo treatment unit and instrument business, net	73.9	312.5	—
Proceeds from the settlement of derivative financial instruments	Proceeds from the settlement of derivative financial instruments	56.0	11.4	14.0
All other investing activities, net	All other investing activities, net	(18.6)	(16.0)	—
Net cash (used in) provided by investing activities	Net cash (used in) provided by investing activities	(657.3)	262.7	(69.1)
Cash flows from financing activities:				
Proceeds from revolving line of credit	124.0	—	249.8	
Repayment of revolving line of credit	(124.0)	—	(250.0)	
Proceeds from borrowing	0.3	—	—	
Repayment of borrowing	(0.5)	(475.7)	—	
Proceeds from issuance of convertible senior notes	—	—	517.5	
Payment of debt issuance and other deferred financing costs	—	(2.3)	(17.2)	
Purchase of capped calls related to issuance of convertible senior notes	—	—	(20.7)	
Proceeds from stock option exercises	21.8	19.5	13.8	
Tax withholding payment related to net settlement of equity awards	(9.1)	(7.2)	(5.0)	
All other financing activities	—	0.1	4.3	
Proceeds from issuance of convertible notes due 2028				
Proceeds from issuance of convertible notes due 2028				

Proceeds from issuance of convertible notes due 2028						
Debt issuance costs related to issuance of convertible notes due 2028						
Principal paid related to exchange of convertible notes due 2025						
Proceeds from borrowings						
Repayment of borrowings						
Repayment of borrowings						
Repayment of borrowings						
Debt issuance costs related to other borrowings						
Proceeds from revolving line of credit						
Repayment of revolving line of credit						
Proceeds from stock option exercises						
Proceeds from stock option exercises						
Proceeds from stock option exercises						
Tax withholding payment related to net settlement of equity awards						
All other financing activities						
Net cash provided by (used in) financing activities	Net cash provided by (used in) financing activities	12.5	(465.6)	492.5		
Effect of exchange rate changes on cash and cash equivalents	Effect of exchange rate changes on cash and cash equivalents	(4.6)	26.0	(29.6)		
Net change in cash and cash equivalents	Net change in cash and cash equivalents	(466.7)	184.7	677.7		
Beginning balance of cash and cash equivalents	Beginning balance of cash and cash equivalents	1,073.6	888.9	211.2		
Ending balance of cash and cash equivalents	Ending balance of cash and cash equivalents	\$ 606.9	\$ 1,073.6	\$ 888.9		
Supplemental data:	Supplemental data:					
Supplemental data:						

Supplemental data:

Cash paid for interest

Cash paid for interest

Cash paid for interest	Cash paid for interest	\$ 38.4	\$ 35.7	\$ 56.7
Cash paid for taxes	Cash paid for taxes	\$ 119.2	\$ 84.0	\$ 28.6
ROU assets obtained in exchange for operating lease obligations	ROU assets obtained in exchange for operating lease obligations	\$ 36.0	\$ 24.7	\$ 28.1

See the accompanying Notes to the Consolidated Financial Statements.

**ENVISTA HOLDINGS CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1. BUSINESS AND BASIS OF PRESENTATION**

***Business Overview***

The Company provides products that are used to diagnose, treat and prevent disease and ailments of the teeth, gums and supporting bone, as well as to improve the aesthetics of the human smile. The Company is a worldwide provider of a broad range of dental implants, orthodontic appliances, diagnostic solutions, general dental consumables, equipment and services and is dedicated to driving technological innovations that help dental professionals improve clinical outcomes and enhance productivity.

The Company was formed in 2018 as a wholly-owned subsidiary of Danaher Corporation ("Danaher"), to serve as the ultimate parent company of the dental platform of Danaher. On September 20, 2019, in 2019 the Company completed its initial public offering and on December 18, 2019, separated from Danaher completed the disposition of its ownership interest in the Company referred to herein as the (the "Separation").

The Company operates in two business segments: Specialty Products & Technologies and Equipment & Consumables.

The Company's Specialty Products & Technologies segment primarily develops, manufactures and markets dental implant systems, including regenerative solutions, dental prosthetics and associated treatment software and technologies, as well as orthodontic bracket systems, aligners and lab products. The Company's Equipment & Consumables segment primarily develops, manufactures and markets dental equipment and supplies used in dental offices, including digital imaging systems, software and other visualization/magnification systems; endodontic systems and related consumables; and restorative materials and instruments, rotary burs, impression materials, bonding agents and cements and infection prevention products.

***Basis of Presentation***

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

As discussed in Note 4, Discontinued Operations, on December 31, 2021, the Company sold its KaVo dental treatment unit and instrument business (the "KaVo Treatment Unit and Instrument Business"), which was part of the Company's Equipment and Consumables segment. The previously reported amounts for the KaVo Treatment Unit and Instrument Business have been reclassified to discontinued operations for all periods presented. All segment information and descriptions exclude the KaVo Treatment Unit and Instrument Business.

***Risks and Uncertainties***

The Company is subject to risks and uncertainties as a result of the novel coronavirus ("COVID-19") pandemic.

The extent of the impact of the COVID-19 pandemic on the Company remains uncertain and difficult to predict because of the dynamic and evolving nature of the situation. The global impact of the outbreak continues to adversely affect many industries, and different geographies continue to reflect the effects of public health restrictions in various ways. The economic recovery following the impact of the COVID-19 pandemic is only partially underway and has been gradual, uneven and characterized by meaningful dispersion across sectors and regions with uncertainty regarding its ultimate length and trajectory. During the year ended December 31, 2022, notwithstanding improvement in many markets in which the Company operates due to a return to more normalized business operations, certain markets continued to be adversely impacted by COVID-19. In particular, sales decreased in China due to lockdowns early in the year and a subsequent relaxing of restrictions, which resulted in increased infection rates.

In addition, Russia's invasion of Ukraine and the global response to this invasion, including sanctions imposed by the U.S. and other countries, could have an adverse impact on the Company's business, including impacting the Company's ability to market and sell products in the affected regions, potentially heightening

our risk of cyber security attacks, impacting its ability to enforce its intellectual property rights in Russia, creating disruptions in the global supply chain, and by potentially having an adverse impact on the global economy, financial markets, energy markets, currency rates and otherwise.

## NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### **Accounting Principles**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Consolidated Financial Statements include the accounts of the Company and its subsidiaries. The Consolidated Financial Statements also reflect the impact of noncontrolling interests. Noncontrolling interests do not have a significant impact on the Company's consolidated results of operations, therefore income attributable to noncontrolling interests are not presented separately in the Company's Consolidated Statements of Operations. Income attributable to noncontrolling interests have been reflected in selling, general and administrative expenses and were insignificant in all periods presented. Reclassifications of certain prior year amounts have been made to conform to the current year presentation.

### **Use of Estimates**

The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. Significant estimates and assumptions by management affect the Company's revenue recognition for multiple performance obligation arrangements, valuations, purchase price allocations and contingent consideration related to business combinations, expected future cash flows including growth rates, discount rates, terminal values and other assumptions and estimates used to evaluate the recoverability of long-lived assets and goodwill, estimated fair values of intangible assets and goodwill, amortization methods and periods, accounts receivable reserves, inventory excess and obsolescence reserves, warranty reserves, certain accrued expenses, restructuring and other related charges, contingent liabilities, tax reserves, deferred tax rates and recoverability of the Company's net deferred tax assets and related valuation allowances, and stock-based compensation.

The Company bases these estimates on historical experience, the current economic environment and on various other assumptions that are believed to be reasonable under the circumstances. However, uncertainties associated with these estimates exist and actual results may differ materially from these estimates.

### **Acquisitions**

The Company continually evaluates potential acquisitions that either strategically fit with the Company's existing portfolio or expand the Company's portfolio into new and attractive business areas. Among other things, goodwill arises because the purchase prices for these businesses reflect a number of factors including the future earnings and cash flow potential of these businesses, the multiple to earnings, cash flow and other factors at which similar businesses have been purchased by other acquirers, the competitive nature of the processes by which the Company acquired the businesses, avoidance of the time and costs which would be required (and the associated risks that would be encountered) to enhance the Company's existing product offerings to key target markets and enter into new and profitable businesses and the complementary strategic fit and resulting synergies these businesses bring to existing operations.

We account for acquisitions under Accounting Standards Codification ("ASC" **ASC**) 805 *Business Combinations* and use the acquisition method of accounting. The consideration transferred for the acquisition of a subsidiary comprises (i) fair values of the assets transferred; (ii) liabilities assumed of the acquired business; and (iii) fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

The Company makes an initial allocation of the purchase price at the date of acquisition based upon its estimation of the fair value of the acquired assets and assumed liabilities. The Company obtains the information used to estimate the fair values during due diligence and through other sources. In the months after closing, up to 12 months, as the Company obtains additional information that existed at the acquisition date about these assets and liabilities, it is able to refine the estimates of fair value and more accurately allocate the purchase price. Only items that existed as of the acquisition date are considered for subsequent adjustment. The Company makes the appropriate adjustments to the purchase price allocation prior to completion of the measurement period, as required.

### **Cash and Cash Equivalents**

The Company considers all highly liquid investments with a maturity of three months or less at the date of purchase to be cash equivalents.

### **Accounts Receivable and Allowances for Credit Losses**

All trade accounts receivable are reported on the accompanying Consolidated Balance Sheets adjusted for any write-offs and net of allowances for credit losses. The allowances for credit losses represent management's best estimate of the credit losses expected from the Company's trade accounts receivable portfolio. Determination of the allowances requires management to exercise judgment about the timing, frequency and severity of credit losses that could materially affect the provision for credit losses and, therefore, net income. The Company regularly performs detailed reviews of its portfolios to determine if an impairment has occurred and evaluates the collectability of receivables based on a combination of various financial and qualitative factors that may affect customers' ability to pay, including customers' financial condition, debt-servicing ability, past payment experience and credit bureau information and forecasts. In circumstances where the Company is aware of a specific customer's inability to meet its financial obligations, a specific reserve is recorded against amounts due to reduce the recognized receivable to the amount reasonably expected to be collected.

### **Inventory Valuation**

Inventories include the costs of material, labor and overhead. Inventories are stated at the lower of cost or net realizable value primarily using the first-in, first-out method. Market value for raw materials is based on replacement costs and for other inventory classifications is based on net realizable value. The Company periodically evaluates the quantities on hand relative to current and historical selling prices and historical and projected sales volume. Based on this evaluation, provisions are made to write inventory down to its net realizable value.

## Property, Plant and Equipment

Property, plant and equipment are carried at cost. The provision for depreciation has been computed principally by the straight-line method based on the estimated useful lives of the depreciable assets as follows:

Category	Useful Life
Buildings	30 years
Leased assets and leasehold improvements	Amortized over the lesser of the economic life of the asset or the term of the lease
Machinery, equipment and other assets	3 – 10 years

Estimated useful lives are periodically reviewed and, when appropriate, changes to estimates are made prospectively.

## Leases

The Company determines if an arrangement is a lease at inception and evaluates each lease agreement to determine whether the lease is an operating or finance lease. For leases where the Company is the lessee, right-of-use ("ROU") assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent an obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most of the Company's leases do not provide an implicit interest rate, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The ROU asset also consists of any prepaid lease payments, lease incentives received, costs which will be incurred in exiting a lease and the amount of any asset or liability recognized on business combinations relating to favorable or unfavorable lease terms. The lease terms used to calculate the ROU asset and related lease liability include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for operating leases is recognized on a straight-line basis over the lease term as an operating expense while the expense for finance leases is recognized as depreciation expense and interest expense using the accelerated interest method of recognition. In certain of the Company's lease agreements, the rental payments are adjusted periodically to reflect actual charges incurred for common area maintenance, utilities, inflation and/or changes in other indexes.

## Investments

Investments over which the Company has a significant influence but not a controlling interest, are accounted for using the equity method of accounting which requires the Company to record its initial investment at cost and adjust the balance each period for the Company's share of the investee's income or loss and dividends paid. Investments made are recorded as a component of all other Investing Activities in the Consolidated Statements of Cash Flows. No significant realized or unrealized gains or losses were recorded during the three years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021 with respect to these investments.

## Fair Value of Financial Instruments

The Company's financial instruments consist primarily of cash and cash equivalents, trade accounts receivable, nonqualified deferred compensation plans, contingent consideration, derivatives, trade accounts payable and long-term debt. Due to their short-term nature, the carrying values for cash and cash equivalents, trade accounts receivable and trade accounts payable approximate fair value. Refer to Note 12 for the fair values of the Company's other financial instruments.

## Goodwill and Other Intangible Assets

Goodwill and other intangible assets result from the Company's acquisition of existing businesses. In accordance with accounting standards related to business combinations, goodwill is not amortized; however, certain finite-lived identifiable intangible assets, primarily customer relationships and acquired technology, are amortized over their estimated useful lives. Goodwill and indefinite-lived intangible assets are reviewed tested for impairment annually in on the first day of the fourth quarter of each fiscal year or whenever an event occurs or circumstances change that would indicate that the carrying amount may be impaired. The Company first assessed qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than performs its carrying amount or performed a quantitative impairment test. When tested quantitatively, the Company uses tests for goodwill by using a combination of techniques, including an income approach and a market-based approach, to determine whether if the fair value of each reporting unit is more likely greater than not that its carrying amount. Similarly, the Company performs its impairment test of indefinite-lived intangibles by using the relief from royalty method to determine whether the fair value of the underlying asset is greater than its carrying amount. If the carrying value of a reporting unit or an underlying indefinite-lived intangible asset exceeds its respective fair value, an impairment charge is less than its carrying amount. recognized. In making this assessment, these assessments, management relies on a number of factors, including business trends, business plans, economic projections, expected future operating results business plans, economic projections, anticipated future and cash flows, business trends flow, and the Company's market capitalization. The Company's reporting units are the financial components of operating segments which constitute businesses for which discrete financial information is available and is regularly reviewed by segment management. For the year ended December 31, 2023, the Company recognized goodwill and indefinite-lived intangible asset impairments of \$212.3 million and \$46.0 million, respectively. Additional information related to the testing of goodwill and indefinite-lived intangible asset impairment, including results of the 2023 annual test, is provided in Note 9, Goodwill and Other Intangible Assets. The Company did not record any impairment loss charge for goodwill or indefinite-lived intangible assets in 2022 2021 and 2020 2021.

## Management

Additionally, management reviews the carrying amounts of other finite-lived intangible assets whenever events or circumstances indicate that the carrying amounts of an asset may not be recoverable. Impairment indicators include, among other conditions, cash flow deficits, historic or anticipated declines in revenue or

operating profit, and adverse legal or regulatory developments. If it is determined that such indicators are present and the review indicates that the assets will not be fully recoverable based on undiscounted estimated cash flows, their carrying values are reduced to estimated fair market value. Estimated fair market value is determined primarily using the anticipated projected cash flows discounted at a rate commensurate with the risk involved. For the purposes of identifying and measuring impairment, long-lived assets are grouped with other assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities.

Refer to Note 9. The Company did not record any impairment loss for additional information about the Company's goodwill finite-lived intangible assets in 2023, 2022 and other intangible assets. 2021.

#### **Revenue Recognition**

The Company derives revenues primarily from the sale of Specialty Products & Technologies and Equipment & Consumables products and services. Revenue is recognized when control of the promised products or services is transferred to the Company's customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those products or services (the transaction price). A performance obligation is a promise in a contract to transfer a distinct product or service to a customer and is the unit of account under ASC 606. For equipment, consumables and spare parts sold by the Company, control transfers to the customer at a point in time. To indicate the transfer of control, the Company must have a present right to payment, legal title must have passed to the customer, the customer must have the significant risks and rewards of ownership, and where acceptance is not a formality, the customer must have accepted the product or service. The Company's principal terms of sale are FOB Shipping Point, or equivalent, and, as such, the Company primarily transfers control and records revenue for product sales upon shipment. Sales arrangements with delivery terms that are not FOB Shipping Point are not recognized upon shipment and the transfer of control for revenue recognition is evaluated based on the associated shipping terms and customer obligations. If a performance obligation to the customer with respect to a sales transaction remains to be fulfilled following shipment (typically installation or acceptance by the customer), revenue recognition for that performance obligation is deferred until such commitments have been fulfilled. Returns for products sold are estimated and recorded as a reduction of revenue at the time of sale. Customer allowances and rebates, consisting primarily of volume discounts and other short-term incentive programs, are recorded as a reduction of revenue at the time of sale because these allowances reflect a reduction in the transaction price. Product returns, customer allowances and rebates are estimated based on historical experience and known trends. For extended warranty and service, control transfers to the customer over the term of the arrangement. Revenue for extended warranty and service is recognized based upon the period of time elapsed under the arrangement.

For a contract with multiple performance obligations, the Company allocates the contract's transaction price to each performance obligation on a relative standalone selling price basis using the Company's best estimate of the standalone selling price of each distinct product or service in the contract. The primary method used to estimate standalone selling price is the price observed in standalone sales to customers; however, when prices in standalone sales are not available the Company may use third-party pricing for similar products or services or estimate the standalone selling price. Allocation of the transaction price is determined at the contracts' inception. The Company does not adjust transaction price for the effects of a significant financing component when the period between the transfer of the promised good or service to the customer and payment for that good or service by the customer is expected to be one year or less.

#### **Shipping and Handling**

Shipping and handling costs are considered a fulfillment cost and are included as a component of cost of sales. Revenue derived from shipping and handling costs billed to customers is included in sales.

#### **Advertising**

Advertising costs are expensed as incurred.

#### **Research and Development**

The Company conducts research and development activities for the purpose of developing new products, enhancing the functionality, effectiveness, ease of use and reliability of the Company's existing products and expanding the applications for which uses of the Company's products are appropriate. Research and development costs are expensed as incurred.

#### **Income Taxes**

Deferred tax assets and liabilities are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted rates expected to be in effect during the year in which the differences reverse. Deferred tax assets generally represent items that can be used as a tax deduction or credit in the Company's tax return in future years for which the tax benefit has already been reflected on the Company's Consolidated Statements of Operations. The Company establishes valuation allowances for its deferred tax assets if it is more likely than not that some or all of the deferred tax assets will not be realized. Deferred tax liabilities generally represent items that have already been taken as a deduction on the Company's tax return but have not yet been recognized as an expense in the Company's Consolidated Statements of Operations. The effect on deferred tax assets and liabilities due to a change in tax rates is recognized in income tax expense in the period that includes the enactment date. The Company provides for unrecognized tax benefits when, based upon the technical merits, it is "more likely than not" that an uncertain tax position will not be sustained upon examination. Judgment is required in evaluating tax positions and determining income tax provisions. The Company re-evaluates the technical merits of its tax positions and may recognize an uncertain tax benefit in certain circumstances, including when: (1) a tax audit is completed; (2) applicable tax laws change, including a tax case ruling or legislative guidance; or (3) the applicable statute of limitations expires. The Company recognizes potential accrued interest and penalties associated with unrecognized tax positions in income tax expense.

On August 16, 2022, the U.S. enacted the Inflation Reduction Act of 2022, which, among other things, implements a 15% minimum tax on book income of certain large corporations, a 1% excise tax on net stock repurchases and several tax incentives to promote clean energy. Based on the Company's current analysis of the

provisions, the Company does not believe this legislation will have a material impact on its Consolidated Financial Statements.

#### **Restructuring**

The Company periodically initiates restructuring activities to appropriately position the Company's cost base relative to prevailing economic conditions and associated customer demand as well as in connection with certain acquisitions. Costs associated with productivity improvement and restructuring actions can include termination benefits and related charges in addition to facility closure, contract termination and other related activities. The Company records the cost of the restructuring activities when impairment is identified or when the associated liability is incurred. Refer to Note 20 for additional information.

#### **Foreign Currency Translation**

Exchange rate adjustments resulting from foreign currency transactions are recognized in net income, whereas effects resulting from the translation of financial statements are reflected as a component of accumulated other comprehensive loss within equity. Assets and liabilities of subsidiaries operating outside the United States with a functional currency other than U.S. dollars are translated into U.S. dollars using year-end exchange rates and income statement accounts are translated at weighted average rates. Net foreign currency transaction gains or losses were not material in any of the years presented.

#### **Derivative Financial Instruments**

The Company is neither a dealer nor a trader in derivative instruments. The Company has generally accepted the exposure to transactional exchange rate movements without using derivative instruments to manage this risk, although the Company from time to time partially hedges its net investments in foreign operations against adverse movements in exchange rates through foreign currency-denominated debt and cross-currency swaps. The Company may at times also enter into interest rate swaps to mitigate a portion of its interest rate risk related to the Company's debt. The derivative instruments are recorded on the Consolidated Balance Sheets as either an asset or liability measured at fair value. To the extent the interest rate swap qualifies as an effective hedge, changes in fair value are recognized in accumulated other comprehensive loss within equity.

Changes in the value of the foreign currency denominated debt and cross-currency swaps designated as hedges of the Company's net investment in foreign operations based on spot rates are recognized in accumulated other comprehensive loss within equity and offset changes in the value of the Company's foreign currency denominated operations. Refer to Note 11 for additional information on derivative financial instruments.

#### **Loss Contingencies**

The Company records a reserve for loss contingencies when it is both probable that a loss will be incurred and the amount of the loss is reasonably estimable. The Company evaluates pending litigation and other contingencies at least quarterly and adjusts the reserve for such contingencies for changes in probable and reasonably estimable losses.

#### **Accumulated Other Comprehensive Loss**

Foreign currency translation adjustments are generally not adjusted for income taxes as they relate to indefinite investments in non-U.S. subsidiaries. Foreign currency translation adjustments related to the Company's cross-currency swap arrangements and foreign currency denominated debt that are designated as net investment hedges are adjusted for income taxes as those arrangements are not indefinite. Changes in the funded status of the pension plans, net of taxes, are recognized in the year in which the changes occur and reported in other comprehensive loss.

#### **Stock-Based Compensation**

The Company accounts for stock-based compensation by measuring the cost of employee services received in exchange for all equity awards granted, including stock options, restricted stock units ("RSUs") and performance stock units ("PSUs"), based on the fair value of the award as of the grant date. Equity-based compensation expense is recognized net of an estimated forfeiture rate on a straight-line basis over the requisite service period of the award, except that in the case of RSUs compensation expense is recognized using an accelerated attribution method. Refer to Note 17 for additional information on the stock-based compensation plan in which certain employees of the Company participate.

#### **Pension Plans**

The Company measures its pension assets and obligations that determine the funded status as of the end of the Company's fiscal year, and recognizes an asset for an over funded status or a liability for an underfunded status in its Consolidated Balance Sheets. Changes in the funded status of the pension plans are recognized in the year in which the changes occur and reported in other comprehensive loss. Refer to Note 13 for additional information on the Company's pension plans including a discussion of the actuarial assumptions, the Company's policy for recognizing the associated gains and losses and the method used to estimate service and interest cost components.

#### **Accounting Standards Recently Adopted**

In October 2021, August 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2021-08, *Business Combinations: Accounting for Contract Assets and Contract Liabilities from Contracts with Customers (Topic 805)*, which requires contract assets and contract liabilities acquired in a business combination to be recognized and measured by the acquirer on the acquisition date in accordance with ASC 606, Revenue from Contracts with Customers, as if it had originated the contracts, rather than at fair value. This standard is effective for fiscal years beginning after December 15,

2022, including interim periods within those fiscal years, and early adoption is permitted. The Company adopted this guidance on January 1, 2022, which did not have a significant impact on the Company's Consolidated Financial Statements.

In August 2020, the FASB issued ASU 2020-06, "Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815 – 40)," ("ASU 2020-06"), which simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts on an entity's own equity. This guidance is part of the FASB's simplification initiative, which aims to reduce unnecessary complexity in U.S. GAAP. ASU 2020-06 was effective for public entities for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years. Effective On January 1, 2022, the Company adopted ASU 2020-06 using the modified retrospective adoption approach. The cumulative effect of the change was recognized as an adjustment to the opening balance of retained earnings at the date of adoption. The comparative prior year information has not been restated adoption and continues to be presented according to accounting standards in effect for those periods.

The adoption of ASU 2020-06 resulted in a \$75.0 million increase to the carrying value of the convertible notes due 2025, net of deferred debt issuance costs and unamortized discount and a decrease to additional paid-in capital of \$77.8 million. Additionally, the adoption resulted in million, a \$21.4 million increase to retained earnings and an \$18.6 million decrease to the related net deferred tax liability associated liability.

#### **Accounting Standards Not Yet Adopted**

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The update requires a public business entity to disclose, on an annual basis, a tabular rate reconciliation using both percentages and currency amounts, broken out into specified categories with certain reconciling items further broken out by nature and jurisdiction to the extent those items exceed a specified threshold. In addition, all entities are required to disclose income taxes paid, net of unamortized debt discount refunds received disaggregated by federal, state/local, and deferred debt issuance costs. Refer to Note 16 foreign and by jurisdiction if the amount is at least 5% of total income tax payments, net of refunds received. Adoption of the ASU allows for a further discussion either the prospective or retrospective application of the amendment and is effective for annual periods beginning after December 15, 2024, with early adoption permitted. The Company has not yet completed its assessment of the impact of adopting ASU 2020-06.

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, which provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships and other transactions that reference London Interbank Offered Rate ("LIBOR") or another reference rate expected to be discontinued because of reference rate reform. ASU 2020-04 is effective for public entities through December 31, 2022. However, in December 2022, the FASB issued ASU 2022-06, *Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848 to defer the effective date of ASU 2020-04 from December 31, 2022 to December 31, 2024*. The Company adopted ASU 2020-04 as of December 31, 2022 and its adoption did not have an impact 2023-09 on the Company's Consolidated Financial Statements.

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting - Improving Reportable Segment Disclosures" (Topic 280). The update is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant expenses. The ASU requires disclosures to include significant segment expenses that are regularly provided to the chief operating decision maker (CODM), a description of other segment items by reportable segment, and any additional measures of a segment's profit or loss used by the CODM when deciding how to allocate resources. Adoption of the ASU requires retrospective application to all prior periods presented in the financial statements.

ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and for fiscal periods after December 15, 2024 for interim periods. Early adoption is permitted. The Company has not yet completed its assessment of the impact of ASU 2023-07 on the Company's Consolidated Financial Statements.

#### **NOTE 3. ACQUISITIONS**

The Company completed the following acquisitions, using the acquisition method of accounting, during the year ended December 31, 2022:

##### **Osteogenics Biomedical Inc., Allotech LLC and OBI Biologics, Inc.**

On July 5, 2022, the Company acquired all of the equity of Osteogenics Biomedical Inc., Allotech LLC and OBI Biologics, Inc. (together "Osteogenics") for total consideration of approximately \$128.2 million, subject to certain customary adjustments as provided in the Equity Purchase Agreement dated May 17, 2022. Osteogenics develops innovative regenerative solutions for periodontists, oral and maxillofacial surgeons, and clinicians involved in implant dentistry throughout the world, and is part of the Company's Specialty Products & Technologies segment.

##### **Carestream Dental Technology Parent Limited's Intraoral Scanner Business**

On April 20, 2022, the Company completed the acquisition of Carestream Dental Technology Parent Limited's ("Carestream Dental") intraoral scanner business (the "Intraoral Scanner Business") for total consideration of \$580.3 million including contingent consideration of \$7.5 million, and subject to certain customary adjustments as provided in the Stock and Asset Purchase Agreement dated December 21, 2021 and as subsequently amended by the closing agreement dated as of April 20, 2022. The Intraoral Scanner Business manufactures, markets, sells, commercializes, distributes, services, trains, supports, and maintains operations of intraoral scanners and software, and is part of the Company's Equipment & Consumables segment. The Company purchased the Intraoral Scanner Business through the acquisition of certain assets and the assumption of certain liabilities as well as the acquisition of all of the equity of certain subsidiaries of Carestream Dental.

The following table summarizes the fair values of the assets acquired and liabilities assumed as of the respective acquisition dates (\$ in millions):

	Osteogenics July 5, 2022	Intraoral Scanner Business April 20, 2022
<b>Assets acquired:</b>		
Cash	\$ 2.1	\$ 2.7
Accounts receivable	2.5	0.1
Inventories	13.3	6.1
Intangible assets	53.0	129.8
Property, plant and equipment	—	0.3
Prepays and Other Current Assets	1.3	—
Goodwill	77.3	373.1
Non-current deferred tax asset	—	96.0
Operating lease right-of-use assets	2.6	0.9
Other long-term assets	4.9	0.2
<b>Total assets acquired</b>	<b>157.0</b>	<b>609.2</b>
<b>Liabilities assumed:</b>		
Accounts payable	(4.1)	(0.5)
Accrued expenses and other liabilities	(2.5)	(27.9)
Non-current deferred tax liability	(14.3)	—
Other long-term liabilities	(5.8)	—
Operating lease liabilities	(2.1)	(0.5)
<b>Total liabilities assumed</b>	<b>(28.8)</b>	<b>(28.9)</b>
<b>Total net assets acquired</b>	<b>\$ 128.2</b>	<b>\$ 580.3</b>

The Company may up to 12 months after closing refine the estimates of fair value and more accurately allocate the purchase price. Only items that existed as of the acquisition date are considered for subsequent adjustment. The finalization of the acquisition valuation assessment for these acquisitions may result in a change in the valuation of deferred taxes and goodwill, which could have a material impact on the Company's financial statements.

The intangible assets acquired consist of trade name, developed technology, and customer relationships. The weighted average amortization period of the acquired intangible assets in the aggregate is 8 and 10 years for the Intraoral Scanner Business and Osteogenics, respectively.

The excess of the purchase price over the fair value assigned to the assets acquired and liabilities assumed represents the goodwill resulting from the acquisitions. Goodwill attributable to the acquisitions has been recorded as a non-current asset and is not amortized, but is subject to review at least on an annual basis for impairment. Goodwill recognized was primarily attributable to expected operating efficiencies and expansion opportunities in the businesses acquired. Goodwill is not deductible for income tax purposes. The pro forma impact of the acquisitions is not presented as the acquisitions were not considered material to the Company's Consolidated Financial Statements.

Legal, accounting, and other professional service costs associated with the acquisitions were \$14.5 million for the year ended December 31, 2022, and have been recorded as selling, general and administrative expense in the Consolidated Statements of Operations. There were no legal, accounting, and other professional service costs associated with acquisitions for the years ended December 31, 2023 and 2021.

#### NOTE 4. DISCONTINUED OPERATIONS

On December 31, 2021, the Company sold substantially all of the KaVo Treatment Unit and Instrument Business (the "Divestiture") to planmeca Verwaltungs GmbH, Germany ("Planmeca"), pursuant to the master sale and purchase agreement (the "Purchase Agreement") among the Company, Planmeca, and Planmeca Oy, as guarantor. On December 30, 2021, the Company entered into an amendment to the Purchase Agreement (the "Amendment"), providing that However, the transfer of net assets in Russia, China and Brazil (the "Relevant Jurisdictions") would be deferred until the purchaser had formed entities for such transfer of assets in each such Relevant Jurisdiction and the applicable asset transfer agreement could be not executed and consummated (each such asset transfer, a "Deferred closed until 2022 (the "Deferred Local Closing" Closings"). Except for the implementation As of the December 31, 2022, all Deferred Local Closings and related matters regarding the assets in the Relevant Jurisdictions, the provisions, terms and conditions of the Purchase Agreement were not materially amended by the Amendment. The Amendment did not alter the preliminary purchase price that Planmeca paid to the Company upon the closing of the Divestiture completed and the

Company recognized the applicable gain or loss at the time of each Relevant Jurisdiction's applicable closing. At December 31, 2021, the Company recorded a liability of \$10.8 million for the proceeds related to the Relevant Jurisdictions. At December 31, 2022, all three Relevant Jurisdictions have closed and the related liability associated with the proceeds released. In accordance with the terms of the Purchase Agreement, the Company received total net cash consideration of \$386.4 million, in accordance with the terms of the Purchase Agreement.

The results of the Divestiture are presented as discontinued operations for all periods presented the years ended December 31, 2022 and 2021 in the accompanying Consolidated Financial Statements, with the exception of the Consolidated Statements of Cash Flows which include the financial results of the KaVo Treatment Unit and Instrument Business for Business. As all periods presented.

The carrying amounts Deferred Local Closings were completed as of the December 31, 2022, there are no assets and liabilities of the Divestiture held for sale are as follows (\$ in millions):

			December 31, 2021
<b>ASSETS</b>			
Current assets:			
Assets for Relevant Jurisdictions			\$ 12.2
Current assets held for sale			\$ 12.2
<b>LIABILITIES AND EQUITY</b>			
Current liabilities:			
Liabilities for Relevant Jurisdictions			\$ 4.0
Current liabilities held for sale			\$ 4.0

For the years ended December 31, 2021 and 2020, the amounts represent activity for the entire Divestiture, while amounts of December 31, 2022 or any discontinued operations reported for the year ended December 31, 2022, represent activity for the remaining Relevant Jurisdictions prior to closing. December 31, 2023.

The operating results of the Divestiture are reflected in the Consolidated Statements of Operations within income from discontinued operations, net of tax as follows (\$ in millions):

		Year Ended December 31			Year Ended December 31,
		2022	2021	2020	
Sales	Sales	\$ 11.7	\$ 413.5	\$ 352.9	
Cost of sales	Cost of sales	9.1	234.6	249.6	
Gross profit	Gross profit	2.6	178.9	103.3	
Operating expenses:	Operating expenses:				
Selling, general and administrative	Selling, general and administrative	3.2	75.6	99.3	
Selling, general and administrative	Selling, general and administrative				
Research and development	Research and development	—	16.1	14.1	
Operating (loss) profit		(0.6)	87.2	(10.1)	
Operating (loss) income					
Income tax expense	Income tax expense	—	21.9	(0.9)	
(Loss) income from discontinued operations	(Loss) income from discontinued operations	(0.6)	65.3	(9.2)	
Gain on sale of discontinued operations, net of tax	Gain on sale of discontinued operations, net of tax	5.7	11.7	—	

Net income (loss) from discontinued operations	\$ 5.1	\$ 77.0	\$ (9.2)
Net income from discontinued operations			

For the year ended December 31, 2021, the amounts represent activity for the entire Divestiture, while amounts for the year ended December 31, 2022, represent activity for the remaining deferred local closing countries.

Significant non-cash operating items and capital expenditures for the Divestiture are reflected in the cash flows from operations as follows (\$ in millions):

	Year Ended December 31		
	2022	2021	2020
Cash flows from operating activities			
Non-cash restructuring charges	\$ —	\$ —	\$ 9.6
Impairment charges	\$ —	\$ —	\$ 10.5
Depreciation and amortization <sup>1</sup>	\$ —	\$ 5.8	\$ 10.9
Cash flows from investing activities:			
Capital expenditures	\$ —	\$ 6.7	\$ 3.8

<sup>1</sup> Depreciation and amortization were no longer recognized once the business was classified as discontinued operations as of August 27, 2021.

	Year Ended December 31	
	2021	2020
Cash flows from operating activities		
Depreciation and amortization <sup>1</sup>	\$ 5.8	\$ 5.8
Cash flows from investing activities:		
Capital expenditures	\$ 6.7	\$ 6.7

<sup>1</sup> Depreciation and amortization were no longer recognized once the business was classified as discontinued operations as of August 27, 2021.

## NOTE 5. CREDIT LOSSES

The allowance for credit losses is a valuation account deducted from accounts receivable to present the net amount expected to be collected. Accounts receivable are charged off against the allowance when management believes the uncollectibility of an accounts receivable balance is confirmed.

Management estimates the adequacy of the allowance by using relevant available information, from internal and external sources, relating to past events, current conditions and forecasts. Historical credit loss experience provides the basis for estimation of expected credit losses and is adjusted as necessary using the relevant information available. The allowance for credit losses is measured on a collective basis when similar risk characteristics exist. The Company has identified one portfolio segment based on the following risk characteristics: geographic regions, product lines, default rates and customer specific factors.

The factors used by management in its credit loss analysis are inherently subject to uncertainty. If actual results are not consistent with management's estimates and assumptions, the allowance for credit losses may be overstated or understated and a charge or credit to net income (loss) may be required.

The rollforward of the allowance for credit losses is summarized as follows (\$ in millions):

<b>Balance at December 31, 2021</b>		\$ 20.7
Foreign currency translation		(0.8)
Provision for credit losses		4.8
Write-offs charged against the allowance		(4.1)
Recoveries		(4.4)
<b>Balance at December 31, 2022</b>		\$ 16.2
Provision for credit losses		7.1
Write-offs charged against the allowance		(4.7)
Recoveries		(1.3)
<b>Balance at December 31, 2023</b>		\$ 17.3

#### NOTE 6. INVENTORIES

The classes of inventory as of December 31 are summarized as follows (\$ in millions):

	2022	2021		2023		2022
Finished goods	Finished goods	\$229.2	\$214.3			
Work in process	Work in process	23.9	22.0			
Raw materials	Raw materials	103.4	88.3			
Reserve for inventory obsolescence	Reserve for inventory obsolescence	(55.7)	(60.8)			
Total	Total	\$300.8	\$263.8			

#### NOTE 7. PROPERTY, PLANT AND EQUIPMENT

The classes of property, plant and equipment as of December 31 are summarized as follows (\$ in millions):

	2022	2021		2023		2022
Land and improvements	Land and improvements	\$ 10.0	\$ 10.7			
Buildings and improvements	Buildings and improvements	154.5	168.7			
Machinery, equipment and other assets	Machinery, equipment and other assets	370.2	354.5			
Construction in progress	Construction in progress	71.2	45.6			
Gross property, plant and equipment	Gross property, plant and equipment	605.9	579.5			
Less: accumulated depreciation	Less: accumulated depreciation	(312.3)	(315.4)			
Property, plant and equipment, net	Property, plant and equipment, net	\$293.6	\$264.1			

## NOTE 8. LEASES

The Company has operating leases for office space, warehouses, distribution centers, research and development and manufacturing facilities, equipment and vehicles. Many leases include one or more options to renew, some of which include options to extend the lease for up to 20 years and some leases include options to terminate the lease within 30 days. The Company regularly evaluates the renewal options and, when the options are reasonably certain of being exercised, they are included in the lease term. In certain of the Company's lease agreements, the rental payments are adjusted periodically to reflect actual charges incurred for common area maintenance, utilities, inflation and/or changes in other indexes. The Company has elected to combine lease and non-lease components for leases of all asset classes where the Company is the lessee. At inception, the Company determines whether an agreement represents a lease and, at commencement, evaluates each lease agreement to determine whether the lease is an operating or finance lease.

Variable lease costs consist primarily of taxes, insurance, and common area or other maintenance costs for leased facilities and vehicles, which are paid based on actual costs incurred.

The components of operating lease expense for the years ended December 31 were as follows (\$ in millions):

	2022	2021	
	2023	2023	2023
Fixed operating lease expense	Fixed lease expense		
(a)	(a)	\$31.7	\$32.4
Variable operating lease expense	Variable lease expense		
		7.2	6.1
Total operating lease expense	Total lease expense		
		<u>\$38.9</u>	<u>\$38.5</u>

(a) Includes short-term leases and sublease income, both of which were not significant.

The following table presents the weighted average remaining lease term and weighted average discount rates related to the Company's operating leases as of December 31:

	2022	2021	
	2023	2023	2023
Weighted average remaining lease term			
Weighted average remaining lease term			
Weighted average remaining lease term	Weighted average remaining lease term	8 years	9 years
Weighted average discount rate	Weighted average discount rate	4.1	%
Weighted average discount rate		3.5	%
Weighted average discount rate			

The following table presents the maturity of the Company's operating lease liabilities as of December 31, 2022 (\$ December 31, 2023

(\$ in millions):

2023	\$	32.2
------	----	------

2024		
2024		
2024	2024	28.7
2025	2025	23.9
2025		
2025		
2026		
2026		
2026	2026	19.8
2027	2027	16.8
2027		
2027		
2028		
2028		
2028		
2028		
Thereafter		
Thereafter		
Thereafter	Thereafter	50.3
Total operating lease payments	Total operating lease payments	171.7
Total operating lease payments		
Total operating lease payments		
Less: imputed interest		
Less: imputed interest		
Less: imputed interest	Less: imputed interest	(23.3)
Total operating lease liabilities	Total operating lease liabilities	\$ 148.4
Total operating lease liabilities		
Total operating lease liabilities		

As of December 31, 2022 December 31, 2023, the Company had no additional significant operating or finance leases that had not yet commenced.

#### NOTE 9. GOODWILL AND OTHER INTANGIBLE ASSETS

The Company performed its annual goodwill and indefinite-lived intangible impairment test on the first business day of the fourth quarter of 2022. The 2023.

As to goodwill, the Company used a combination of techniques, including an income approach and a market-based approach in performing its annual goodwill impairment test in order to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value amount. The Company's reporting units are the financial components of operating segments which constitute businesses for which discrete financial information is available and regularly reviewed by segment management. The Company estimates the fair values of its reporting units by using various valuation methods including an income-based or a market-based approach. When using an income approach, a discounted cash flow model with inputs developed using both internal and market-based data is utilized. The Company's significant assumptions in the discounted cash flow models vary amongst, and are specific to, each reporting unit which include, but are not limited to, discount rates, revenue growth rates assumptions (including perpetual growth rates) and operating margin percentages. These assumptions were developed in light of current market conditions and future expectations which include, but were not limited to, impact of competition, new product development and future economic conditions. In evaluating the estimates derived by the market-based approach, the Company makes judgments about the relevance and reliability of the multiples by considering factors unique to the Company's reporting units, including operating results, business plans, economic projections, anticipated future cash flows, business trends and the Company's market capitalization. As a result of the Company's annual goodwill impairment test during 2023, the Company recorded a pre-tax goodwill impairment charge related to its Specialty Products & Technologies segment of \$134.5 million and \$77.8 million related to its Equipment & Consumables segment. The reduction in value is primarily due to significant increases in discount rates utilized in valuing these reporting units, adverse macroeconomic factors such as higher cost of borrowing and inflationary pressures, geopolitical factors, and lower forecast of operating results which contributed to reduced expectation of future cash flows.

No The Company uses the relief from royalty method to estimate the fair value of its indefinite-lived intangible assets. The Company's significant assumptions vary amongst, and are specific to, each underlying indefinite-lived intangible asset which includes, but are not limited to, discount rates, revenue growth rates assumptions (including perpetual growth rates) and royalty rates. As a result of the Company's annual indefinite-lived intangible impairment test during 2023, the

Company recorded an impairment charge of \$46.0 million related to certain indefinite-lived trade names within the Specialty Products & Technologies segment. The reduction in value is primarily due to higher discount rates and reduction in projected cash flows as discussed above.

These impairment charges described above are recorded in the Goodwill and intangible asset impairment line within the Consolidated Statements of Operations.

There were no goodwill impairment charges were recorded for the years ended December 31, 2022, 2021 and 2020 and no "triggering" events have occurred subsequent 2021. Any deviation in actual financial results compared to the performance forecasted financial results or valuation assumptions used in the annual tests, a decline in equity valuations, increases in interest rates, or changes in the use of the 2022 annual impairment test. The factors used by management in its impairment analysis are inherently subject to uncertainty. If actual results are not consistent with management's estimates and assumptions, goodwill and other intangible assets, may among other factors, could have a material adverse effect to the fair value of either the reporting units or indefinite-lived intangible assets and could result in future impairment charges. There can be overstated and no assurance that the Company's future asset impairment testing will not result in a material charge to net income may be required. earnings.

The following is a rollforward of the Company's goodwill by segment (\$ in millions):

Specialty Products & Technologies	Specialty Products & Technologies			Equipment & Consumables	Total		
	Specialty						
	Products & Technologies	Equipment & Consumables	Total				
<b>Balance, December 31, 2022</b>							
<b>Balance, December 31, 2021</b>	\$ 2,029.7	\$ 1,102.3	\$3,132.0				
Acquisitions	77.3	373.1	450.4				
<b>Balance, December 31, 2022</b>							
<b>Balance, December 31, 2022</b>							
Impairment charges							
Reclassification							
Foreign currency translation	Foreign currency translation	(59.2)	(26.6)	(85.8)			
<b>Balance, December 31, 2022</b>	<b>\$ 2,047.8</b>	<b>\$ 1,448.8</b>	<b>\$3,496.6</b>				
<b>Balance, December 31, 2023</b>							

Finite-lived intangible assets are amortized over the shorter of their legal or estimated useful life. The following summarizes the gross carrying value, accumulated amortization and accumulated impairment losses, for each major category of intangible asset as of December 31 (\$ in millions):

	2022		2021		2023			
	Gross		Gross					
	Carrying Amount	Amortization	Carrying Amount	Amortization				
	Amount	Amortization	Amount	Amortization				
<b>Finite-lived intangibles: Patents and technology</b>					<b>Gross</b>			
Finite-lived intangibles: Patents and technology					Carrying Amount	Amortization	Accumulated Impairment Losses	Net Carrying Amount
Finite-lived intangibles: Patents and technology								

Patents and technology	Patents and technology	\$ 432.2	\$ (236.4)	\$ 313.8	\$ (215.3)
Customer relationships and other intangibles	Customer relationships and other intangibles	924.1	(648.7)	907.4	(610.9)
Trademarks and trade names	Trademarks and trade names	224.8	(100.2)	216.3	(75.4)
Total finite-lived intangibles	Total finite-lived intangibles	1,581.1	(985.3)	1,437.5	(901.6)
Indefinite-lived intangibles:	Indefinite-lived intangibles:				
Trademarks and trade names	Trademarks and trade names	490.9	—	510.5	—
Trademarks and trade names	Trademarks and trade names				
Total intangibles	Total intangibles	\$2,072.0	\$ (985.3)	\$1,948.0	\$ (901.6)

2022					
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount		
Patents and technology	\$ 432.2	\$ (236.4)	\$ 195.8		
Customer relationships and other intangibles	924.1	(648.7)	275.4		
Trademarks and trade names	224.8	(100.2)	124.6		
Total finite-lived intangibles	1,581.1	(985.3)	595.8		
Indefinite-lived intangibles:					
Trademarks and trade names	490.9	—	490.9		
Total intangibles	\$ 2,072.0	\$ (985.3)	\$ 1,086.7		

Total intangible amortization expense in 2023, 2022 and 2021 was \$99.6 million, \$106.0 million and **2020 was \$106.0 million, \$81.5 million and \$87.3 million**, respectively. Based on the intangible assets recorded as of **December 31, 2022** December 31, 2023, amortization expense is estimated as follows for the next five years and **thereafter**: thereafter (\$ in millions):

Years Ending	Years Ending	
December	December	
31,	31,	
2023		\$ 99.3
2024		
2024	2024	89.6
2025	2025	89.1
2026	2026	81.1
		2025 87.0
		2026 78.6

2027	2027	76.5	2027		74.8
2028			2028		72.0
Thereafter	Thereafter	160.2			
			\$595.8		
			\$		

#### NOTE 10. ACCRUED EXPENSES AND OTHER LIABILITIES

Accrued expenses and other liabilities as of December 31 were as follows (\$ in millions):

	2022		2021		2023		2022	
	Current		Noncurrent		Current		Noncurrent	
	2023				2023			
	Current				Current		Current	Noncurrent
Compensation and benefits	Compensation and benefits	\$148.0	\$ 17.5	\$188.9	\$ 17.9			
Sales and product allowances	Sales and product allowances	85.1	1.3	75.4	1.2			
Contract liabilities	Contract liabilities	78.9	8.6	60.1	5.1			
Taxes, income and other	Taxes, income and other	42.1	68.6	48.1	201.4			
Restructuring-related employee severance, benefits and other	Restructuring-related employee severance, benefits and other	18.9	—	21.9	—			
Pension benefits	Pension benefits	5.6	17.5	5.6	41.7			
Loss contingencies	Loss contingencies	8.1	27.6	8.4	30.3			
Derivative financial instruments		—	—	19.6	—			
Other	Other	84.7	10.2	134.3	6.6			
Total	Total	\$471.4	\$ 151.3	\$562.3	\$ 304.2			

#### NOTE 11. HEDGING TRANSACTIONS AND DERIVATIVE FINANCIAL INSTRUMENTS

The Company has foreign currency denominated long-term debt in the amount of €208.0 million. This senior unsecured term loan facility represents a partial hedge of the Company's net investment in foreign operations against adverse movements in exchange rates between the U.S. dollar and the euro. The euro senior unsecured term loan facility is designated and qualifies as a non-derivative hedging instrument. Accordingly, the foreign currency translation of the euro senior unsecured term loan facility is recorded in accumulated other comprehensive loss in equity in the accompanying Consolidated Balance Sheets, offsetting the foreign currency translation adjustment of the Company's related net investment that is also recorded in accumulated other comprehensive loss in equity (see Note 18). Any ineffective portions of net investment hedges are reclassified from accumulated other comprehensive loss into income during the period of change. The euro senior unsecured term loan facility matures in September 2024. Refer to Note 16 for a further discussion of the above loan facility.

The Company has used cross-currency swap derivative contracts to partially hedge its net investments in foreign operations against adverse movements in exchange rates between the U.S. dollar and the euro. The cross-currency swap derivative contracts were agreements to exchange fixed-rate payments in one currency for fixed-rate payments in another currency. The Company maintained entered into a two-year cross-currency swap derivative contract, with respect to its \$650.0 million notional value of \$150.0 million. This contract effectively converts a portion of the Company's U.S. dollar denominated senior unsecured term loan facility. These contracts effectively converted the \$650.0 million senior unsecured term loan facility facilities to an

obligation obligations denominated in euros and partially offset offsets the impact of changes in currency rates on foreign currency denominated net investments. During This instrument matures on January 17, 2025.

The Company also has foreign currency denominated long-term debt consisting of a senior euro term loan facility. The senior euro term loan facility represents a partial hedge of the year ended December 31, 2022, Company's net investment in foreign operations against adverse movements in exchange rates between the Company settled all U.S. dollar and the euro. The senior euro term loan facility is designated and qualifies as a non-derivative hedging instrument.

Refer to Note 16 for further discussion of its cross-currency swap derivative contracts the Company's debt and as of December 31, 2022 did not have any cross-currency swap derivative contracts outstanding. credit facilities.

The changes change in the fair value of these instruments were the cross-currency swap instrument and the foreign currency translation of the senior euro term loan facilities are recorded in accumulated other comprehensive loss in equity in the accompanying Consolidated Balance Sheets, partially offsetting the foreign currency translation adjustment of the Company's related net investment that was is also recorded in accumulated other comprehensive loss as reflected in Note 18. Any ineffective portions of net investment hedges were reclassified from accumulated other comprehensive loss into income during the period of change. The interest income or expense from these swaps was recorded in interest expense, net in the Company's Consolidated Statements of Operations consistent with the classification of interest expense attributable to the underlying debt.

The Company has also used interest rate swap derivative contracts to reduce its variability of cash flows related to interest payments with respect to its senior unsecured term loans and senior euro term loan facilities. The interest rate swap contracts exchanged interest payments based on variable rates for interest payments based on fixed rates. During the year ended December 31, 2022, the existing interest rate swap matured. As of December 31, 2022, the Company did not have any outstanding interest rate swap contracts. The changes in the fair value of these instruments were recorded in accumulated other comprehensive loss in equity (see Note 18). Any ineffective portions of the cash flow hedges were reclassified from accumulated other comprehensive loss into income during the period of change. The interest income or expense from these the cross-currency and interest rate swaps was recorded in interest expense, net in the Company's Consolidated Statements of Operations consistent with the classification of interest expense attributable to the underlying debt. The Company did not have any outstanding interest rate swap contracts as of December 31, 2023.

The following table summarizes the notional values as of December 31, 2022 December 31, 2023 and 2021 2022 and pretax impact of changes in the fair values of instruments designated as net investment hedges and cash flow hedges in accumulated other comprehensive loss ("OCI") for the years ended December 31, 2022 December 31, 2023 and 2021 2022 (\$ in millions):

		Notional Amount			
		Notional Amount			Gain Recognized in OCI
<b>Year Ended December 31, 2022</b>					
		Notional Amount			
		Notional Amount			
<b>Year Ended December 31, 2023</b>					
<b>Year Ended December 31, 2023</b>					
Foreign currency denominated debt	Foreign currency denominated debt	\$ 222.7	\$		13.8
Interest rate contract		—			2.2
Foreign currency denominated debt					
Foreign currency denominated debt					
Foreign currency contracts	Foreign currency contracts	—			68.5
Foreign currency contracts					
Foreign currency contracts					
<b>Total</b>	<b>Total</b>	<b>\$ 222.7</b>	<b>\$</b>		<b>84.5</b>
Total					
Total					
<b>Year Ended December 31, 2022</b>			Notional Amount		Gain Recognized in OCI
Foreign currency denominated debt		\$ 222.7	\$		13.8
Foreign currency contracts		—			68.5
Interest rate contracts		—			2.2
<b>Total</b>		<b>\$ 222.7</b>	<b>\$</b>		<b>84.5</b>

	Notional Amount	Gain Recognized in OCI
<b>Year Ended December 31, 2021</b>		
Foreign currency denominated debt	\$ 236.5	\$ 32.5
Interest rate contracts	250.0	6.1
Foreign currency contracts	650.0	49.7
<b>Total</b>	<b>\$ 1,136.5</b>	<b>\$ 88.3</b>

Gains or losses related to the foreign currency contracts and foreign currency denominated debt were classified as foreign currency translation adjustments in the schedule of changes in OCI in Note 18, as these items were attributable to the Company's hedges of its net investment in foreign operations. Gains or losses related to the interest rate contracts were classified as cash flow hedge adjustments in the schedule of changes in OCI in Note 18. The Company did not reclassify any deferred gains or losses related to net investment and cash flow hedges from accumulated other comprehensive loss to income during the years ended December 31, 2022. The Company reclassified \$10.2 million, net of tax, of certain deferred losses related to its net investment hedges from accumulated other comprehensive loss to income during the year ended December 31, 2021 related to the Divestiture, December 31, 2023 and 2022. In addition, the Company did not have any ineffectiveness related to net investment and cash flow hedges and therefore did not reclassify any portion of the above net investment and cash flow hedges from accumulated other comprehensive loss into income during the years ended December 31, 2022 December 31, 2023 and 2021, 2022. The cash inflows and outflows associated with the Company's derivative contracts designated as net investment hedges are classified in investing activities in the accompanying Consolidated Statements of Cash Flows.

The Company's derivative instruments, as well as its non-derivative debt instruments designated and qualifying as net investment hedges, were classified as of December 31, 2022 December 31, 2023 and 2021, 2022, in the Company's Consolidated Balance Sheets as follows (\$ in millions):

	2022	2021	
	2023		2022
<b>Derivative liabilities:</b>			
Accrued expenses and other liabilities	\$ —	\$ 19.6	
<b>Derivative liabilities:</b>			
Other long-term liabilities			
Other long-term liabilities			
Other long-term liabilities			
<b>Nonderivative hedging instruments:</b>			
<b>Nonderivative hedging instruments:</b>			
<b>Nonderivative hedging instruments:</b>			
Long-term debt	\$ 222.7	\$ 236.5	
<b>Long-term debt</b>			
<b>Long-term debt</b>			

Amounts related to the Company's derivatives expected to be reclassified from accumulated other comprehensive loss to net income during the next 12 months are not significant.

#### NOTE 12. FAIR VALUE MEASUREMENTS

Accounting standards define fair value based on an exit price model, establish a framework for measuring fair value where the Company's assets and liabilities are required to be carried at fair value and provide for certain disclosures related to the valuation methods used within a valuation hierarchy as established within the accounting standards. This hierarchy prioritizes the inputs into three broad levels as follows: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 inputs are quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets in markets that are not active, or other observable characteristics for the asset or liability, including interest rates, yield curves and credit risks, or inputs that are

derived principally from, or corroborated by, observable market data through correlation; and Level 3 inputs are unobservable inputs based on the Company's assumptions. A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

A summary of financial assets and liabilities that are measured at fair value on a recurring basis were as follows (\$ in millions):

	Significant				
	Quoted Prices in		Significant Other	Unobservable	
	Active Market	Observable Inputs	Inputs		
	(Level 1)	(Level 2)	(Level 3)	Total	
December 31, 2022:					
	Quoted Prices in				Significant
	Active Market				Unobservable
	(Level 1)				Total
December 31, 2023:					
Liabilities:	Liabilities:				
Liabilities:					
Liabilities:					
Cross-currency swap derivative contracts					
Cross-currency swap derivative contracts					
Cross-currency swap derivative contracts					
Deferred compensation plans	Deferred compensation plans	\$	—	\$ 15.8	\$ 15.8
Contingent consideration	Contingent consideration	\$	—	\$ 6.0	\$ 6.0
December 31, 2021:					
December 31, 2022:					
December 31, 2022:					
December 31, 2022:					
Liabilities:	Liabilities:				
Interest rate swap derivative contracts		\$	—	\$ 2.2	\$ 2.2
Cross-currency swap derivative contracts		\$	—	\$ 17.4	\$ 17.4
Liabilities:					
Liabilities:					
Deferred compensation plans	Deferred compensation plans	\$	—	\$ 16.5	\$ 16.5
Deferred compensation plans					
Contingent consideration					

## *Derivative Instruments*

The cross-currency and interest rate swap derivative contracts were contract was classified as Level 2 in the fair value hierarchy as they are it is measured using the income approach with the relevant interest rates, foreign currency current exchange rates and forward curves as inputs. Refer to Note 11 for additional information.

#### Deferred Compensation Plans

Certain management employees of the Company participate in nonqualified deferred compensation programs that permit such employees to defer a portion of their compensation, on a pretax basis. All amounts deferred under this plan are unfunded, unsecured obligations and are presented as a component of the Company's compensation and benefits accrual included in accrued expenses in the accompanying Consolidated Balance Sheets (refer to Note 10). Participants may choose among alternative earnings rates for the amounts they defer, which are primarily based on investment options within the Company's 401(k) program. Changes in the deferred compensation liability under these programs are recognized based on changes in the fair value of the participants' accounts, which are based on the applicable earnings rates on investment options within the Company's 401(k) program. Amounts voluntarily deferred by employees into the Company stock fund and amounts contributed to participant accounts by the Company are deemed invested in the Company's common stock and future distributions of such contributions will be made solely in shares of Company common stock, and therefore are not reflected in the above amounts.

#### Contingent Consideration

Contingent consideration represents a cash hold back intended to be used for certain liabilities related to the Company's acquisition of the Intraoral Scanner Business (as further discussed in Note 3). Contingent consideration was classified as Level 3 in the fair value hierarchy as the estimated fair value was measured using a probability weighted discounted cash flow model.

#### Fair Value of Financial Instruments

The carrying amounts and fair values of the Company's financial instruments as of December 31, were as follows (\$ in millions):

		2022		2021				2023		2022	
		Carrying Amount		Carrying Fair Value				Carrying Amount		Carrying Fair Value	
Liabilities:	Liabilities:	Contingent consideration	Contingent consideration	\$ 6.0	\$ 6.0	—	—	—	—	—	—
Liabilities:		Interest rate swap derivative contracts	Interest rate swap derivative contracts	\$ —	\$ —	\$ 2.2	\$ 2.2				
Liabilities:		Contingent consideration	Contingent consideration								
Cross-currency swap derivative contracts	Cross-currency swap derivative contracts	\$ —	\$ —	\$ 17.4	\$ 17.4						
Cross-currency swap derivative contracts	Cross-currency swap derivative contracts										
Convertible senior notes due 2028	Convertible senior notes due 2028										
Convertible senior notes due 2025	Convertible senior notes due 2025	\$ 510.0	\$ 873.0	\$ 432.1	\$ 1,162.5						
Long-term debt	Long-term debt	\$ 870.7	\$ 870.7	\$ 883.4	\$ 883.4						
Other debt	Other debt										

The fair value of long-term debt approximates the carrying value as these borrowings are based on variable market rates. The fair value of the convertible senior notes due 2028 and convertible senior notes due 2025 was determined based on the quoted bid price of the convertible senior notes in an over-the-counter

market on December 31, 2022 December 31, 2023 and 2021 2022. The convertible senior notes are considered as Level 2 of the fair value hierarchy. The fair values of cash and cash equivalents, which consist primarily of money market funds, time and demand deposits, trade accounts receivable, net and trade accounts payable approximate their carrying amounts due to the short-term maturities of these instruments.

Refer to Note 13 for information related to the fair value of the Company sponsored defined benefit pension plan assets.

#### NOTE 13. PENSION AND OTHER BENEFIT PLANS

Certain of the Company's employees participate in defined benefit pension plans and under certain of these plans, benefit accruals continue. In general, the Company's policy is to fund these plans based on considerations relating to legal requirements, underlying asset returns, the plan's funded status, the anticipated deductibility of the contribution, local practices, market conditions, interest rates and other factors.

In connection with the Company's restructuring activities (see Note 20), the Company had a reduction in participants in certain plans, which contributed to the change in the funded status through plan settlements and curtailments.

The following sets forth the funded status of the Company's plans as of the most recent actuarial valuations using measurement dates of December 31 (\$ in millions):

		Pension Benefits			
		2022	2021		
		Pension Benefits		Pension Benefits	
		2023	2023	2022	
Change in pension benefit obligation:	Change in pension benefit obligation:				
Benefit obligation at beginning of year					
Benefit obligation at beginning of year					
Benefit obligation at beginning of year	Benefit obligation at beginning of year	\$(129.1)	\$(171.6)		
Service cost	Service cost	(5.5)	(7.3)		
Interest cost	Interest cost	(1.8)	(1.2)		
Employee contributions	Employee contributions	(2.5)	(3.1)		
Benefits and other expenses paid	Benefits and other expenses paid	3.0	3.3		
Actuarial gain		27.3	13.0		
Actuarial (loss) gain					
Amendments, settlements and curtailments	Amendments, settlements and curtailments	7.7	33.2		
Foreign exchange rate impact	Foreign exchange rate impact	3.4	4.6		
Benefit obligation at end of year	Benefit obligation at end of year	(97.5)	(129.1)		

Change in plan assets:	Change in plan assets:		
Fair value of plan assets at beginning of year			
Fair value of plan assets at beginning of year			
Fair value of plan assets at beginning of year	Fair value of plan assets at beginning of year	80.6	104.1
Actual return on plan assets	Actual return on plan assets	(1.7)	5.8
Employer contributions	Employer contributions	5.5	6.0
Employee contributions	Employee contributions	2.5	3.1
Amendments and settlements	Amendments and settlements	(6.6)	(32.8)
Benefits and other expenses paid	Benefits and other expenses paid	(3.1)	(3.3)
Foreign exchange rate impact	Foreign exchange rate impact	(2.8)	(2.3)
Fair value of plan assets at end of year	Fair value of plan assets at end of year	74.4	80.6
Funded status	Funded status	\$ (23.1)	\$ (48.5)

**Weighted average assumptions used to determine benefit obligations at date of measurement:**

	December 31,			
	2022	2021		
December 31,				December 31,
2023				
Discount rate	Discount rate	3.9 %	1.5 %	Discount rate
Rate of compensation increase	Rate of compensation increase			Rate of compensation increase
increase	increase	2.8 %	2.2 %	
				2023
				2022

**Components of net periodic pension cost:**

Year Ended December 31,				Year Ended December 31,				
(\$ in millions)	(\$ in millions)	2022	2021	2020	(\$ in millions)	2023	2022	2021
Service cost	Service cost	\$(5.5)	\$(7.3)	\$(9.7)				
Interest cost	Interest cost	(1.8)	(1.2)	(1.6)				

Expected return on plan assets	Expected return on plan assets	2.6	3.3	3.7
Amortization of prior service credit and initial net obligation	Amortization of prior service credit and initial net obligation	0.3	0.4	0.4
Amortization of actuarial gain (loss)	Amortization of actuarial gain (loss)	0.1	(0.7)	(1.4)
Net settlement and curtailment gain (loss)	Net settlement and curtailment gain (loss)	1.9	0.8	(1.4)
Net periodic pension cost	Net periodic pension cost	<u><u>\$(2.4)</u></u>	<u><u>\$(4.7)</u></u>	<u><u>\$(10.0)</u></u>

The following table represents the service cost and other net periodic benefit costs of the defined benefit pension plans incurred during the years ended **December 31, 2022**, **December 31, 2023**, **2021**, **2022** and **2020** (\$ in millions):

	2022	2021	2020		2023	2022	2021
Service cost: Service cost:							
Service cost:							
Service cost:							
Cost of goods sold							
Cost of goods sold							
Cost of goods sold	Cost of goods sold						
Selling, general and administrative	Selling, general and administrative						
Other net periodic pension costs:	Other net periodic pension costs:						
Other income (expense)	3.1	2.6	(0.3)				
Other income							
Other income							
Total	Total	<u><u>\$(2.4)</u></u>	<u><u>\$(4.7)</u></u>	<u><u>\$(10.0)</u></u>			

**Weighted average assumptions used to determine net periodic pension cost at date of measurement:**

	Year Ended	
	December 31,	
	2022	2021

Year Ended December 31,			Year Ended December 31,		
2023			2023		
Discount rate	Discount rate	2.4 %	5.5 %	2.4	%
Expected long-term return on plan assets	Expected long-term return on plan assets	1.0 %			
Rate of compensation increase	Rate of compensation increase	3.3 %	3.9 %	3.3	%
		1.3 %		2.2	%

The discount rate reflects the market rate on December 31 of the prior year for high-quality fixed-income investments with maturities corresponding to the Company's benefit obligations and is subject to change each year. The rates appropriate for each plan are determined based on investment grade instruments with maturities approximately equal to the average expected benefit payout under the plan. The Company periodically updates the mortality assumptions used to estimate the projected benefit obligation.

Included in accumulated other comprehensive loss as of December 31, 2022 December 31, 2023 are the following amounts that have not yet been recognized in net periodic pension cost: unrecognized prior service credits of \$2.3 million \$2.2 million (\$1.8 million, net of tax) and unrecognized actuarial gain of \$17.5 million \$6.7 million (\$13.6 million, net of tax). The unrecognized actuarial gain and prior service credits, net, are calculated as the difference between the actuarially determined projected benefit obligation and the value of the plan assets less accrued pension costs as of December 31, 2022 December 31, 2023. The amounts included in accumulated comprehensive income (loss) and loss expected to be recognized in net periodic pension costs during the year ending December 31, 2023 December 31, 2024 is a prior service credit of \$0.4 million (\$0.3 million, net of tax) and an actuarial gain of \$1.4 million \$0.4 million (\$1.1 million, net of tax), respectively. No plan assets are expected to be returned to the Company during the year ending December 31, 2023 December 31, 2024.

#### Selection of Expected Rate of Return on Assets

The expected rate of return reflects the asset allocation of the plans and is based primarily on contractual earnings rates included in existing insurance contracts as well as on broad, publicly-traded equity and fixed-income indices and forward-looking estimates of active portfolio and investment management. Long-term rate of return on asset assumptions for the plans were determined on a plan-by-plan basis based on the composition of assets and ranged from 3.5% to 4.1% in 2023 and 2.3% to 5.3% in 2022, and 1.8% to 5.3% in 2021, with a weighted average rate of return assumption of 3.9% and 3.3% in 2023 and 3.2% in 2022, and 2021, respectively.

#### Plan Assets

Plan assets are invested in various insurance contracts, equity and debt securities as determined by the administrator of each plan.

The Company has some investments that are valued using Net Asset Value ("NAV") as a practical expedient. In addition, some of the investments valued using NAV may only allow redemption monthly, quarterly, semiannually or annually and require up to 90 days prior written notice. These investments valued using NAV primarily consist of mutual funds which allow the Company to diversify the portfolio.

The fair values of the Company's pension plan assets as of December 31, 2022 December 31, 2023, by asset category, were as follows (\$ in millions):

	Quoted Prices in Active Market (Level 1)	Significant			Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
		Quoted Prices in Active Market (Level 1)	Other Inputs (Level 2)	Significant Inputs (Level 3)			
Cash and cash equivalents							
		Significant			Significant		
		Other	Significant		Other	Significant	
		Quoted Prices in Observable Active Market (Level 1)	Unobservable Inputs (Level 2)	Inputs (Level 3)	Quoted Prices in Observable Active Market (Level 1)	Unobservable Inputs (Level 2)	Inputs (Level 3)
Cash and cash equivalents	\$ 8.4	\$ —	\$ —	\$ 8.4			
Insurance contracts							

Insurance contracts					
Insurance contracts	Insurance contracts	—	—	49.7	49.7
Total	Total	\$ 8.4	\$ —	\$ 49.7	\$ 58.1
Investments measured at NAV (a):	Investments measured at NAV (a):				
Mutual funds					
Mutual funds	Mutual funds			16.3	
Mutual funds	Mutual funds				
Total assets at fair value	Total assets at fair value			\$74.4	

(a) The fair value amounts presented in the table above are intended to permit reconciliation of the fair value hierarchy to the total plan assets.

The following table summarizes the changes in Level 3 pension plan assets measured at fair value on a recurring basis for the year ended December 31, 2022 (in December 31, 2023 (\$ in millions):

	Fair Value at January 1	Return on Plan Assets	Net Purchases/(Settlements)	Transfers Into/(Out of) Level 3	Fair Value at December 31
Insurance contracts	\$ 50.1	\$ (0.1)	\$ (0.3)	\$ —	\$ 49.7
Insurance contracts	\$ 49.7	\$ 6.0	\$ (5.5)	\$ —	\$ 50.2

The fair values of the Company's pension plan assets as of December 31, 2021 December 31, 2022, by asset category, were as follows (\$ in millions):

	Quoted Prices in Active Market (Level 1)		Quoted Prices in Active Market (Level 1)		Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3) Total
	Significant Other		Significant			
	Quoted Prices in Observable	Unobservable	Active Market (Level 1)	Inputs (Level 2)	Inputs (Level 3)	
Cash and cash equivalents						
Cash and cash equivalents	\$ 0.3	\$ —	\$ —	\$ —	\$ 0.3	
Insurance contracts						
Insurance contracts						
Insurance contracts	—	—	50.1	50.1		
Total	Total	\$ 0.3	\$ —	\$ 50.1	\$ 50.4	

Investments measured at NAV (a):	Investments measured at NAV (a):
Mutual funds	Mutual funds
Mutual funds	30.2
Mutual funds	
Total assets at fair value	Total assets at fair value
	\$80.6

(a) The fair value amounts presented in the table above are intended to permit reconciliation of the fair value hierarchy to the total plan assets.

The following table summarizes the changes in Level 3 pension plan assets measured at fair value on a recurring basis for the year ended **December 31, 2021** **December 31, 2022** (in millions):

	Fair Value at January 1	Return on Plan Assets	Net Purchases/(Settlements)	Transfers Into/(Out of) Level 3	Fair Value at December 31
Insurance contracts	\$ 77.2	\$ (0.6)	\$ (26.5)	\$ —	\$ 50.1

	Fair Value at January 1	Return on Plan Assets	Net Purchases / (Settlements)	Transfers Into/(Out of) Level 3	Fair Value at December 31
Insurance contracts	\$ 50.1	\$ (0.1)	\$ (0.3)	\$ —	\$ 49.7

Insurance contracts are valued based upon at carrying value, which approximates fair value, and are calculated using the quoted prices of the underlying investments of the insurance company prior-year balance plus or minus investment returns and changes in cash flows. Mutual funds are valued using the NAV based on the information provided by the asset fund managers, which reflects the plan's share of the fair value of the net assets of the investment.

The methods described above may produce a fair value estimate that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Company believes the valuation methods are appropriate and consistent with the methods used by other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

#### Expected Contributions

During **2022, 2023**, the Company contributed **\$5.5 million \$5.2 million** to its defined benefit pension plans. During **2023, 2024**, the Company's cash contribution requirements for its defined benefit pension plans are expected to be approximately **\$5.5 million \$5.9 million**.

The following sets forth benefit payments, which reflect expected future service, as appropriate, at **December 31, 2022 December 31, 2023**, are expected to be paid by the plans in the periods indicated (\$ in millions):

2023		\$	5.6
2024	2024	\$	5.1
2025	2025	\$	5.1
2026	2026	\$	4.8
2027	2027	\$	4.8
2028 - 2032		\$	24.1
2028			
2029 - 2033			

#### Other Matters

U.S. employees not covered by defined benefit plans are generally covered by defined contribution plans, which provide for Company funding based on a percentage of compensation. The Company provides eligible employees the opportunity to participate in defined contribution savings plans (commonly known as 401(k) plans), which permit contributions on a before-tax basis. Employees may contribute to various investment alternatives. In most of these plans, the Company matches a portion of the employees' contributions. The Company's contributions to these plans amounted to **\$19.1 million \$12.1 million, \$18.0 million \$19.1 million and \$11.0 million \$18.0 million** for the years ended **December 31, 2022 December 31, 2023, 2022 and 2021, and 2020**, respectively.

A limited number of the Company's subsidiaries, primarily outside of the United States, participate in multiemployer defined benefit plans that require the Company to periodically contribute funds to the plan. Multi-employer pension plans are designed to cover employees from multiple employers. These plans allow multiple employers to pool their pension resources and realize efficiencies associated with the daily administration of the plan. The risks of participating in a multiemployer plan differ from the risks of participating in a single-employer plan in the following respects: (1) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers, (2) if a participating employer ceases contributing to the plan, the unfunded obligations of the plan may be required to be borne by the remaining participating employers and (3) if the Company elects to stop participating in the plan, the Company may be required to pay the plan an amount based on the unfunded status of the plan.

The Company's (income) expense for multiemployer pension plans totaled \$(0.3) million, \$1.6 million \$3.9 million and \$8.2 \$3.9 million for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively.

#### NOTE 14. WARRANTY

The Company generally accrues estimated warranty costs at the time of sale. In general, manufactured products are warranted against defects in material and workmanship when properly used for their intended purpose, installed correctly and appropriately maintained. Warranty periods depend on the nature of the product and range from 90 days up to the life of the product. The amount of the accrued warranty liability is determined based on historical information such as past experience, product failure rates or number of units repaired, estimated cost of material and labor and in certain instances estimated property damage. The accrued warranty liability is reviewed on a quarterly basis and may be adjusted as additional information regarding expected warranty costs becomes known.

The following is a rollforward of the Company's accrued warranty liability (\$ in millions):

<b>Balance at December 31, 2021</b>	\$	9.4
Accruals for warranties issued during the year		15.3
Settlements made		(15.1)
Divestiture		(0.1)
Effect of foreign currency translation		(0.3)
<b>Balance at December 31, 2022</b>	\$	9.2
Accruals for warranties issued during the year		12.9
Settlements made		(13.2)
Effect of foreign currency translation		0.1
<b>Balance at December 31, 2023</b>	\$	9.0

#### NOTE 15. LITIGATION AND CONTINGENCIES

The Company records accruals for loss contingencies associated with legal matters when it is probable that a liability will be incurred, and the amount of the loss can be reasonably estimated.

If the reasonable estimate of a known or probable loss is a range, and no amount within the range is a better estimate than any other, the minimum amount of the range is accrued. If a loss does not meet the known or probable level but is reasonably possible, it is disclosed if deemed material and if such loss or range of loss can be reasonably estimated, the estimated loss or range of loss is disclosed. The Company's reserves consist of specific reserves for individual claims and additional amounts for anticipated developments of these claims as well as for incurred but not yet reported claims. The specific reserves for individual known claims are quantified with the assistance of legal counsel and outside risk professionals where appropriate. In addition, outside risk professionals assist in the determination of reserves for certain incurred but not yet reported claims through evaluation of the Company's specific loss history, actual claims reported and industry trends among statistical and other factors. The Company has determined that the liabilities associated with certain litigation matters are probable and can be reasonably estimated and has accrued \$35.7 million \$38.0 million and \$38.7 million \$35.7 million as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively, which are included in accrued liabilities in the Consolidated Balance Sheets. The Company has accrued for these matters and will continue to monitor each related legal issue and adjust accruals as might be warranted based on new information and further developments in accordance with ASC 450-20-25. Amounts accrued for legal contingencies often result from a complex series of judgments about future events and uncertainties that rely heavily on estimates and assumptions including timing of related payments. The ability to make such estimates and judgments can be affected by various factors including, among other things, whether damages sought in the proceedings are unsubstantiated or indeterminate; legal discovery has not commenced or is not complete; proceedings are in early stages; matters present legal uncertainties; there are significant facts in dispute; procedural or jurisdictional issues; the uncertainty and unpredictability of the number of potential claims; or there are numerous parties involved. To the extent adverse verdicts have been rendered against the Company, the Company does not record an accrual until a loss is determined to be probable and can be reasonably estimated. In the Company's opinion, based on its examination of these matters, its experience to date and discussions with counsel, the ultimate outcome of legal proceedings, net of liabilities accrued in the Company's Consolidated Balance Sheets, is not expected to have a material adverse effect on the Company's financial position. However, the resolution of or increase in accruals for, one or more of these matters in any reporting period may have a material adverse effect on the Company's results of operations and cash flows for that period.

The Company is subject to various environmental laws and regulations both within and outside of the United States. The operations of the Company involve the use of substances regulated under environmental laws, primarily in manufacturing processes. While it is difficult to quantify the potential impact of continuing compliance

with environmental protection laws or potential enforcement actions by regulatory agencies, management believes that such compliance or potential enforcement actions will not have a material impact on the Company's financial position, results of operations, or liquidity.

As of December 31, 2022 December 31, 2023, the Company had \$19.0 \$12.8 million of guarantees consisting primarily of outstanding standby letters of credit and bank guarantees. These guarantees have been provided in connection with certain arrangements with vendors, customers, insurance providers, financing counterparties and governmental entities to secure the Company's obligations and/or performance requirements related to specific transactions.

#### NOTE 16. DEBT AND CREDIT FACILITIES

The components of the Company's debt as of December 31, were as follows, net of debt discount and debt issuance costs (\$ in millions):

	2022	2021
Senior term loan facility due 2024 (the "Term Loan")	\$ 648.3	\$ 647.3
Senior euro term loan facility due 2024 (the "Euro Term Loan")	222.4	236.1
Convertible senior notes due 2025	510.0	432.1
Other	—	0.3
<b>Total debt</b>	<b>1,380.7</b>	<b>1,315.8</b>
Less: current portion	(510.0)	(432.4)
<b>Long-term debt</b>	<b>\$ 870.7</b>	<b>\$ 883.4</b>

	2023	2022
Senior term loan facility due 2028 (the "2028 Term Loan")	\$ 525.8	\$ —
Senior term loan facility due 2024 (the "2024 Term Loan")	—	648.3
Senior euro term loan facility due 2028 (the "2028 Euro Term Loan")	385.4	—
Senior euro term loan facility due 2024 (the "2024 Euro Term Loan")	—	222.4
Convertible senior notes due 2028 (the "2028 Convertible Notes")	486.9	—
Convertible senior notes due 2025 (the "2025 Convertible Notes")	115.3	510.0
<b>Total debt</b>	<b>1,513.4</b>	<b>1,380.7</b>
Less: current portion	(115.3)	(510.0)
<b>Long-term debt</b>	<b>\$ 1,398.1</b>	<b>\$ 870.7</b>

The Company's contractual minimum principal payments are as follows (\$ in millions):

2023	\$ —	
2024	872.7	
2025	517.5	
2026	—	
2027	—	
2028	—	
<b>Total</b>	<b>\$ 1,390.2</b>	

#### Credit Agreement Facilities

On September 20, 2019, August 31, 2023, the Company entered into a credit agreement (the "Credit Agreement") with a syndicate of banks under which Envista borrowed approximately \$1.3 billion, consisting of the three-year \$650.0 million Term Loan and the three-year €600.0 million Euro Term Loan (together with the Term Loan, the "Term Loans"). The Credit Agreement also included the five-year, \$250.0 million revolving credit facility (together with the Term Loans, the "Senior Credit Facilities").

On February 9, 2021, in connection with an amendment to the Credit Agreement, the Company repaid \$472.0 million of its Euro Term Loan.

On June 15, 2021, the Company entered into an second amended and restated credit agreement (the "Amended "Second Amended Credit Agreement") with a syndicate of banks. The Amended Credit Agreement, which amends and restates the Company's Credit Agreement, originally credit agreement dated September

20, 2019 (as June 15, 2021. The amended by Amendment No. 1 to Credit Agreement and restated credit agreement dated as of May 6, 2020 June 15, 2021, Amendment No. 2 to Credit Agreement dated as of May 19, 2020, and Amendment No. 3 to Credit Agreement dated as of February 9, 2021).

Under the Amended Credit Agreement: (a) the maturity date consisted of the Company's existing \$650.0 million 2024 Term Loans has been extended to September 20, 2024, (b) Loan and the €208.0 million 2024 Euro Term Loan. Additionally, the amended and restated credit agreement dated June 15, 2021 included a revolving credit facility has been increased from \$250.0 million to \$750.0 million, (c) the Company may request further increases to the revolving credit facility in an aggregate amount not to exceed \$350.0 million, (d) the amount of cash and cash equivalents permitted to be netted in the definition of "Consolidated Funded Indebtedness" has been increased to up to the greater of (i) \$250.0 million and (ii) 50% of Consolidated EBITDA as of the most recent measurement period, and (e) the floor on Eurocurrency rate loans applicable to the revolving credit facility and the Term Loan has been reduced to zero, in each case subject to and in accordance with the terms and conditions of the Amended Credit Agreement. The Company paid fees aggregating approximately \$2.1 million in connection with the Amended Credit Agreement.

The revolving credit facility includes an aggregate available borrowing capacity of \$750.0 million with and a \$20.0 million sublimit for the issuance of standby letters of credit. As of December 31, 2022 there were no borrowings outstanding under this revolving credit facility.

Under the Second Amended Credit Agreement, the Company entered into the 2028 Term Loan for \$530.0 million and the 2028 Euro Term Loan for €350.0 million (collectively the "2028 Term Loans"). The Second Amended Credit Agreement also includes a revolving credit facility (together with the 2028 Term Loans, the "New Senior Credit Facilities") with an aggregate available borrowing capacity of \$750.0 million and a \$30.0 million sublimit for the issuance of standby letters of credit that can be used for working capital and other general corporate purposes. The Company may request further increases to the revolving credit facility by an amount that is the greater of 100% of Consolidated EBITDA or \$525.0 million. As of December 31, 2022 and December 31, 2021, December 31, 2023 there were no borrowings outstanding under the this revolving credit facility. The New Senior Credit Facilities mature on August 31, 2028, and are subject to an earlier maturity date of 91 days prior to the maturity date of the 2028 Convertible Notes, if more than \$250.0 million of such notes are outstanding at that time.

The proceeds from the 2028 Term Loans were used to pay outstanding balances of the 2024 Term Loan and the 2024 Euro Term Loan. Additionally, the Company paid fees aggregating approximately \$5.2 million in connection with the Second Amended Credit Agreement.

Under the New Senior Credit Facilities, borrowings bear interest as follows: (1) Eurocurrency Rate Term SOFR Loans (as defined in the Second Amended Credit Agreement) bear interest at a variable rate equal to the London inter-bank offered on a forward-looking Secured Overnight Financing Rate ("LIBOR" SOFR) term rate plus 0.10% credit spread adjustment plus a margin of between 0.785% 0.910% and 1.625%, depending on the Company's Consolidated Leverage Ratio (as defined in the Second Amended Credit Agreement) as of the last day of the immediately preceding fiscal quarter; and (2) Base Rate Loans (as defined in the Second Amended Credit Agreement) bear interest at a variable rate equal to (a) the highest of (i) the Federal funds rate (as published by the Federal Reserve Bank of New York from time to time) plus 0.50%, (ii) Bank of America's "prime rate" as publicly announced from time to time, and (iii) the Eurocurrency Rate Term SOFR (as defined in the Second Amended Credit Agreement) plus 1.0% and (iv) 1.0%, plus (b) a margin of between 0.00% 0.0% and 0.625%, depending on the Company's Consolidated Leverage Ratio as of the last day of the immediately preceding fiscal quarter. In no event will Eurocurrency Rate Term SOFR Loans or Base Rate Loans bear interest at a rate lower than 0.0%. The Amended Credit Agreement provides for the use of Secured Overnight Financing Rate ("SOFR") as a replacement rate upon a LIBOR cessation event. In addition, the Company is required to pay a per annum facility fee of between 0.09% and 0.225% depending on the Company's Consolidated Leverage Ratio as of the last day of the immediately preceding fiscal quarter and based on the aggregate commitments under the revolving credit facility, whether drawn or not.

The interest rates for borrowings under the 2028 Term Loan and 2028 Euro Term Loan were 5.98% 6.70% and 1.25% 5.00% as of December 31, 2022 and 2021, respectively. The interest rate for borrowings under the Euro Term Loan was 3.28% and 0.95% as of December 31, 2022 and 2021, December 31, 2023, respectively. Interest is payable quarterly monthly for the 2028 Term Loans. The Amended Credit Agreement requires the Company is required to maintain a Consolidated Leverage Ratio of 3.75 4.00 to 1.00 or less and includes a provision that the maximum Consolidated Leverage Ratio will be increased to 4.25 4.50 to 1.00 for the four three consecutive full fiscal quarters immediately following the consummation of any acquisition by the Company or any subsidiary of the Company in which the purchase price exceeds \$100.0 million. The Amended Credit Agreement Company is also requires the Company required to maintain a Consolidated Interest Coverage Ratio (as defined in the Second Amended Credit Agreement) of at least 3.00 to 1.00. The Amended Credit Agreement contains Company is subject to customary representations, warranties, conditions precedent, events of default, indemnities and affirmative and negative covenants, including covenants that, among other things, limit or restrict the Company's and/or the Company's subsidiaries' ability, subject to certain exceptions and qualifications, to incur liens or indebtedness, merge, consolidate or sell or otherwise transfer assets, make dividends or distributions, enter into transactions with the Company's affiliates and use proceeds of the debt financing for other than permitted uses. The Amended Credit Agreement also contains customary events of default. Upon Additionally, upon the occurrence and during the continuance of an event of default, the lenders may declare the outstanding advances and all other obligations under the Amended Credit Agreement immediately due and payable. The Company was in compliance with all of its debt covenants as of December 31, 2022 December 31, 2023.

#### Convertible Senior Notes (the "Notes")

The interest rates for borrowings as of December 31, 2022, for the 2024 Term Loan and the 2024 Euro Term Loan were 5.98% and 3.28%, respectively.

#### 2028 Convertible Notes

On May 21, 2020 August 10, 2023, the Company issued the 2028 Convertible Notes due on June 1, 2025 August 15, 2028, unless earlier repurchased, redeemed or converted. The aggregate principal amount, which includes the initial purchasers' exercise in full of their option to purchase an additional \$67.5 million \$65.2

million principal amount, of the Notes, was \$517.5 million \$500.2 million. The net proceeds from the issuance, after deducting purchasers' discounts and estimated offering expenses, were \$502.6 million \$485.9 million. The Company used part a portion of the net proceeds to pay for the capped call transactions ("Capped Calls") as further cash portion of the consideration in the exchange transaction described below. below under "Convertible Debt Exchanges."

The 2028 Convertible Notes will accrue interest at a rate of 2.375% 1.75% per annum, payable semi-annually in arrears on June 1 February 15 and December 1 August 15 of each year, beginning on December 1, 2020. year. The 2028 Convertible Notes have an initial conversion rate of 47.5862 21.5942 shares of the Company's common stock per \$1,000 principal amount, of Notes, which is equivalent to an initial conversion price of approximately \$21.01 \$46.31 per share of the Company's common stock and is subject to adjustment upon the occurrence of specified events. The 2028 Convertible Notes are governed by an indenture dated as of May 21, 2020 August 10, 2023 (the "Indenture") between the Company and Wilmington Trust, National Association, as trustee. The Indenture does not contain any financial covenants or any restrictions on the payment of dividends, the incurrence of senior debt or other indebtedness or the issuance or repurchase of the Company's securities by the Company.

Prior to the adoption of ASU 2020-06, the Company separated the carrying amounts of the The 2028 Convertible Notes and total issuance costs incurred into liability and equity components. For the Notes, the carrying amount of the liability component was calculated by measuring the fair value of a similar debt instrument that did not have an associated convertible feature, while the carrying amount of the equity component representing the conversion option was determined by deducting the fair value of the liability component from the par value of the Notes. Total issuance costs incurred were then allocated to the liability and equity components of the Notes based on their relative values.

Due to the Company's adoption of ASU 2020-06 on January 1, 2022, the Notes and related issuance costs incurred are no longer required to be bifurcated into separate liability and equity components. This resulted in a \$75.0 million increase to the carrying value of the Notes due 2025, comprised of unamortized discount of \$76.5 million and deferred debt issuance costs of \$1.5 million and a decrease to additional paid-in capital of \$77.8 million. Additionally, the adoption of ASU 2020-06 resulted in a \$21.4 million increase to retained earnings and an \$18.6 million decrease to the related net deferred tax liability associated with the reduction of unamortized debt discount and deferred debt issuance costs.

The Notes are the Company's senior, unsecured obligations and are (i) equal in right of payment with the Company's existing and future senior, unsecured indebtedness; (ii) senior in right of payment to the Company's existing and future indebtedness that is expressly subordinated to the 2028 Convertible Notes; (iii) effectively subordinated to the Company's existing and future secured indebtedness, to the extent of the value of the collateral securing that indebtedness; and (iv) structurally subordinated to all existing and future indebtedness and other liabilities, including trade payables, and (to the extent the Company is not a holder thereof) preferred equity, if any, of the Company's subsidiaries.

Holders of the 2028 Convertible Notes may convert their Notes at any time on or after February 15, 2028 until the close of business on the second scheduled trading day immediately before the maturity date. Holders will also have the right to convert prior to February 15, 2028, but only upon the occurrence of specified events. The Company will settle any convertible note conversions through a combination settlement by satisfying the principal amount outstanding with cash and any convertible note conversion value in excess of the principal amount in cash or shares of the Company's common stock or any combination thereof. If a fundamental change occurs prior to the maturity date, holders may require the Company to repurchase all or a portion of their 2028 Convertible Notes for cash at a repurchase price equal to 100% of the principal amount plus any accrued and unpaid interest. In addition, if specific corporate events occur prior to the maturity date, the Company would increase the conversion rate for a holder who elects to convert in connection with such an event in certain circumstances. As of December 31, 2023, none of the conditions permitting early conversion by holders had been met, therefore, the 2028 Convertible Notes are classified as long-term debt.

The 2028 Convertible Notes will be redeemable, in whole or in part, at the Company's option at any time, and from time to time, on or after August 17, 2026 and on or before the 40th scheduled trading day immediately before the maturity date, at a cash redemption price equal to the principal amount to be redeemed, plus accrued and unpaid interest, if any, to, but excluding the redemption date, but only if the last reported sale price per share of the Company's common stock exceeds 130% of the conversion price on (i) each of at least 20 trading days, whether or not consecutive, during the 30 consecutive trading days ending on, and including, the trading day immediately before the date the Company sends the related redemption notice; and (ii) the trading day immediately before the date the Company sends such notice. In addition, calling any 2028 Convertible Note for redemption will constitute a "Make-Whole Fundamental Change" (as defined in the Indenture) with respect to that 2028 Convertible Note, in which case the conversion rate applicable to the conversion will be increased in certain circumstances if it is converted after it is called for redemption.

The 2028 Convertible Notes are accounted for in accordance with ASC 470 "Debt" and ASC 815 "Derivatives and Hedging." The Company has evaluated all the embedded conversion options contained in the 2028 Convertible Notes to determine if there are embedded features that require bifurcation as a derivative as required by U.S. GAAP. Based on the Company's analysis, it accounts for the 2028 Convertible Notes as single units of accounting, a liability, because the Company concluded that the conversion features do not require bifurcation as a derivative.

#### 2025 Convertible Senior Notes

On May 21, 2020, the Company issued the 2025 Convertible Notes due on June 1, 2025, unless earlier repurchased, redeemed or converted. The aggregate principal amount, which includes the initial purchasers' exercise in full of their option to purchase an additional \$67.5 million principal amount was \$517.5 million. The net proceeds from the issuance, after deducting purchasers' discounts and estimated offering expenses, were \$502.6 million. The Company used part of the net proceeds to pay for the capped call transactions ("Capped Calls") as further described below. The 2025 Convertible Notes accrue interest at a rate of 2.375% per annum, payable semi-annually in arrears on June 1 and December 1 of each year. The 2025 Convertible Notes have an initial conversion rate of 47.5862

shares of the Company's common stock per \$1,000 principal amount, which is equivalent to an initial conversion price of approximately \$21.01 per share of the Company's common stock and is subject to adjustment upon the occurrence of specified events. The 2025 Convertible Notes are governed by an indenture dated as of May 21, 2020 (the "2025 Convertible Note Indenture") between the Company and Wilmington Trust, National Association, as trustee. The 2025 Convertible Note Indenture does not contain any financial covenants or any restrictions on the payment of dividends, the incurrence of senior debt or other indebtedness or the issuance or repurchase of the Company's securities by the Company.

The 2025 Convertible Notes are senior, unsecured obligations and are (i) equal in right of payment with the Company's existing and future senior, unsecured indebtedness; (ii) senior in right of payment to the Company's existing and future indebtedness that is expressly subordinated to the 2025 Convertible Notes; (iii) effectively subordinated to the Company's existing and future secured indebtedness, to the extent of the value of the collateral securing that indebtedness; and (iv) structurally subordinated to all existing and future indebtedness and other liabilities, including trade payables, and (to the extent the Company is not a holder thereof) preferred equity, if any, of the Company's subsidiaries.

Holders may convert at any time on or after December 2, 2024, until the close of business on the second scheduled trading day preceding the maturity date. Holders of the Notes will also have the right to convert the Notes prior to December 2, 2024, but only upon the occurrence of specified events. In December 2021, the Company made the irrevocable election to settle all Notes any convertible note conversions through a combination settlement by satisfying the principal amount outstanding with cash and any Notes convertible note conversion value in excess of the principal amount in cash or shares of the Company's common stock or a combination of both. If a fundamental change occurs prior to the maturity date, holders of the Notes may require the Company to repurchase all or a portion of their 2025 Convertible Notes for cash at a repurchase price equal to 100.0% of the principal amount plus any accrued and unpaid interest. In addition, if specific corporate events occur prior to the maturity date, the Company would increase the conversion rate for a holder who elects to convert its Notes in connection with such an event in certain circumstances. As Holders may convert at any time after December 2, 2024, the 2025 Convertible Notes are classified as short-term debt as of December 31, 2022 and 2021, the December 31, 2023. The stock price exceeded 130% of the conversion price of \$21.01 in 20 days of the final 30 trading days ended December 31, 2022 and 2021, which. This satisfied one of the conditions permitting early conversion by holders of the 2025 Convertible Notes, therefore, the 2025 Convertible Notes are classified as short-term debt as of December 31, 2022.

The 2025 Convertible Notes will be redeemable, in whole or in part, at the Company's option at any time, and from time to time, on or after June 1, 2023 and on or before the 40th scheduled trading day immediately before the maturity date, at a cash redemption price equal to the principal amount of the Notes amounts to be redeemed, plus accrued and unpaid interest, if any, to, but excluding the redemption date, but only if the last reported sale price per share of the Company's common stock exceeds 130.0% of the conversion price on (i) each of at least 20 trading days, whether or not consecutive, during the 30 consecutive trading days ending on, and including, the trading day immediately before the date the Company sends the related redemption notice; and (ii) the trading day immediately before the date the Company sends such notice. In addition, calling any 2025 Convertible Note for redemption will constitute a "Make-Whole Fundamental Change" (as, as defined in the Indenture) with respect to that 2025 Convertible Note Indenture, in which case the conversion rate applicable to the conversion of that Note will be increased in certain circumstances if it is converted after it is called for redemption. On August 10, 2023, the Company settled \$401.2 million of principal amount of 2025 Convertible Notes in the exchange transaction described below.

#### Convertible Debt Exchanges

On August 10, 2023, the Company entered into exchange agreements with a limited number of holders of the 2025 Convertible Notes to exchange \$401.2 million principal amount of the 2025 Convertible Notes for aggregate consideration which consisted of approximately \$403.0 million in cash, which included accrued interest, and approximately 8.4 million shares of the Company's common stock (the "Notes Exchanges"). The Company recognized a non-cash inducement charge of \$28.5 million in connection with the Notes Exchanges which was recorded within Other (expense) income in the Consolidated Statements of Operations, a reduction of \$4.4 million of unamortized debt issuance costs, and an increase in additional paid-in capital of \$24.1 million.

The following table sets forth total interest expense recognized related to the Notes convertible notes (\$ in millions):

	Year Ended December 31,	
	2022	2021
Contractual interest expense	\$ 12.3	\$ 12.3
Amortization of debt issuance costs	2.9	1.9
Amortization of debt discount	—	19.0
<b>Total interest expense</b>	<b>\$ 15.2</b>	<b>\$ 33.2</b>

	Year Ended December 31,	
	2023	2022
<b>Contractual interest expense:</b>		
2028 Convertible Notes	\$ 3.4	—
2025 Convertible Notes	9.1	12.3

**Amortization of debt issuance costs:**

2028 Convertible Notes	1.0	—
2025 Convertible Notes	2.0	2.9
Total interest expense	\$ 15.5	\$ 15.2

For the years ended December 31, 2022 December 31, 2023 and 2021, 2022, the debt discount and debt issuance costs were amortized using an annual effective interest rate of 2.4% and 3.0% for the 2028 Convertible Notes and 7.3%, respectively, to interest expense over the term of the Notes, 2025 Convertible Notes, respectively.

As of December 31, 2022 December 31, 2023 and 2021, 2022, the if-converted value of the 2025 Convertible Notes exceeded the outstanding principal amount by \$311.7 million \$16.9 million and \$592.1 million \$311.7 million, respectively.

**Debt Discount and Debt Issuance Costs**

As of December 31, 2022 and 2021, The remaining unamortized debt discount and debt issuance costs for the Term Loan, Euro Term Loan and Convertible Senior Notes are debt outstanding were as follows (\$ in millions):

	2022		2021	
	Debt Issuance Costs	Debt Discount	Debt Issuance Costs	Debt Discount
Convertible Senior Notes	\$ 7.5	\$ —	\$ 8.9	\$ 76.5
Term Loan	1.7	—	2.7	—
Euro Term Loan	0.3	—	0.5	—
	\$ 9.5	\$ —	\$ 12.1	\$ 76.5

	Year Ended December 31,	
	2023	2022
2028 Convertible Notes	\$ 13.3	\$ —
2025 Convertible Notes	1.0	7.5
Term Loans	4.2	1.7
Euro Term Loans	1.0	0.3
	\$ 19.5	\$ 9.5

The above unamortized debt discount and debt issuance costs have been netted against their respective aggregate principal amounts of the related debt and are being amortized to interest expense over the term of the respective debt.

**Capped Call Transactions**

In connection with the offering of the 2025 Convertible Notes, the Company entered into Capped Calls with certain counterparties. The Capped Calls each have an initial strike price of approximately \$21.01 per share, subject to certain adjustments, which corresponds to the initial conversion price of the 2025 Convertible Notes. The Capped Calls have initial cap prices of \$23.79 per share, subject to certain adjustments. The Capped Calls cover, subject to anti-dilution adjustments, 2.9 million shares of the Company's common stock. The Capped Calls are generally intended to reduce or offset the potential dilution from shares of common stock issued upon any conversion of the 2025 Convertible Notes with such reduction or offset, as the case may be, subject to a cap based on the cap price. As the Capped Call transactions are considered indexed to the Company's own stock and are considered equity classified, they are recorded in equity and are not accounted for as derivatives. The cost of \$20.7 million incurred in connection with the Capped Calls was recorded as a reduction to additional paid-in capital.

On August 10, 2023, in connection with the Notes Exchanges, the Company completed a partial unwind of the Capped Calls resulting in the receipt of 1.0 million shares of its common stock.

**NOTE 17. STOCK TRANSACTIONS AND STOCK-BASED COMPENSATION**

**Capital Stock**

Under the Company's amended and restated certificate of incorporation, the Company's authorized capital stock consists of 500.0 million shares of common stock with a par value of \$0.01 per share and 15.0 million shares of preferred stock with a par value of \$0.01 per share. No preferred shares were issued or outstanding as of December 31, 2022 December 31, 2023 and 2021, 2022.

Each share of the Company's common stock entitles the holder to one vote on all matters to be voted upon by common stockholders. The Company's Board of Directors (the "Board") is authorized to issue shares of preferred stock in one or more series and has discretion to determine the rights, preferences, privileges and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences, of each series of preferred stock. The Board's authority to issue preferred stock with voting rights or conversion rights that, if exercised, could adversely affect the voting power of the holders of common stock, could potentially discourage attempts by third parties to obtain control of the Company through certain types of takeover practices.

The following table summarizes the Company's stock activity (shares in millions):

		Year Ended December 31,		
		2022	2021	2020
		Year Ended December 31,		
		2023	2023	2022
<b>Common stock - shares issued:</b>	<b>Common stock - shares issued:</b>			
Balance, beginning of period				
Balance, beginning of period				
Balance, beginning of period	Balance, beginning of period	162.0	160.2	158.7
<b>Issuance of common stock</b>	<b>Issuance of common stock</b>	<b>1.7</b>	<b>1.8</b>	<b>1.5</b>
Balance, end of period	Balance, end of period	<u>163.7</u>	<u>162.0</u>	<u>160.2</u>

#### Stock-Based Compensation

The Company adopted the 2019 Omnibus Incentive Plan (the "Stock Plan") that provides for the grant of stock appreciation rights, restricted stock units ("RSUs"), and performance stock units ("PSUs") (collectively, "Stock Awards"), as well as stock options ("Options"). A total of 21.0 million shares of the Company's common stock have been authorized for issuance under the Stock Plan. Under the Stock Plan, stock-based grants are awarded at a price equal to the fair market value at the date of grant based upon the closing price on that date. Options and Stock Awards generally vest over a period of three to five years. Options expire ten years after the date of grant.

RSUs issued under the Stock Plan provide for the issuance of a share of the Company's common stock at no cost to the holder. The RSUs granted to employees provide for time-based vesting, generally over a three to five-year period. Prior to vesting, RSUs granted under the Stock Plan do not have dividend equivalent rights, do not have voting rights and the shares underlying the RSUs are not considered issued and outstanding. PSUs issued under the Stock Plan provide for the issuance of a share of the Company's common stock based on the achievement of various financial performance metric targets and market conditions, which are set at the time of grant.

The Company accounts for stock-based compensation by measuring all RSUs, PSUs and Options at fair value as of the grant date. The Company recognizes the compensation expense over the requisite service period (which is generally the vesting period but may be shorter than the vesting period if the employee becomes retirement eligible before the end of the vesting period). The fair value for RSU awards is calculated using the closing price of the Company's common stock on the date of grant. The fair value of the Options granted is calculated using a Black-Scholes option pricing model ("Black-Scholes").

On December 23, 2021 and January 21, 2022, the Company entered into and finalized, respectively, an RSU agreement with Pacific Dental Services ("PDS") which awarded PDS RSUs with a fair value of \$12.5 million, or 273,522 RSUs, based on the Company's stock price on December 23, 2021. The RSUs vest over approximately three four years and contain performance milestones. All of the 273,522 RSUs remained unvested as of December 31, 2022 December 31, 2023.

The following summarizes the assumptions used in the Black-Scholes model to value Options granted during the years ended December 31:

	2022	2021	2020		2023		2023	2022	2021
	2023						2023	2022	2021
Risk-free interest rate	Risk-free interest rate								
Weighted average volatility	Weighted average volatility								
Dividend yield	Dividend yield								
Expected years until exercise	Expected years until exercise								
	6.0	6.0	6.0		6.0		6.0		6.0

The risk-free rate of interest for periods within the contractual life of the awards is based on a zero-coupon U.S. government instrument with a maturity period that approximates the award's expected term. The weighted average volatility used in the Black-Scholes model to value Options was estimated based on an average historical stock price volatility of a peer group of companies. The dividend yield was 0.0% as the Company does not offer a dividend. To estimate the option exercise timing used in the valuation model, in addition to considering the vesting period and contractual term of the Option, the Company analyzes and considers actual historical exercise experience for previously granted awards.

The amount of stock-based compensation expense recognized during a period is also based on the portion of the awards that are ultimately expected to vest. The Company estimates pre-vesting forfeitures at the time of grant by analyzing historical data and revises those estimates in subsequent periods if actual forfeitures differ from those estimates. The Company has estimated an annual forfeiture rate of 12.0% for the year ended December 31, 2023 and 6.0% for the years ended December 31, 2022, 2021 and 2020, 2021.

The following summarizes the components of the Company's stock-based compensation expense for the years ended December 31 (\$ in millions):

	2023			2023	2022	2021
	2022	2021	2020			
RSUs / PSUs						
RSUs / PSUs						
RSUs / PSUs	RSUs / PSUs	\$19.3	\$15.5	\$13.3		
Options	Options	11.2	12.2	8.9		
Total stock-based compensation expense	Total stock-based compensation expense					
		\$30.5	\$27.7	\$22.2		

The Company's stock-based compensation is primarily recognized as a component of selling, general and administrative expenses in the accompanying Consolidated Statements of Operations. As of December 31, 2022 December 31, 2023, \$43.6 million \$27.5 million of total unrecognized compensation cost related to Options and RSUs/PSUs is expected to be recognized over a weighted average period of approximately two years, one year.

The following summarizes the Company's Option activity (in millions; except price per share and numbers of years):

	Number of Stock Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Outstanding as of December 31, 2019	8.0	\$17.81		
Number of Stock Options				
Outstanding as of December 31, 2020				
Granted				

Granted					
Granted	Granted	2.2	\$ 26.14		
Exercised	Exercised	(1.0)	\$ 14.01		
Exercised					
Exercised					
Cancelled/forfeited	Cancelled/forfeited	(1.1)	\$ 21.17		
Outstanding as of December 31, 2020					
8.1		\$ 20.08			
Cancelled/forfeited					
Cancelled/forfeited					
Outstanding as of December 31, 2021					
Outstanding as of December 31, 2021					
Outstanding as of December 31, 2021					
Granted					
Granted					
Granted	Granted	1.7	\$ 38.15		
Exercised	Exercised	(1.3)	\$ 15.74		
Exercised					
Exercised					
Cancelled/forfeited	Cancelled/forfeited	(0.6)	\$ 26.74		
Outstanding as of December 31, 2021					
7.9		\$ 24.16			
Cancelled/forfeited					
Cancelled/forfeited					
Outstanding as of December 31, 2022					
Outstanding as of December 31, 2022					
Outstanding as of December 31, 2022					
Granted					
Granted					
Granted	Granted	0.5	\$ 48.23		
Exercised	Exercised	(1.2)	\$ 18.61		
Exercised					
Exercised					
Cancelled/forfeited	Cancelled/forfeited	(0.7)	\$ 30.29		
Outstanding as of December 31, 2022					
6.5		\$ 26.24	6.3	\$ 59.7	
Vested and expected to vest as of December 31, 2022					
6.3		\$ 26.09	6.3	\$ 58.8	
Vested as of December 31, 2022					
3.2		\$ 22.01	5.4	\$ 39.3	
Cancelled/forfeited					
Cancelled/forfeited					
Outstanding as of December 31, 2023					
Outstanding as of December 31, 2023					
Outstanding as of December 31, 2023					
Vested and expected to vest as of December 31, 2023					
6.3		\$ 26.09	6.3	\$ 58.8	
Vested as of December 31, 2023					
3.2		\$ 22.01	5.4	\$ 39.3	

Options outstanding as of December 31, 2022 December 31, 2023 are summarized below (in millions; except price per share and numbers of years):

Exercise Price	Outstanding			Exercisable			
	Number of Stock Options		Average Exercise Price	Life (in years)	Number of Stock Options		Average Exercise Price
	Options	Exercise Price			Options	Exercise Price	
\$9.74 to 12.65	0.4	\$ 12.00	2.4		0.4	\$ 12.00	
\$12.66 to 19.22	1.6	\$ 17.95	4.8		1.3	\$ 17.66	
\$19.23 to 26.50	2.7	\$ 24.15	6.5		1.0	\$ 24.10	
\$26.51 to \$41.95	1.4	\$ 36.74	7.9		0.5	\$ 35.85	
\$41.96 to 48.52	0.4	\$ 48.01	8.9		—	\$ 43.30	

Exercise Price	Outstanding			Exercisable			
	Number of Stock Options		Average Exercise Price	Life (in years)	Number of Stock Options		Average Exercise Price
	Options	Exercise Price			Options	Exercise Price	
\$11.35 to \$12.81	0.3	\$ 12.55	1.5		0.3	\$ 12.55	
\$12.82 to \$19.49	1.3	\$ 18.45	3.9		1.3	\$ 18.44	
\$19.50 to \$26.50	2.2	\$ 24.19	5.4		1.4	\$ 24.03	
\$26.51 to \$38.25	1.4	\$ 36.85	7.2		0.7	\$ 36.16	
\$38.26 to \$48.52	0.4	\$ 47.91	7.5		0.2	\$ 47.48	

The intrinsic value of Options is calculated as the amount by which the market price of the Company's stock exceeds the exercise price of the Option. The aggregate intrinsic value of Options exercised during the years ended December 31, 2022 December 31, 2023, 2022 and 2021 was \$9.0 million, \$31.0 million and 2020 was \$31 million, \$33 million and \$12 million \$33.0 million, respectively.

The following summarizes information on unvested RSU and PSU activity related to the Company's employees and non-employee directors (in millions; except weighted average grant-date fair value):

Number of RSUs/PSUs	Number of RSUs/PSUs		Weighted Average Grant-Date Fair Value	
	Weighted Average		Number of RSUs/PSUs	Fair Value
	Number of RSUs/PSUs	Date		
<b>Unvested at December 31, 2020</b>				
December 31, 2019	2.1	\$ 19.60		
Granted	0.7	\$ 25.76		
Vested	(0.5)	\$ 17.87		
Forfeited	(0.4)	\$ 20.98		
<b>Unvested at December 31, 2020</b>				
Unvested at December 31, 2020	1.9	\$ 22.01		
Granted	0.5	\$ 38.76		

Vested	Vested	(0.5)	\$ 20.34
Forfeited	Forfeited	(0.2)	\$ 26.54
Unvested	Unvested		
at	at		
December	December		
31, 2021	31, 2021	1.7	\$ 26.82
Granted	Granted	0.6	\$ 47.80
Vested	Vested	(0.5)	\$ 24.85
Forfeited	Forfeited	(0.3)	\$ 33.62
Unvested	Unvested		
at	at		
December	December		
31, 2022	31, 2022	1.5	\$ 34.85
Granted			
Vested			
Forfeited			
Unvested			
at			
December			
31, 2023			

The Company recognizes tax benefits for stock compensation in certain jurisdictions, primarily the United States, where tax deductions are based on market value at exercise or release and may exceed the grant-date value. The Company realized such tax benefits of \$4 million \$1.0 million, \$4 million \$4.0 million and \$1 million \$4.0 million in 2023, 2022 2021 and 2020, 2021, respectively, related to the exercise of Options and \$1 million \$1.0 million in each of the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, related to the vesting and release of RSUs and PSUs. For all periods presented, the tax benefits were included as a component of income tax expense and as an operating cash inflow in the accompanying Consolidated Financial Statements.

In connection with the exercise of certain Options and the vesting of RSUs and PSUs, a number of shares sufficient to fund statutory minimum tax withholding requirements has been withheld from the total shares issued or released to the award holders (though under the terms of the applicable plan, the shares are considered to have been issued and are not added back to the pool of shares available for grant). During the year ended December 31, 2023, 214.8 thousand shares with an aggregate value of \$8 million were withheld to satisfy the requirement. During the year ended December 31, 2022, 192.4 thousand shares with an aggregate value of \$9 million were withheld to satisfy the requirement. During the year ended December 31, 2021, 181.7 thousand shares with an aggregate value of \$7 million were withheld to satisfy the requirement.

#### NOTE 18. ACCUMULATED OTHER COMPREHENSIVE LOSS

The changes in accumulated other comprehensive loss by component are summarized below (\$ in millions):

	Foreign Currency		Foreign Currency		Unrealized	
	Translation	Adjustments	Translation	Unrealized Gain (Loss)	Pension	Total Accumulated Other
			Unrealized			
	Foreign	Gain	Accumulated	Other		
	Currency	(Loss) on	Unrealized	Other		
	Translation	Cash Flow	Pension	Comprehensive		
	Adjustments	Hedges	Costs	Loss		
<b>Balance, December 31, 2019</b>	\$ (116.4)	\$ 0.1	\$ (27.9)	\$ (144.2)		
Other comprehensive income (loss) before reclassifications:						
Increase (decrease)	26.0	(8.4)	3.9	21.5		
Income tax impact	27.9	2.0	(1.1)	28.8		
Other comprehensive income (loss) before reclassifications, net of income taxes	53.9	(6.4)	2.8	50.3		

Amounts reclassified from accumulated other comprehensive (loss) income:					
Increase	—	—	2.9	2.9	
Income tax impact	—	—	(0.8)	(0.8)	
Amounts reclassified from accumulated other comprehensive (loss) income, net of income taxes					
	—	—	2.1	2.1	
Net current period other comprehensive income (loss), net of income taxes	53.9	(6.4)	4.9	52.4	
<b>Balance, December 31, 2020</b>					
<b>Balance, December 31, 2020</b>					
<b>Balance, December 31, 2020</b>	<b>Balance, December 31, 2020</b>	<b>\$ (62.5)</b>	<b>\$ (6.3)</b>	<b>\$ (23.0)</b>	<b>\$ (91.8)</b>
Other comprehensive loss before reclassifications:	Other comprehensive loss before reclassifications:				
	(Decrease) increase				
	(Decrease) increase				
(Decrease) increase	(Decrease) increase	(72.7)	6.1	21.9	(44.7)
Income tax impact	Income tax impact	(17.0)	(1.5)	(4.7)	(23.2)
Other comprehensive (loss) income before reclassifications, net of income taxes	Other comprehensive (loss) income before reclassifications, net of income taxes	(89.7)	4.6	17.2	(67.9)
Amounts reclassified from accumulated other comprehensive loss income:	Amounts reclassified from accumulated other comprehensive loss income:				
	Increase				
	Increase				
Increase	Increase	15.9	—	5.0	20.9
Income tax impact	Income tax impact	(3.3)	—	(1.4)	(4.7)
Amounts reclassified from accumulated other comprehensive loss, net of income taxes	Amounts reclassified from accumulated other comprehensive loss, net of income taxes				
12.6	—	3.6	16.2		

Net current period other comprehensive (loss) income, net of income taxes	Net current period other comprehensive (loss) income, net of income taxes	(77.1)	4.6	20.8	(51.7)
<b>Balance, December 31, 2021</b>	<b>Balance, December 31, 2021</b>	<b>\$ (139.6)</b>	<b>\$ (1.7)</b>	<b>\$ (2.2)</b>	<b>\$ (143.5)</b>
Other comprehensive loss before reclassifications:	Other comprehensive loss before reclassifications:				
(Decrease) increase	(Decrease) increase	(80.5)	2.2	24.6	(53.7)
(Decrease) increase	(Decrease) increase				
Income tax impact	Income tax impact	(20.4)	(0.5)	(5.2)	(26.1)
Other comprehensive (loss) income before reclassifications, net of income taxes	Other comprehensive (loss) income before reclassifications, net of income taxes	(100.9)	1.7	19.4	(79.8)
Amounts reclassified from accumulated other comprehensive loss income:	Amounts reclassified from accumulated other comprehensive loss income:				
Increase		—	—	(2.3)	(2.3)
Decrease					
Decrease					
Decrease					
Income tax impact	Income tax impact	—	—	0.5	0.5
Amounts reclassified from accumulated other comprehensive loss, net of income taxes	Amounts reclassified from accumulated other comprehensive loss, net of income taxes	—	—	(1.8)	(1.8)
Net current period other comprehensive (loss) income, net of income taxes	Net current period other comprehensive (loss) income, net of income taxes	(100.9)	1.7	17.6	(81.6)

<b>Balance, December 31, 2022</b>	<b>Balance, December 31, 2022</b>
	<u><u>\$ (240.5)</u></u>
	<u><u>\$ —</u></u>
	<u><u>\$ 15.4</u></u>
	<u><u>\$ (225.1)</u></u>
Other comprehensive loss before reclassifications:	
Increase (decrease)	
Increase (decrease)	
Increase (decrease)	
Income tax impact	
Other comprehensive income (loss) before reclassifications, net of income taxes	
Amounts reclassified from accumulated other comprehensive loss income:	
Decrease	
Decrease	
Decrease	
Income tax impact	
Amounts reclassified from accumulated other comprehensive loss, net of income taxes	
Net current period other comprehensive income (loss), net of income taxes	
<b>Balance, December 31, 2023</b>	

#### NOTE 19. REVENUE

The following table presents the Company's revenues disaggregated by geographical region for the years ended **December 31, 2022** **December 31, 2023** and **2021** **2022** (\$ in millions). Sales taxes and other usage-based taxes collected from customers are excluded from revenues. The Company has historically defined emerging markets as developing markets of the world **which prior to the COVID-19 pandemic, experienced** **experiencing** extended periods of accelerated growth in gross domestic product and infrastructure, including Eastern Europe, the Middle East, Africa, Latin America and Asia (with the exception of Japan and Australia). The Company defines developed markets as all markets of the world that are not emerging markets.

		Year Ended December 31, 2022				
		Specialty				
		Products & Technologies	Equipment & Consumables	Total		
		Year Ended December 31, 2023				
		Year Ended December 31, 2023				
		Year Ended December 31, 2023				
		Specialty	Products & Technologies	Equipment & Consumables	Total	
		Products & Technologies	Equipment & Consumables	Equipment & Consumables	Total	
Geographical region:	Geographical region:	Specialty Products & Technologies	Equipment & Consumables	Equipment & Consumables	Total	
North America	North America					
North America	North America					
North America	North America	\$ 711.1	\$ 655.3	\$ 1,366.4		
Western Europe	Western Europe	388.9	121.1	510.0		
Other developed markets	Other developed markets	91.0	38.6	129.6		
Emerging markets	Emerging markets	407.6	155.5	563.1		
Total	Total	\$ 1,598.6	\$ 970.5	\$ 2,569.1		

Geographical region:	Year Ended December 31, 2021				
	Specialty Products & Technologies		Equipment & Consumables		Total
	Products & Technologies	Equipment & Consumables	Products & Technologies	Equipment & Consumables	
North America	\$ 668.9	\$ 659.3	\$ 668.9	\$ 659.3	\$ 1,328.2
Western Europe	366.6	125.9	366.6	125.9	492.5
Other developed markets	98.2	41.2	98.2	41.2	139.4
Emerging markets	374.1	174.7	374.1	174.7	548.8
Total	\$ 1,507.8	\$ 1,001.1	\$ 1,507.8	\$ 1,001.1	\$ 2,508.9

**Sales by Major Product Group:**

(\$ in millions)	Year Ended December 31,		
			2020
	2022	2021	
Consumables	\$ 2,147.5	\$ 2,067.9	\$ 1,590.7
Equipment	421.6	441.0	338.4
Total	\$ 2,569.1	\$ 2,508.9	\$ 1,929.1

Consumable products include implants, regenerative products, prosthetics, orthodontic brackets, aligners and lab products from our Specialty Products & Technologies business segment and traditional consumables such as bonding agents and cements, impression materials, infection prevention products and restorative products from the Company's Equipment & Consumables business segment. The Company's equipment products include digital imaging systems, software and other visualization and magnification systems.

	Year Ended December 31, 2022		
	Specialty Products & Technologies		Total
	Products & Technologies	Equipment & Consumables	

Geographical region:					
North America	\$ 711.1	\$ 655.3	\$ 1,366.4		
Western Europe	388.9	121.1	510.0		
Other developed markets	91.0	38.6	129.6		
Emerging markets	407.6	155.5	563.1		
Total	\$ 1,598.6	\$ 970.5	\$ 2,569.1		

#### **Remaining Performance Obligations**

ASC 606 requires disclosure of remaining performance obligations that represent the aggregate transaction price allocated to performance obligations with an original contract term greater than one year which are fully or partially unsatisfied at the end of the period. Remaining performance obligations include noncancelable purchase orders, extended warranty and service agreements and do not include revenue from contracts with customers with an original term of one year or less.

As of December 31, 2022 December 31, 2023, the aggregate amount of the transaction price allocated to remaining performance obligations was \$52.7 million \$80.0 million and the Company expects to recognize revenue on the majority of this amount over the next 12 months.

#### **Contract Liabilities**

The Company often receives cash payments from customers in advance of the Company's performance resulting in contract liabilities. These contract liabilities are classified as either current or long-term in the Consolidated Balance Sheets based on the timing of when the Company expects to recognize revenue. As of December 31, 2022 December 31, 2023 and 2021, 2022, the contract liabilities were \$87.5 million \$114.8 million and \$65.2 million \$87.5 million, respectively, and are included within accrued expenses and other liabilities and other long-term liabilities in the accompanying Consolidated Balance Sheets. The increase in the contract liability balance during the years ended December 31, 2022 December 31, 2023 and 2021, 2022 is primarily due to cash payments received in advance of satisfying performance obligations, partially offset by revenue recognized during the period that was included in the contract liability balance at December 31, 2021 December 31, 2022 and 2020, 2021, respectively.

Revenue recognized during the years ended December 31, 2022 December 31, 2023 and 2021 2022 that was included in the contract liability balance at December 31, 2022 and December 31, 2021 was \$74.6 million and December 31, 2020 was \$52.8 million and \$38.4 million, respectively.

#### **Significant Customers**

Sales to the Company's largest customer were 11% 10%, 12%, 11% and 11% 12% of sales for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively.

#### **NOTE 20. RESTRUCTURING ACTIVITIES AND RELATED IMPAIRMENTS**

##### **Restructuring Activities**

The Company's restructuring activities are undertaken as necessary to implement management's strategy, streamline operations, take advantage of available capacity and resources, and ultimately achieve net cost reductions. These activities generally relate to the realignment of existing manufacturing capacity and closure of facilities and other exit or disposal activities, as it relates to executing the Company's strategy, pursuant to significant restructuring programs.

The related liability which is included in accrued liabilities in the Consolidated Balance Sheets is summarized below (\$ in millions):

	Employee Severance and Related	Facility Exit and Related	Total
<b>Balance, December 31, 2021</b>	\$ 21.4	\$ 0.5	21.9
Costs incurred	20.8	5.7	26.5
Paid/settled	(24.0)	(5.5)	(29.5)
<b>Balance, December 31, 2022</b>	<b>\$ 18.2</b>	<b>\$ 0.7</b>	<b>\$ 18.9</b>

Restructuring related charges recorded for the years ended December 31 by segment were as follows (\$ in millions):

2023	2022	2021	2020	2022	2021
2023				2022	2021

Specialty Products & Technologies	Specialty Products & Technologies	\$14.7	\$25.2	\$43.8
Equipment & Consumables	Equipment & Consumables	19.7	32.1	34.6
Other	Other	3.2	6.3	6.0
Total	Total	\$37.6	\$63.6	\$84.4

The restructuring related charges incurred during the years ended December 31, are reflected in the following captions in the accompanying Consolidated Statements of Operations (\$ in millions):

	2022	2021	2020
Cost of sales	\$ 13.6	\$ 35.9	\$ 18.3
Selling, general and administrative expenses	24.0	27.7	66.1
Total	\$ 37.6	\$ 63.6	\$ 84.4
<b>Impairments</b>			
	2023	2022	2021
Cost of sales	\$ 10.0	\$ 13.6	\$ 35.9
Selling, general and administrative expenses	25.1	24.0	27.7
Total	\$ 35.1	\$ 37.6	\$ 63.6

At December 31, 2023 and 2022, the restructuring liability was \$16.0 million and \$18.9 million, respectively.

#### Restructuring Impairments

During the year ended December 31, 2022 and 2021, the Company made the decision to consolidate certain facilities in an effort to improve its cost structure. For the year ended December 31, 2022, the Company structure and recognized a non-cash loss of \$11.1 million with the million. A majority of this loss consisting consisted of a \$4.8 million related to the impairment of certain fixed assets and leases, which are included in selling, general and administrative expense and cost of sales, and \$4.7 million of inventory write-offs, which is included in cost of sales. For Restructuring impairments for the year ended December 31, 2021, the Company recognized a non-cash loss of \$29.8 million with the majority of this loss consisting of \$19.0 million related to the impairment of certain fixed assets and leases, which are included in selling, general and administrative expense and cost of sales and \$10.8 million of inventory write-offs, which is included in cost of sales. December 31, 2023 were not significant.

#### NOTE 21. INCOME TAXES

Income (loss) before income taxes for the years ended December 31, (loss) income before income taxes were as follows (\$ in millions):

	2022	2021	2020		2023	2022	2021
United States	United States	\$ 21.9	\$ 35.0	(\$64.3)			
International	International	262.0	219.5	44.3			
Total	Total	\$283.9	\$254.5	(\$20.0)			

The provision (benefit) for income taxes for the years ended December 31 were as follows (\$ in millions):

	2022	2021	2020		2023	2022	2021
Current: Current:							
Federal U.S.							
Federal U.S.							
Federal U.S.							
U.S.	\$42.5	\$17.7	\$ 13.1				

Non-U.S.	Non-U.S.	22.4	26.9	13.5
State and local	State and local	8.6	4.4	0.9
Deferred:	Deferred:			
Federal U.S.	Federal U.S.	(31.3)	(2.2)	(13.1)
Federal U.S.	Federal U.S.			
Non-U.S.	Non-U.S.	11.3	(57.5)	(72.7)
State and local	State and local	(7.6)	1.7	(4.2)
Income tax provision (benefit)	Income tax provision (benefit)	\$45.9	\$ (9.0)	\$ (62.5)

Deferred tax assets and deferred tax liabilities are classified as long-term and are included in other long-term assets and other long-term liabilities, respectively, in the accompanying Consolidated Balance Sheets. Significant components of deferred tax assets and liabilities as of December 31 were as follows (\$ in millions):

	2022	2021		2023		2022
Deferred tax assets:	Deferred tax assets:			2023		2022
Inventories	Inventories					
Inventories	Inventories	\$ 15.4	\$ 17.4			
Pension benefits	Pension benefits	6.2	11.5			
Other accruals and prepayments	Other accruals and prepayments	45.3	54.3			
Lease liabilities	Lease liabilities	35.5	34.2			
Stock-based compensation expense	Stock-based compensation expense	7.5	6.8			
Unrealized gains and losses	Interest expense	36.0	8.7			
Interest expense	Capitalized research expenses	15.1	3.8			
Capitalized research expenses	Tax credit and loss carryforwards	38.2	117.3			

Valuation allowances	Valuation allowances	(38.7)	(90.0)
Total deferred tax asset	Total deferred tax asset	160.5	164.0
Deferred tax liabilities:	Deferred tax liabilities:		
Property, plant and equipment	Property, plant and equipment	(5.7)	(9.6)
Property, plant and equipment	Property, plant and equipment		
Unrealized gains and losses	Unrealized gains and losses		
Unrealized gains and losses	Unrealized gains and losses	(6.2)	(6.5)
Right-of-use assets	Right-of-use assets	(31.5)	(30.3)
Goodwill and other intangible assets	Goodwill and other intangible assets	(92.2)	(192.3)
Total deferred tax liability	Total deferred tax liability	(135.6)	(238.7)
Net deferred tax asset (liability)		\$ 24.9	\$(74.7)
Net deferred tax asset			

Deferred taxes associated with U.S. entities consist of net deferred tax assets of \$20.5 million as of December 31, 2023 and net deferred tax liabilities of \$15.1 million and \$133.0 million as of December 31, 2022 and 2021, respectively. Deferred taxes associated with non-U.S. entities consist of net deferred tax assets of \$40.0 million \$46.9 million and \$58.5 million \$40.0 million as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively. During 2022, 2023, the Company's valuation allowance decreased increased by \$51.3 million \$18.5 million primarily due to establishing a corresponding expiration valuation allowance against a portion of certain foreign net operating losses. the Company's U.S. interest carryforwards.

The Company's intent is to permanently reinvest substantially all funds outside of the United States and current plans do not demonstrate a need to repatriate the cash to fund U.S. operations. However, if these funds were repatriated, they would likely not be subject to United States federal income tax under the previously taxed income or the dividend exemption rules. The Company would likely be required to accrue and pay United States state and local taxes and withholding taxes payable to various countries. It is not practicable to estimate the tax impact of the reversal of the outside basis difference, or the repatriation of cash due to the complexity of its hypothetical calculation.

The 2022 decrease in the deferred tax liability for goodwill and other intangible assets included an income tax benefit of approximately \$100.2 million related primarily to the acquisition of amortizable deferred tax assets associated with the Intraoral Scanner Business acquisition partially offset with deferred tax liabilities established in connection with the Osteogenics acquisition.

Current tax law in the United States imposes tax on U.S. stockholders for global intangible low-taxed income ("GILTI") earned by certain foreign subsidiaries. The Company is required to make an accounting policy election of either: (1) treating taxes due on future amounts included in the U.S. taxable income related to GILTI as a current period tax expense when incurred ("the period cost method"); or (2) factoring such amounts into the Company's measurement of its deferred tax its deferred tax expense (the "deferred method"). In 2018, the Company elected the period cost method for its accounting for GILTI.

The effective income tax rate for the years ended December 31 varies from the U.S. statutory federal income tax rate as follows:

Percentage of Pretax Income			
2022	2021	2020	
Percentage of Pretax Income			Percentage of Pretax Income

	2023	2023	2022	2021
Statutory federal income tax rate	Statutory federal income tax rate	21.0 %	21.0 %	21.0 %
Increase (decrease) in tax rate resulting from:	Increase (decrease) in tax rate resulting from:			
State income taxes (net of federal income tax benefit)				
State income taxes (net of federal income tax benefit)				
State income taxes (net of federal income tax benefit)	State income taxes (net of federal income tax benefit)	0.3	1.2	17.0
Impact of foreign operations	Impact of foreign operations	(5.0)	(6.4)	80.4
Foreign- Derived Intangible Income ("FDII")	Foreign- Derived Intangible Income ("FDII")	(0.7)	—	—
Subpart F and GILTI, net of foreign tax credits	Subpart F and GILTI, net of foreign tax credits	6.7	6.4	(72.4)
Change in uncertain tax positions	Change in uncertain tax positions	(0.5)	—	3.4
Research and experimentation credits and other	Research and experimentation credits and other	(1.6)	(1.6)	13.2
Nondeductible convertible debt instrument				
Nondeductible goodwill impairment				
Permanent differences and other	Permanent differences and other	(0.9)	2.7	(20.3)
Excess tax benefit from stock-based compensation	Excess tax benefit from stock-based compensation	(1.6)	(1.9)	11.6
Impact of step- up of Swiss assets				

Valuation allowance on nondeductible interest carryforwards	
Valuation allowance release on certain Swiss NOLs	Valuation allowance release on certain Swiss NOLs
	— (8.1) —
Impact of step-up of Swiss assets	(1.5) (16.8) 258.6
Effective income tax rate	Effective income tax rate
income tax rate	16.2 % (3.5) % 312.5 %
	Effective income tax rate
	(82.5) % 16.2 % (3.5) %

The Company realized tax benefits of \$7.2 million \$3.6 million, \$6.7 million \$7.2 million, and \$4.2 million \$6.7 million in 2023, 2022 2021 and 2020 2021, respectively, for tax deductions attributable to stock-based compensation, of which, the excess tax benefit over the amount recorded for financial reporting purposes was \$4.6 million \$1.5 million, \$4.6 million and \$4.8 million in 2023, 2022 and \$2.3 million in 2022, 2021, and 2020, respectively. As required by ASU 2016-09, *Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting* ("ASU 2016-09"), the excess tax benefits for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021 have been included in the provision for income taxes.

The Company evaluates the future realizability of tax credits and loss carryforwards considering the anticipated future earnings of the Company's subsidiaries as well as tax planning strategies in the associated jurisdictions. Included in deferred income taxes as of December 31, 2022 December 31, 2023 are tax benefits for U.S. and non-U.S. net operating loss carryforwards totaling \$35.5 million \$34.8 million (\$29.1 29.2 million of which the Company does not expect to realize and has corresponding valuation allowances). Certain of the losses can be carried forward indefinitely and others can be carried forward to various dates from 2023 2024 through 2042 2043.

As of December 31, 2023, gross unrecognized tax benefits totaled \$5.1 million (\$7.3 million, including \$2.2 million associated with potential interest and penalties). As of December 31, 2022, gross unrecognized tax benefits totaled \$6.6 million (\$9.2 million, including \$2.6 million associated with potential interest and penalties). As of December 31, 2021, gross unrecognized tax benefits totaled \$5.7 million (\$7.6 million, including \$1.9 million associated with potential interest and penalties). The Company recognized \$(0.4) million, \$0.6 million, and \$(0.1) million and \$0.0 million in potential interest and penalties associated with uncertain tax positions during 2023, 2022 2021 and 2020, 2021, respectively. To the extent unrecognized tax benefits (including interest and penalties) are recognized with respect to uncertain tax positions, the tax expense in future periods would be reduced by \$9.2 million \$7.3 million based upon the tax positions as of December 31, 2022 December 31, 2023. The Company recognized interest and penalties related to unrecognized tax benefits within income taxes in the accompanying Consolidated Statements of Operations. Unrecognized tax benefits and associated accrued interest and penalties are included in taxes, income and other accrued expenses as detailed in Note 10.

A reconciliation of the beginning and ending amount of unrecognized tax benefits, excluding amounts accrued for potential interest and penalties, is as follows (\$ in millions):

	2022	2021	2020		2023	2022	2021
	2023	2022	2020		2023	2022	2021
Unrecognized tax benefits, beginning of year	Unrecognized tax benefits, beginning of year			\$5.7	\$7.1	\$9.1	
Additions based on tax positions related to the current year	Additions based on tax positions related to the current year	0.3	0.3	0.3			
Additions for tax positions of prior years	Additions for tax positions of prior years	4.2	—	0.3			
Reductions for tax positions of prior years	Reductions for tax positions of prior years	—	(0.3)	(1.7)			

Lapse of statute of limitations	Lapse of statute of limitations	(2.3)	(1.0)	(1.0)
Settlements	Settlements	(1.1)	(0.4)	—
Effect of foreign currency translation	Effect of foreign currency translation	(0.2)	—	0.1
Unrecognized tax benefits, end of year	Unrecognized tax benefits, end of year	\$6.6	\$5.7	\$7.1

The Company is routinely examined by various domestic and international taxing authorities and operations in certain U.S. states and foreign jurisdictions remain subject to routine examination for tax years beginning with 2009.

The Company estimates that it is reasonably possible that the amount of unrecognized tax benefits may be reduced by approximately \$2.7 million \$1.4 million within twelve months through resolution of worldwide tax matters, payments of tax audit settlements and/or statute of limitations expirations.

The Company operates in various non-U.S. tax jurisdictions where "tax holiday" income tax incentives have been granted for a specific period. These tax benefits are not material to the Company's financial statements.

#### NOTE 22. (LOSS) EARNINGS PER SHARE

**Earnings** Basic (loss) earnings per share is calculated by dividing the applicable (loss) income by the weighted average number of shares of common stock outstanding for the applicable period. Diluted earnings per share is computed based on the weighted average number of common shares outstanding plus the effect of dilutive potential shares outstanding during the period using the treasury stock method, except for the 2028 Convertible Notes and 2025 Convertible Notes, which are calculated using the if-converted method. Dilutive potential common shares include employee equity options, non-vested shares and similar instruments granted by the Company and the assumed conversion impact of the Notes convertible notes. The Company will settle any Notes convertible note conversions through a combination settlement by satisfying the principal amount outstanding with cash and any Notes convertible note conversion value in excess of the principal amount in cash or shares of the Company's common stock or any combination thereof. As such, the Company uses the treasury stock method for the assumed conversion of the Notes to compute the weighted average shares of common stock outstanding for diluted earnings per share. As the Company will settle the principal amount of the Notes convertible notes in cash upon conversion, the Notes do not convertible notes only have an impact on the Company's diluted earnings per share until when the average share price of the Company's common stock exceeds the conversion price, of \$21.01 per share in any applicable period. See the computation of earnings per share below for the dilutive impact of the Notes convertible notes for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021.

In connection with the offering of the 2025 Convertible Notes, the Company entered into Capped Calls, (see further discussion in Note 16), which are intended to reduce or offset the potential dilution from shares of common stock issued upon conversion conversion. The Company completed a partial unwind of the Notes. However, this Capped Calls in connection with the Notes Exchanges. Refer to Note 16 for further discussion of the Capped Calls.

The impact of the remaining Capped Calls is not included when calculating potentially dilutive shares since their effect is anti-dilutive. The Capped Calls will mitigate dilution from for the conversion of the remaining 2025 Convertible Notes up to the Company's common stock price of \$23.79. If the remaining 2025 Convertible Notes are converted at a price higher than \$23.79 per share, the Capped Calls will no longer mitigate dilution from the conversion of the remaining 2025 Convertible Notes.

The table below presents the computation of basic and diluted (loss) earnings per share (\$ and shares in millions, except per share amounts):

	Year Ended December 31,		
	2022	2021	2020
<b>Numerator:</b>			
Income from continuing operations, net of tax	\$ 238.0	\$ 263.5	42.5
Income (loss) from discontinued operations, net of tax	\$ 5.1	\$ 77.0	\$ (9.2)
Net income	<u>\$ 243.1</u>	<u>\$ 340.5</u>	<u>\$ 33.3</u>
<b>Denominator:</b>			
Weighted-average common shares outstanding used in basic earnings (loss) per share	162.9	161.2	159.6
Incremental common shares from:			
Assumed exercise of dilutive options and vesting of dilutive restricted stock units	3.2	4.4	2.2
Assumed conversion of the Notes	<u>11.5</u>	<u>12.0</u>	<u>2.3</u>

Weighted average common shares outstanding used in diluted earnings (loss) per share	177.6	177.6	164.1
<b>Earnings per share:</b>			
Earnings from continuing operations - basic	\$ 1.46	\$ 1.63	\$ 0.27
Earnings from continuing operations - diluted	\$ 1.34	\$ 1.48	\$ 0.26
Earnings (loss) from discontinued operations - basic	\$ 0.03	\$ 0.48	\$ (0.06)
Earnings (loss) from discontinued operations - diluted	\$ 0.03	\$ 0.43	\$ (0.06)
Earnings - basic	\$ 1.49	\$ 2.11	\$ 0.21
Earnings - diluted	\$ 1.37	\$ 1.92	* \$ 0.20

\* Earnings per share is computed independently for earnings per share from continuing operations and earnings per share from discontinued operations. The sum of earnings per share from continuing operations and earnings per share from discontinued operations does not equal earnings per share due to rounding.

	Year Ended December 31,		
	2023	2022	2021
<b>Numerator:</b>			
(Loss) income from continuing operations, net of tax	\$ (100.2)	\$ 238.0	\$ 263.5
Income from discontinued operations, net of tax	—	5.1	77.0
Net (loss) income	\$ (100.2)	\$ 243.1	\$ 340.5
<b>Denominator:</b>			
Weighted-average common shares outstanding used in basic earnings per share	166.9	162.9	161.2
Incremental common shares from:			
Assumed exercise of dilutive options and vesting of dilutive restricted stock units and performance stock units	—	3.2	4.4
Assumed conversion of 2025 Convertible Notes	—	11.5	12.0
Weighted average common shares outstanding used in diluted earnings per share	166.9	177.6	177.6
<b>(Loss) earnings per share:</b>			
(Loss) earnings from continuing operations - basic	\$ (0.60)	\$ 1.46	\$ 1.63
(Loss) earnings from continuing operations - diluted	\$ (0.60)	\$ 1.34	\$ 1.48
Earnings from discontinued operations - basic	\$ —	\$ 0.03	\$ 0.48
Earnings from discontinued operations - diluted	\$ —	\$ 0.03	\$ 0.43
(Loss) earnings - basic	\$ (0.60)	\$ 1.49	\$ 2.11
(Loss) earnings - diluted	\$ (0.60)	\$ 1.37	\$ 1.92 *

\* Earnings per share is computed independently for earnings per share from continuing operations and earnings per share from discontinued operations. The sum of earnings per share from continuing operations and earnings per share from discontinued operations does not equal earnings per share due to rounding.

**The** For the years ended December 31, 2023, 2022 and 2021, the following table presents the number of outstanding securities not included in the computation of diluted income per share, because their effect was anti-dilutive (in millions):

	Year Ended December 31,		
	2022	2021	2020
Stock-based awards	1.5	1.2	4.1

Year Ended December 31,		

	2023	2022	2021
Stock-based awards	4.4	1.5	1.2
2025 Convertible Notes	6.6	—	—
2028 Convertible Notes	3.7	—	—
<b>Total</b>	<b>14.7</b>	<b>1.5</b>	<b>1.2</b>

For the year ended December 31, 2023, the Company did not include 2.2 million shares of outstanding securities nor 6.6 million shares for the potential conversion of senior convertible notes in the computation of diluted earnings per share because the Company incurred a net loss from operations.

For the years ended December 31, 2023, 2022 and 2021, 5.9 million, 1.5 million and 1.2 million of shares, respectively, were not considered in the computation of diluted earnings per share because the securities exercise price, the securities total expected proceeds under the treasury stock method, or the convertible senior notes conversion price were greater than the average market price of common shares during the applicable year.

#### NOTE 23. SEGMENT INFORMATION

The Company operates and reports its results in two separate business segments, the Specialty Products & Technologies and Equipment & Consumables segments. When determining the reportable segments, the Company aggregated operating segments based on their similar economic and operating characteristics. Operating profit represents total revenues less operating expenses, excluding nonoperating income (expense), interest expense and income taxes. Operating profit amounts in the Other segment consist of unallocated corporate costs and other costs, including goodwill and intangible impairment charges, which are not considered part of management's evaluation of reportable segment operating performance. The identifiable assets by segment are those used in each segment's operations. Inter-segment amounts are not significant and are eliminated to arrive at combined totals.

The Company's Specialty Products & Technologies products primarily include implants, regenerative products, prosthetics, orthodontic brackets, aligners and lab products. The Company's Equipment & Consumables products primarily include traditional consumables such as bonding agents and cements, impression materials, infection prevention products and restorative products, while the Company's equipment products include digital imaging systems, software and other visualization and magnification systems.

On December 31, 2021, the Company completed the sale of its KaVo Treatment Unit and Instrument Business, which is part of the Company's Equipment & Consumables segment. The previously reported amounts for the KaVo Treatment Unit and Instrument Business have been reclassified to discontinued operations for all periods presented. The years ended December 31, 2022 and 2021. There are no discontinued operations reported for the year ended December 31, 2023. All segment information and descriptions exclude the KaVo Treatment Unit and Instrument Business. Refer to Note 4 for more information on the Company's discontinued operations.

Detailed segment data as of and for the years ended December 31 is as follows (\$ in millions):

	2022	2021	2020	2023	2022	2021
Sales:	Sales:					
Specialty Products & Technologies						
Specialty Products & Technologies						
Specialty Products & Technologies	\$1,598.6	\$1,507.8	\$1,117.3			
Equipment & Consumables	970.5	1,001.1	811.8			
Total	Total	\$2,569.1	\$2,508.9	\$1,929.1		
<b>Operating profit and reconciliation to income (loss) before taxes:</b>						

<b>Operating profit and reconciliation to (loss) income before taxes:</b>					
<b>Operating profit and reconciliation to (loss) income before taxes:</b>					
<b>Operating profit and reconciliation to (loss) income before taxes:</b>					
Specialty Products & Technologies					
Specialty Products & Technologies	Specialty Products & Technologies	\$ 268.6	\$ 272.3	\$ 65.8	
Equipment & Consumables	Equipment & Consumables	172.4	153.8	53.6	
Other	Other	(121.8)	(119.9)	(75.9)	
<b>Operating profit</b>					
<b>Operating profit</b>					
Operating profit	Operating profit	319.2	306.2	43.5	
Nonoperating income (expense):	Nonoperating income (expense):				
Other income (expense)	Other income (expense)	3.1	2.4	(1.0)	
Other (expense) income					
Other (expense) income					
Other (expense) income					
Interest expense, net	Interest expense, net	(38.4)	(54.1)	(62.5)	
Income (loss) before taxes		\$ 283.9	\$ 254.5	\$ (20.0)	
(Loss) income before taxes					
<b>Depreciation and amortization:</b>					
<b>Depreciation and amortization:</b>					
Specialty Products & Technologies					
Specialty Products & Technologies	Specialty Products & Technologies	\$ 80.7	\$ 84.0	\$ 80.6	

Equipment & Consumables	Equipment & Consumables	54.6	31.4	38.7
Other	Other	2.5	2.4	2.4
Total	Total	\$ 137.8	\$ 117.8	\$ 121.7
<b>Capital expenditures, gross:</b>	<b>Capital expenditures, gross:</b>			
<b>Capital expenditures, gross:</b>	<b>Capital expenditures, gross:</b>			
Specialty Products & Technologies	Specialty Products & Technologies			
Specialty Products & Technologies	Specialty Products & Technologies			
Specialty Products & Technologies	Specialty Products & Technologies	\$ 48.8	\$ 37.2	\$ 36.4
Equipment & Consumables	Equipment & Consumables	20.6	10.6	5.8
Other	Other	2.7	1.3	1.7
Total	Total	\$ 72.1	\$ 49.1	\$ 43.9
<b>Identifiable assets:</b>	<b>Identifiable assets:</b>	December	December	
Identifiable assets:	Identifiable assets:	31, 2022	31, 2021	
Specialty Products & Technologies	Specialty Products & Technologies			
Specialty Products & Technologies	Specialty Products & Technologies			
Specialty Products & Technologies	Specialty Products & Technologies	\$ 3,475.7	\$ 3,498.2	
Equipment & Consumables	Equipment & Consumables	2,455.3	1,946.1	
Held for sale		—	12.2	
Equipment & Consumables				
Equipment & Consumables				
Other				
Other				
Other	Other	656.0	1,117.7	
Total	Total	\$ 6,587.0	\$ 6,574.2	
Total				
Total				

### ***Operations in Geographical Areas:***

Year Ended December 31,					Year Ended December 31,				
Year Ended December 31,					Year Ended December 31,				
(\$ in millions)	(\$ in millions)	2022	2021	2020	(\$ in millions)	2023	2022	2021	2020

<b>Sales:</b>		<b>Sales:</b>		
United States				
United States				
United States	United States	\$1,261.9	\$1,223.4	\$ 960.1
China	China	222.2	236.7	198.2
All other (each country individually less than 5% of total sales)	All other (each country individually less than 5% of total sales)	1,085.0	1,048.8	770.8
Total	Total	\$2,569.1	\$2,508.9	\$1,929.1
<b>Property, plant and equipment, net:</b>	<b>Property, plant and equipment, December 31, 2022</b>		<b>Property, plant and equipment, December 31, 2021</b>	
<b>Property, plant and equipment, net:</b>				
<b>Property, plant and equipment, net:</b>				
United States				
United States				
United States	United States	\$ 183.4	\$ 157.1	
Sweden	Sweden	41.4	49.0	
Sweden	Sweden			
Sweden	Sweden			
Czech Republic	Czech Republic			
Czech Republic	Czech Republic			
Czech Republic	Czech Republic			
China	China			
China	China			
China	China			
Mexico	Mexico			
Mexico	Mexico			
Mexico	Mexico	15.2	8.8	
All other (each country individually less than 5% of total long-lived assets)	All other (each country individually less than 5% of total long-lived assets)	53.6	49.2	
All other (each country individually less than 5% of total long-lived assets)	All other (each country individually less than 5% of total long-lived assets)			

All other (each country individually less than 5% of total long-lived assets)	Total	\$ 293.6	\$ 264.1
Total			
Total			

#### ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

#### ITEM 9A. CONTROLS AND PROCEDURES

Our management, with the participation of our President and Chief Executive Officer, and Senior Vice President and Chief Principal Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of the end of the period covered by this report. Based on such evaluation, our President and Chief Executive Officer, and Senior Vice President and Chief Principal Financial Officer, have concluded that, as of the end of such period, our disclosure controls and procedures were effective.

Management's annual report on its internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) and the independent registered public accounting firm's audit report on the effectiveness of the Company's internal control over financial reporting are included in the Company's financial statements for the year ended December 31, 2022 December 31, 2023 included in Item 8 of this Annual Report on Form 10-K, under the headings "Report of Management on Envista Holdings Corporation's Internal Control Over Financial Reporting" and "Report of Independent Registered Public Accounting Firm," respectively, and are incorporated herein by reference.

There have been no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during our most recent completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

#### ITEM 9B. OTHER INFORMATION

Not applicable. (c) Our directors and officers (as defined in Rule 16a-1(f) under the Exchange Act) may from time to time enter into plans for the purchase or sale of our common stock that are intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act. During the quarter ended December 31, 2023, the following officer adopted, modified or terminated a "Rule 10b5-1 trading arrangement" (as defined in Item 408 under Regulation S-K of the Exchange Act):

On November 3, 2023, our President and Chief Executive Officer, Amir Aghdaei, terminated his 10b5-1 trading plan that had been adopted on February 15, 2023 and was set to expire on February 9, 2024. The adoption of such 10b5-1 trading plan, and its subsequent termination, each occurred during an open insider trading window and complied with the Company's policies on insider trading.

#### ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

### PART III

#### ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Other than the information below, the information required under this Item is incorporated herein by reference to our definitive proxy statement to be filed with the SEC no later than 120 days after the end of our fiscal year ended December 31, 2022 December 31, 2023.

##### Code of Ethics

We have adopted a code of business conduct and ethics for directors, officers (including our principal executive officer, principal financial officer and principal accounting officer) and employees, known as the Code of Conduct. The Code of Conduct is available in the "Investors—Governance" section of our website at [www.envistaco.com](http://www.envistaco.com).

We intend to disclose any amendment to the Code of Conduct that relates to any element of the code of ethics definition enumerated in Item 406(b) of Regulation S-K, and any waiver from a provision of the Code of Conduct granted to any director, principal executive officer, principal financial officer, principal accounting officer, or any of our other executive officers, in the "Investors—Governance" section of our website, at [www.envistaco.com](http://www.envistaco.com), within four business days following the date of such amendment or waiver.

#### ITEM 11. EXECUTIVE COMPENSATION

The information required under this Item is incorporated herein by reference to our definitive proxy statement to be filed with the SEC no later than 120 days after the end of our fiscal year ended **December 31, 2022** December 31, 2023.

#### **ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

The information required under this Item is incorporated herein by reference to our definitive proxy statement to be filed with the SEC no later than 120 days after the end of our fiscal year ended **December 31, 2022** December 31, 2023.

#### **ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE**

The information required under this Item is incorporated herein by reference to our definitive proxy statement to be filed with the SEC no later than 120 days after the end of our fiscal year ended **December 31, 2022** December 31, 2023.

#### **ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES**

The information required under this Item is incorporated herein by reference to our definitive proxy statement to be filed with the SEC no later than 120 days after the end of our fiscal year ended **December 31, 2022** December 31, 2023.

### **PART IV**

#### **ITEM 15. EXHIBIT AND FINANCIAL STATEMENT SCHEDULES**

a) The following documents are filed as part of this report.

- (1) Financial Statements. The financial statements are set forth under "Item 8. Financial Statements and Supplementary Data" of this Annual Report on Form 10-K.
- (2) Schedules. An index of financial statement schedules is set forth below. Schedules other than those listed below have been omitted from this Annual Report on Form 10-K because they are not required, are not applicable or the required information is included in the financial statements or the notes thereto.

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Schedule:

[Valuation and Qualifying Accounts](#)

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(3) Exhibits. The exhibits listed in the accompanying Exhibit Index are filed or incorporated by reference as part of this Annual Report on Form 10-K.

#### **ITEM 16. FORM 10-K SUMMARY**

None.

### **EXHIBIT INDEX**

## Exhibit

## Number

## Description

2.1	<a href="#">Master Sale and Purchase Agreement, dated as of September 7, 2021, by and among Envista Holdings Corporation, planmeca Verwaltungs GmbH, Germany, and Planmeca Oy (incorporated by reference to Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended October 1, 2021, Commission File No. 001-39054)</a>
2.2	<a href="#">Amendment Agreement to the Master Sale and Purchase Agreement, dated as of December 30, 2021, by and among Envista Holdings Corporation, planmeca Verwaltungs GmbH, Germany, and Planmeca Oy (incorporated by reference to Exhibit 2.2 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2021, Commission File No. 001-39054)</a>
2.3	<a href="#">Second Amendment Agreement to the Master Sale and Purchase Agreement, dated as of April 30, 2022, by and among Envista Holdings Corporation, planmeca Verwaltungs GmbH, Germany, and Planmeca Oy (incorporated by reference to Exhibit 10.2 to Registrant's Quarterly Report on Form 10-Q for the quarter ended July 1, 2022, Commission File No. 001-39054)</a>
2.4	<a href="#">Third Amendment Agreement to the Master Sale and Purchase Agreement, dated as of July 28, 2022, by and among Envista Holdings Corporation, planmeca Verwaltungs GmbH, Germany, and Planmeca Oy (incorporated by reference to Exhibit 10.3 to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022, Commission File No. 001-39054)</a>
2.5	<a href="#">Fourth Amendment Agreement to the Master Sale and Purchase Agreement, dated as of September 30, 2022, by and among Envista Holdings Corporation, planmeca Verwaltungs GmbH, Germany, and Planmeca Oy (incorporated by reference to Exhibit 10.4 to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022, Commission File No. 001-39054)</a>
2.6	<a href="#">Stock and Asset Purchase Agreement, dated as of December 21, 2021, by and between Carestream Dental Technology Parent Limited and Envista Holdings Corporation (incorporated by reference to Exhibit 2.3 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2021, Commission File No. 001-39054)</a>
2.7	<a href="#">Closing Agreement, dated as of April 20, 2022, by and among Envista Holdings Corporation and Carestream Dental Technology Parent Limited (incorporated by reference to Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended April 1, 2022, Commission File No. 001-39054)</a>
3.1	<a href="#">Second Amended and Restated Certificate of Incorporation of Envista Holdings Corporation (incorporated by reference to Exhibit 3.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended July 2, 2021, Commission File No. 001-39054)</a>

3.2	<a href="#">Second Third Amended and Restated Bylaws of Envista Holdings Corporation effective as of August 23, 2021 May 22, 2023 (incorporated by reference to Exhibit 3.2 to Registrant's Current Report on Form 8-K filed on August 27, 2021 May 26, 2023, Commission File No. 001-39054)</a>
4.1	<a href="#">Description of Securities of the Registrant (incorporated by reference to Exhibit 4.1 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2021, Commission File No. 001-39054)</a>
4.2	<a href="#">Specimen common stock certificate (incorporated by reference to Exhibit 4.1 of Registrant's Registration Statement on Form S-1 (Registration No. 333-232758) filed on July 22, 2019)</a>
4.3	<a href="#">Indenture, dated as of May 21, 2020, between Envista Holdings Corporation and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.1 to Registrant's Current Report on Form 8-K filed on May 26, 2020, Commission File No. 001-39054)</a>
4.4	<a href="#">Form of certificate representing the 2.375% Convertible Senior Notes due 2025 (included as Exhibit A to Exhibit 4.3)</a>
10.1 4.5	<a href="#">Amended Credit Agreement, Indenture, dated as of June 15, 2021 August 10, 2023, by and among between Envista Holdings Corporation each Guarantor party thereto, Bank of America, N.A., and Wilmington Trust, National Association, as Administrative Agent, L/C Issuer and Swing Line Lender, and the other Lenders party thereto, trustee (incorporated by reference to Exhibit 10.1 4.1 to the Registrant's Current Report on Form 8-K filed on June 16, 2021 August 11, 2023)</a>
4.6	<a href="#">Form of certificate representing the 1.75% Convertible Senior Notes due 2028 (included as Exhibit A to the Indenture filed as Exhibit 4.1, incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on August 11, 2023)</a>
10.1	<a href="#">The Second Amended Credit Agreement, dated August 31, 2023 (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on September 1, 2023, Commission File No. 001-39054)</a>
10.2*	<a href="#">Envista Holdings Corporation Severance and Change in Control Plan (incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K filed on November 5, 2020, Commission File No. 001-39054)</a>
10.3*	<a href="#">Envista Holdings Corporation Senior Leader Severance Pay Plan (incorporated by reference to Exhibit 10.9 to Registrant's Current Report on Form 8-K filed on September 20, 2019, Commission File No. 001-39054)</a>
10.4*	<a href="#">Envista Holdings Corporation 2019 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.1 of Registrant's Registration Statement on Form S-8 (Registration No. 333-233810) filed on September 17, 2019)</a>
10.5*	<a href="#">Form of Envista Holdings Corporation Stock Option Agreement (incorporated by reference to Exhibit 10.10 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2021, Commission File No. 001-39054)</a>
10.6*	<a href="#">Form of Envista Holdings Corporation Restricted Stock Unit Agreement (incorporated by reference to Exhibit 10.6 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2022, Commission File No. 001-39054)</a>
10.7*	<a href="#">Form of Envista Holdings Corporation Agreement Regarding Competition and Protection of Proprietary Interests (incorporated by reference to Exhibit 10.15 to Registrant's Registration Statement on Form S-1 (Registration No. 333-232758) filed on July 22, 2019)(a)</a>
10.8*	<a href="#">Form of Envista Holdings Corporation Agreement Regarding Solicitation and Protection of Proprietary Interests (California) (incorporated by reference to Exhibit 10.16 to Registrant's Registration Statement on Form S-1 (Registration No. 333-232758) filed on July 22, 2019)(b)</a>
10.9*	<a href="#">Form of Envista Holdings Corporation Restricted Stock Unit Agreement for Non-Employee Directors (incorporated by reference to Exhibit 10.14 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2021, Commission File No. 001-39054)</a>
10.10*	<a href="#">Form of Envista Holdings Corporation Performance Stock Unit Agreement (incorporated by reference to Exhibit 10.15 10.1 to Registrant's Annual Quarterly Report on Form 10-K 10-Q for the year quarter ended December 31, 2021 March 31, 2023, Commission File No. 001-39054)</a>
10.11*	<a href="#">Amendment No. 1 to Envista Holdings Corporation 2019 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.16 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2021, Commission File No. 001-39054)</a>
10.12*	<a href="#">Amendment No. 2 to Envista Holdings Corporation 2019 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 29, 2023, Commission File No. 001-39054)</a>
10.13*	<a href="#">Amendment No. 3 to Envista Holdings Corporation 2019 Omnibus Incentive Plan</a>
10.14*	<a href="#">Form of Envista Holdings Corporation Director and Officer Indemnification Agreement (incorporated by reference to Exhibit 10.20 to Registrant's Registration Statement on Form S-1 (Registration No. 333-232758) filed on July 22, 2019)</a>
10.13* 10.15*	<a href="#">Offer Letter Agreement, dated July 29, 2019, between DH Dental Employment Services LLC and Amir Aghdaei (incorporated by reference to Exhibit 10.22 to Registrant's Amendment No. 1 to Registration Statement on Form S-1 (Registration No. 333-232758) filed on August 12, 2019)</a>
10.14* 10.16*	<a href="#">Offer Letter Agreement, dated July 29, 2019, between DH Dental Employment Services LLC and Patrik Eriksson (incorporated by reference to Exhibit 10.24 to Registrant's Amendment No. 1 to Registration Statement on Form S-1 (Registration No. 333-232758) filed on August 12, 2019)</a>
10.15* 10.17*	<a href="#">Offer Letter Agreement, dated January 1, 2022, between DH Dental Employment Services LLC and Jean-Claude Kyrillos (incorporated by reference to Exhibit 10.20 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2021, Commission File No. 001-39054)</a>

10.16*	10.18*	<a href="#">Offer Letter Agreement, dated June 7, 2019, between DH Dental Employment Services LLC and Mark Nance (incorporated by reference to Exhibit 10.21 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2021, Commission File No. 001-39054)</a>
10.17*	10.19*	<a href="#">Offer Letter Agreement, dated July 29, 2019, between DH Dental Employment Services LLC and Howard Yu (incorporated by reference to Exhibit 10.25 to Registrant's Amendment No. 1 to Registration Statement on Form S-1 (Registration No. 333-232758) filed on August 12, 2019)</a>
10.18*	10.20*	<a href="#">Form of Envista Holdings Corporation Excess Contribution Program, a sub-plan under the Envista Holdings Corporation 2019 Omnibus Incentive Plan, as amended (incorporated by reference to Exhibit 10.25 to Registrant's Registration Statement on Form S-4 (Registration No. 333-234714) filed on November 15, 2019)</a>
10.19*	10.21*	<a href="#">Form of Envista Holdings Corporation Executive Deferred Incentive Program, a sub-plan under the Envista Holdings Corporation 2019 Omnibus Incentive Plan, as amended (incorporated by reference to Exhibit 10.26 to Registrant's Registration Statement on Form S-4 (Registration No. 333-234714) filed on November 15, 2019)</a>
10.20*	10.22*	<a href="#">Form of Envista Holdings Corporation Deferred Compensation Plan, as amended (incorporated by reference to Exhibit 10.27 to Registrant's Registration Statement on Form S-4 (Registration No. 333-234714) filed on November 15, 2019)</a>
10.21	10.23	<a href="#">Form of Capped Call Confirmation (incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K filed on May 26, 2020, Commission File No. 001-39054)</a>
10.22*	10.24*	<a href="#">Composite copy of Envista Holdings Corporation Savings Plan, as amended and restated effective as of February 23, 2021 (incorporated by reference to Exhibit 10.27 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2021, Commission File No. 001-39054)</a>
10.25*		<a href="#">Separation Agreement and General Release between DH Dental Employment Services LLC and Jean-Claude Kyrillos, dated July 5, 2023 (incorporated by reference to Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023)</a>
10.26*		<a href="#">Separation Agreement and General Release between DH Dental Employment Services LLC and Patrik Eriksson, dated January 4, 2024.</a>
10.27*		<a href="#">Tax Equalization Letter Agreement, dated December 5, 2023, between Amir Aghdaei and the Registrant</a>
21.1		<a href="#">List of Subsidiaries of the Registrant (incorporated by reference to Exhibit 21.1 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2021, Commission File No. 001-39054)</a>
23.1		<a href="#">Consent of Independent Registered Public Accounting Firm</a>
24.1		<a href="#">Power of Attorney (set forth on the signature page to this Annual Report on Form 10-K)</a>
31.1		<a href="#">Certification of Chief Executive Officer pursuant to Item 601(b)(31) of Regulation S-K, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
31.2		<a href="#">Certification of Chief Principal Financial Officer pursuant to Item 601(b)(31) of Regulation S-K, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
32.1		<a href="#">Certifications of Chief Executive Officer and Chief Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>
97.1		<a href="#">Envista Holdings Corporation Recoupment Policy</a>
101.INS		XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document. (c)
101.SCH		XBRL Taxonomy Extension Schema Document (c)
101.CAL		XBRL Taxonomy Extension Calculation Linkbase Document (c)
101.DEF		XBRL Taxonomy Extension Definition Linkbase Document (c)
101.LAB		XBRL Taxonomy Extension Label Linkbase Document (c)
101.PRE		XBRL Taxonomy Extension Presentation Linkbase Document (c)
104		Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

\* Indicates management contract or compensatory plan, contract or arrangement.

- (a) Applies to Messrs. Aghdaei and Nance.
- (b) Applies to Messrs. Eriksson, Kyrilos and Yu.
- (c) Exhibit 101 to this report includes the following documents formatted in XBRL (Extensible Business Reporting Language): (i) Consolidated Balance Sheets as of [December 31, 2022](#) [December 31, 2023](#) and [2021, 2022](#), (ii) Consolidated Statements of Operations for the years ended [December 31, 2022](#) [December 31, 2023](#), [2021](#) [2022](#) and [2020, 2021](#), (iii) Consolidated Statements of Comprehensive Income for the years ended [December 31, 2022](#) [December 31, 2023](#), [2021](#) [2022](#) and [2020, 2021](#), (iv) Consolidated Statements of Changes in Equity for the years ended [December 31, 2022](#) [December 31, 2023](#), [2021](#) [2022](#) and

2020, 2021, (v) Consolidated Statements of Cash Flows for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021 and (vi) Notes to Consolidated Financial Statements.

#### SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 16, 2023 February 15, 2024

#### ENVISTA HOLDINGS CORPORATION

By: /s/ Amir Aghdae

Amir Aghdae

President and Chief Executive Officer

#### POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Amir Aghdae, Stephen Keller, and Howard H. Yu, Faez Kaabi, and each or any one of them, his or her lawful attorneys-in-fact and agents, for such person in any and all capacities, to sign any and all amendments to this report and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that either of said attorneys-in-fact and agent, or substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Amir Aghdae Amir Aghdae	President, Chief Executive Officer (Principal Executive Officer) and Director	February 16, 2023 15, 2024
/s/ Howard H. Yu Stephen Keller Stephen Keller	Senior Vice President and Chief Principal Financial Officer (Principal Financial Officer)	February 15, 2024
/s/ Faez Kaabi Howard H. Yu Faez Kaabi	Vice President and Chief Accounting Officer (Principal Accounting Officer)	February 16, 2023 15, 2024
/s/ Scott Huennekens Scott Huennekens	Chairman of the Board	February 16, 2023 15, 2024
/s/ Wendy Carruthers Wendy Carruthers	Director	February 16, 2023 15, 2024
/s/ Kieran T. Gallahue Kieran T. Gallahue	Director	February 16, 2023 15, 2024
/s/ Barbara Hulit Barbara Hulit	Director	February 16, 2023 15, 2024
/s/ Vivek Jain Vivek Jain	Director	February 16, 2023 15, 2024
/s/ Daniel A. Raskas Daniel A. Raskas	Director	February 16, 2023 15, 2024
/s/ Christine Tsingos Christine Tsingos	Director	February 16, 2023 15, 2024

#### ENVISTA HOLDINGS CORPORATION SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS (\$ in millions)

Classification	Classification	Period (a)	Write Offs, Write Downs & Recoveries					(a)	Classification	Period (a)	Write Offs, Write Downs & Recoveries					(a)
			Balance at Beginning of Period	Charged to Costs & Expenses	Currency	Deductions	Recoveries				Balance at End of Period	Charged to Costs & Expenses	Currency	Deductions	Recoveries	
Year ended December 31, 2023:																
Allowances deducted from asset account																
Allowances deducted from asset account																
Allowances deducted from asset account																
Allowance for credit losses																
Allowance for credit losses																
Allowance for credit losses																
Year ended December 31, 2022:	Year ended December 31, 2022:															
Allowances deducted from asset account	Allowances deducted from asset account		—	—	—	—	—	—								
Allowances deducted from asset account																
Allowances deducted from asset account																
Allowance for credit losses																
Allowance for credit losses																
Allowance for credit losses																
Allowance for credit losses	Allowance for credit losses	\$ 20.7	\$ 4.8	\$ (0.8)	\$ (4.1)	\$ (4.4)	\$ 16.2									
Year ended December 31, 2021:	Year ended December 31, 2021:															
Allowances deducted from asset account	Allowances deducted from asset account		—	—	—	—	—	—								
Allowance for credit losses																
Allowance for credit losses																
Allowance for credit losses																
Year ended December 31, 2020:			\$ 30.5	\$ 4.7	\$ (1.5)	\$ (7.3)	\$ (5.7)	\$ 20.7								

Allowances deducted from asset account	Allowances deducted from asset account	—	—	—	—	—	—
Allowance for credit losses	Allowance for credit losses	\$ 18.7	\$ 19.2	\$ 0.3	\$ (7.7)	\$ —	\$ 30.5
Allowance for credit losses	Allowance for credit losses	—	—	—	—	—	—
Allowance for credit losses	Allowance for credit losses	—	—	—	—	—	—

(a) Amounts include allowance for credit losses classified as current.

125

121

Exhibit 4.1

**DESCRIPTION OF THE REGISTRANT'S SECURITIES  
REGISTERED PURSUANT TO SECTION 12 OF THE  
SECURITIES EXCHANGE ACT OF 1934**

*The following summary of the capital stock of Envista Holdings Corporation does not purport to be complete and is qualified in its entirety by reference to our second amended and restated certificate of incorporation, third amended and restated bylaws, each of which is incorporated by reference as an exhibit to the Annual Report on Form 10-K of which this Exhibit is a part, and certain provisions of Delaware law. Unless the context requires otherwise, all references to "we," "us," "our" and "Envista" in this Exhibit refer solely to Envista Holdings Corporation and not to our subsidiaries.*

**General**

Our authorized capital stock consists of 500,000,000 shares of common stock, par value \$0.01 per share, and 15,000,000 shares of preferred stock, par value \$0.01 per share, all of which shares of preferred stock are undesignated. Our board of directors may establish the rights and preferences of the preferred stock from time to time.

**Common Stock**

Holders of our common stock are entitled to the rights set forth below.

*Voting Rights*

Each holder of our common stock is entitled to one vote for each share on all matters to be voted upon by stockholders. At each meeting of the stockholders, a majority in voting power of our shares issued and outstanding and entitled to vote at the meeting, present in person or represented by proxy, constitutes a quorum.

Directors are elected by a plurality of the votes entitled to be cast. Our stockholders do not have cumulative voting rights. Except as otherwise provided in our second amended and restated certificate of incorporation or as required by law, any question brought before any meeting of stockholders, other than the election of directors, will be decided by the affirmative vote of the holders of a majority of the total number of votes of our shares represented at the meeting and entitled to vote on such question, voting as a single class.

*Dividends*

Subject to any preferential rights of any outstanding preferred stock, holders of our common stock will be entitled to receive ratably the dividends, if any, as may be declared from time to time by our board of directors out of funds legally available for that purpose. If there is a liquidation, dissolution or winding up of us, holders of our common stock would be entitled to ratable distribution of our assets remaining after the payment in full of liabilities and any preferential rights of any then-outstanding preferred stock.

#### **No Preemptive or Similar Rights**

Holders of our common stock have no preemptive or conversion rights or other subscription rights, and there are no redemption or sinking fund provisions applicable to our common stock.

#### **Preferred Stock**

Under the terms of our second amended and restated certificate of incorporation, our board of directors is authorized, subject to limitations prescribed by the Delaware General Corporation Law ("DGCL") and by our second amended and restated certificate of incorporation, to issue up to 15,000,000 shares of preferred stock in one or more series without further action by the holders of our common stock. Our board of directors has the discretion, subject to limitations prescribed by the DGCL and by our second amended and restated certificate of incorporation, to determine the rights, preferences, privileges and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences, of each series of preferred stock. The rights, preferences and privileges of the holders of our common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that we may designate and issue in the future.

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#### **Anti-Takeover Effects of Various Provisions of Delaware Law and Our Certificate of Incorporation and Bylaws**

Provisions of the DGCL and our second amended and restated certificate of incorporation and third amended and restated bylaws could make it more difficult to acquire us by means of a tender offer, a proxy contest or otherwise, or to remove incumbent officers and directors. These provisions, summarized below, are expected to discourage certain types of coercive takeover practices and takeover bids that our board of directors may consider inadequate and to encourage persons seeking to acquire control of us to first negotiate with our board of directors. We believe that the benefits of increased protection of our ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging takeover or acquisition proposals because, among other things, negotiation of these proposals could result in an improvement of their terms.

***Delaware Anti-Takeover Statute.*** We are subject to Section 203 of the DGCL, an anti-takeover statute. In general, Section 203 of the DGCL prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years following the time the person became an interested stockholder, unless (i) prior to such time, the board of directors of such corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder; (ii) upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of such corporation at the time the transaction commenced (excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) the voting stock owned by directors who are also officers or held in employee benefit plans in which the employees do not have a confidential right to tender or vote stock held by the plan); or (iii) on or subsequent to such time the business combination is approved by the board of directors of such corporation and authorized at a meeting of stockholders by the affirmative vote of at least two-thirds of the outstanding voting stock of such corporation not owned by the interested stockholder. Generally, a "business combination" includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. Generally, an "interested stockholder" is a person who, together with affiliates and associates, owns (or within three years prior to the determination of interested stockholder status did own) 15% or more of a corporation's voting stock. The existence of this provision would be expected to have an anti-takeover effect with respect to transactions not approved in advance by our board of directors, including discouraging attempts that might result in a premium over the market price for the shares of our common stock held by our stockholders.

A Delaware corporation may "opt out" of Section 203 with an express provision in its original certificate of incorporation or an express provision in its certificate of incorporation or bylaws resulting from amendments approved by holders of at least a majority of the corporation's outstanding voting shares. We did not elect to "opt out" of Section 203.

***Classified Board.*** Our second amended and restated certificate of incorporation provides that our board of directors is divided into three classes. Commencing with the 2024 annual meeting of stockholders, and each annual meeting of stockholders thereafter, all directors will be elected for a one-year term expiring at the next

annual meeting of stockholders, and our board of directors will no longer be classified.

**Removal of Directors.** Our third amended and restated bylaws provides that (i) prior to the board being fully declassified as discussed above, stockholders may remove the continuing classified directors only for cause, and that (ii) after the board of directors has been fully declassified, stockholders may remove our directors with or without cause. Removal requires the affirmative vote of holders of a majority of our outstanding capital stock entitled to vote generally in the election of directors.

**Size of Board and Vacancies.** Our third amended and restated bylaws provide that our board of directors will consist of not less than three nor greater than 15 directors, the exact number of which will be fixed exclusively by our board of directors. Any vacancies created in the board of directors resulting from any increase in the authorized number of directors or the death, resignation, retirement, disqualification, removal from office or other cause will be filled by a majority of the directors then in office, even if less than a quorum is present, or by a sole remaining director. A director (a) appointed to fill a vacancy caused by the death, resignation, retirement, disqualification or removal of any continuing classified director will have a term expiring at the corresponding annual meeting of stockholders at which the term of such continuing classified director would have expired, and (b) appointed to fill a newly created directorship resulting from an increase in the authorized number of directors, will have a term expiring at the next subsequent annual meeting of stockholders, in each case subject to the election and qualification of a successor and to such director's earlier death, resignation or removal.

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**Special Stockholder Meetings.** Our second amended and restated certificate of incorporation provides that special meetings of stockholders may be called only by the secretary upon a written request delivered to the secretary by (a) the board of directors pursuant to a resolution adopted by a majority of the entire board of directors, (b) the chairman of the board of directors or (c) our chief executive officer. Stockholders may not call special stockholder meetings.

**Stockholder Action by Written Consent.** Our second amended and restated certificate of incorporation provides that stockholder action must take place at the annual or a special meeting of our stockholders. Stockholders may not act by written consent.

**Requirements for Advance Notification of Stockholder Nominations and Proposals.** Our second amended and restated certificate of incorporation mandates that stockholder nominations for the election of directors will be given in accordance with the bylaws. The third amended and restated bylaws have established advance notice procedures with respect to stockholder proposals and nomination of candidates for election as directors as well as minimum qualification requirements for stockholders making the proposals or nominations. Additionally, the bylaws require that candidates for election as director disclose their qualifications and make certain representations.

**No Cumulative Voting.** The DGCL provides that stockholders are denied the right to cumulate votes in the election of directors unless a company's certificate of incorporation provides otherwise. Our second amended and restated certificate of incorporation does not provide for cumulative voting.

**Undesignated Preferred Stock.** The authority that our board of directors possesses to issue preferred stock could potentially be used to discourage attempts by third parties to obtain control of us through a merger, tender offer, proxy contest or otherwise by making such attempts more difficult or more costly. Our board of directors may be able to issue preferred stock with voting rights or conversion rights that, if exercised, could adversely affect the voting power of the holders of common stock.

#### **Limitations on Liability, Indemnification of Officers and Directors and Insurance**

The DGCL authorizes corporations to limit or eliminate the personal liability of directors to corporations and their stockholders for monetary damages for breaches of directors' fiduciary duties as directors, and our second amended and restated certificate of incorporation includes such an exculpation provision. Our second amended and restated certificate of incorporation and third amended and restated bylaws include provisions that indemnify, to the fullest extent allowable under the DGCL, the personal liability of directors or officers for monetary damages for actions taken as our director or officer, or for serving at our request as a director or officer or another position at another corporation or enterprise, as the case may be. Our second amended and restated certificate of incorporation and third amended and restated bylaws also provide that we must indemnify and advance reasonable expenses to our directors and, subject to certain exceptions, officers, subject to our receipt of an undertaking from the indemnified party as may be required under the DGCL. Our second amended and restated certificate of incorporation expressly authorizes us to carry directors' and officers' insurance to protect us, our directors, our officers and certain employees for some liabilities.

The limitation of liability and indemnification provisions in our second amended and restated certificate of incorporation and third amended and restated bylaws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duty. These provisions may also have the effect of reducing the likelihood of derivative litigation against our directors and officers, even though such an action, if successful, might otherwise benefit us and our stockholders. However, these provisions do not limit or eliminate our rights, or those of any stockholder, to seek non-monetary relief such as injunction or rescission in the event of a breach of a director's duty of care. The provisions do not alter the liability of directors under the federal securities laws. In addition, an investment in our common stock may be adversely affected to the extent that, in a class action or direct suit, we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

#### **Exclusive Forum**

*Actions under the Securities Act.* Unless we otherwise consent in writing, the United States federal district courts shall be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended (the "Securities Act"). If any action arising under the Securities Act is filed in a court other than a federal district court in the name of any stockholder (current, former or future), such stockholder shall be deemed to have consented to: (i) the personal jurisdiction of the federal district courts in connection with any action brought in any such court to enforce the federal forum selection provision, and (ii) having service of process made upon such stockholder in any such enforcement action by service upon such stockholder's counsel in the enforcement action as agent for such stockholder.

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*State Law Claims.* Unless we otherwise consent in writing, the sole and exclusive forum for (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim of breach of fiduciary duty owed by any of our directors, officers, employees or stockholders to us or our stockholders, (3) any action asserting a claim arising pursuant to any provision of the DGCL, our certificate of incorporation or bylaws, or (4) any action asserting a claim governed by the internal affairs doctrine shall be the Court of Chancery of the State of Delaware or, if the Court of Chancery of the State of Delaware does not have jurisdiction, another state or federal court located within the State of Delaware. If any such action is filed in a court other than a court located within the State of Delaware in the name of any stockholder (current, former, or future), such stockholder shall be deemed to have consented to: (i) the personal jurisdiction of the state and federal courts located within the State of Delaware in connection with any action brought in any such court to enforce the Delaware forum selection provision, and (ii) having service of process made upon such stockholder in any such enforcement action by service upon such stockholder's counsel in the foreign action as agent for such stockholder.

#### **Listing**

Our common stock is traded on the NYSE under the symbol "NVST."

#### **Transfer Agent and Registrar**

The transfer agent and registrar for shares of our common stock is Computershare Trust Company, N.A.

Exhibit 10.06 10.13

**THIRD AMENDMENT TO  
THE  
ENVISTA HOLDINGS CORPORATION**

**2019 OMNIBUS INCENTIVE PLAN  
RESTRICTED STOCK UNIT AGREEMENT**

Unless otherwise defined herein, the terms defined in

**WHEREAS**, Envista Holdings Corporation, a Delaware corporation (the "Company"), maintains the Envista Holdings Corporation 2019 Omnibus Incentive Plan, originally adopted on September 17, 2019, as amended on February 16, 2022 by the First Amendment to the Envista Holdings Corporation 2019 Omnibus Incentive Plan and as further amended on August 14, 2023 by the Second Amendment to the Envista Holdings Corporation 2019 Omnibus Incentive Plan (as amended to date, the "Plan"); and

**WHEREAS**, the Board of Directors (the "Plan" "Board") of the Company has determined that it is in the best interests of the Company and its stockholders to adopt this Third Amendment to the Envista Holdings Corporation 2019 Omnibus Incentive Plan (this "Amendment") to amend the Plan in order to clarify that the limit on Awards granted and cash fees paid during a single fiscal year to any Director does not apply to compensation paid to a Director for services provided to the Company outside of such Director's ordinary duties as a Director; and

**WHEREAS**, will under the terms of the Plan, the Board has the ability to amend the Plan in order to make such changes; and

**WHEREAS**, capitalized terms used in this Amendment, but not otherwise defined herein, shall have the same defined respective meanings ascribed to such terms in this Restricted Stock Unit Agreement (the "Agreement"). the Plan.

**I. NOW, THEREFORE GRANT NOTICE, BE IT RESOLVED**, the Plan is hereby amended as follows:

Name: #ParticipantName#

Employee ID: #EmployeeID#. Section 5(e) of the Plan is hereby deleted in its entirety and replaced with the following:

(e) **Director Limits**. The undersigned Participant has been granted an Award maximum number of Restricted Stock Units, shares subject to Awards granted during a single fiscal year to any Director, taken together with such Director's cash fees with respect to the terms fiscal year (whether such cash fees are paid currently or deferred under a Director deferred compensation plan, if any), shall not exceed \$700,000 in total value (calculating the value of any such Awards based on the grant date fair value of such Awards for financial reporting purposes); provided, however, this limit shall not apply to compensation (including Awards and conditions cash compensation) paid to any Director who also provides services to the Company outside of such Director's ordinary duties as a Director (e.g., as a Consultant to the Company) for such other services.

This Amendment shall be effective as of January 1, 2024 (the "Effective Date") for all Awards granted on and after the Effective Date. In the event of any inconsistency or conflict between the Plan and this Amendment, the terms, conditions and provisions of this Amendment shall govern and control. Except as herein expressly amended, the Plan is ratified and confirmed in all respects and shall remain in full force and effect in accordance with its terms.

Exhibit 10.26

**SEPARATION AGREEMENT AND GENERAL RELEASE**

This Separation Agreement as follows (each and General Release ("Agreement") is entered into between **Patrik Eriksson** ("Employee" or "you"), and **DH Dental Employment Services LLC** ("the Company").

1. Separation of Employment. Your last day of employment is **December 31, 2023** ("Termination Date"). Regardless of whether you sign this Agreement, you will receive all wages to which you are entitled through your Termination Date. Group medical, dental, vision and prescription drug benefits, and group and dependent life insurance coverage for which you are eligible just before the termination date will continue through the end of the calendar month in which the Termination Date occurs. All other benefits, including but not limited to any accrual of or eligibility for Accident Death & Dismemberment, vacation, sick leave, holiday pay, and any other employee benefits and privileges, including short-term and long-term disability, Flexible Spending Accounts and 401k contributions shall cease on your Termination Date, and any vested benefit shall be governed by the terms of the applicable benefit plan. You may elect continued coverage at your sole expense for medical, dental, vision, and prescription drug benefits (collectively "group health coverage") pursuant to the federal Consolidated Omnibus Budget Reconciliation Act ("COBRA") and you will receive COBRA information under separate cover.

2. Severance Benefits. If you sign and do not revoke this Agreement, after the Effective Date you will receive, in accordance with the terms of the Envista Holdings Corporation Severance and Change In Control Plan (the "Plan").

- a. Severance Pay in the total gross amount of **\$935,000**, less applicable taxes and withholdings, which represents the equivalent of 12 months of your base salary plus your annual bonus target amount. The portion representing your base salary will be payable in installments administered on the Company's normal payroll dates over a 12-month period. The portion representing your annual bonus target amount will be paid at the same time bonuses are payable pursuant to the Company's ICP;
- b. A lump sum payment representing your pro-rated ICP for 2023 based on actual performance for 2023, as confirmed by the Company's Compensation Committee at its February 2024 meeting. This lump sum ICP payment will be payable at the same time bonuses are paid under the Company's ICP, shall be subject to standard withholding and payroll deductions and the Company will issue an IRS Form W-2 to you reflecting this payment.
- c. A lump sum payment equal to the amount the Company would have otherwise contributed toward your group health, prescription, vision and dental coverage premiums as an active employee for 12 months, in the total amount of **\$22,000**, less applicable taxes and withholdings. The company will issue an IRS Form W-2 to you reflecting this payment.

If you become reemployed by the Company or Released Parties (as defined below), Severance Pay will cease and you will be required to reimburse the applicable portion of COBRA coverage lump sum, pursuant to the terms of the Plan. If you breach the Confidentiality, Non-Disparagement, or Continuing Obligations provisions of this Agreement, Severance Pay will cease and you will be required to repay all Severance Pay and COBRA lump sum paid to you, except for two hundred dollars (\$200.00).

3. Release. You, on behalf of yourself and your representatives, heirs, successors and assigns, release and forever discharge the Company and its parents, subsidiaries, any of its present or past affiliates, plus its and their present and former shareholders, officers, directors, members, agents, employees, attorneys, insurers, employee benefit plans and their administrators, successors, and assigns (collectively, "Released Parties") from all claims and liabilities of every kind – whether known or unknown to you now – which you may now have or have ever had up through the date you sign this Agreement. This release includes, but is not limited to, all claims under any federal, state, or local law, regulation or legal cause of action (collectively, "Released Claims") arising out of your employment with the Company or the termination of

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that employment. This means you give up all claims and rights related to: pay, compensation, or benefits including bonuses, commissions, equity, expenses, incentives, insurance, paid/unpaid leave, profit sharing, or separation pay/benefits; compensatory, emotional or mental distress damages, punitive or liquidated damages, attorney fees, costs, interest or penalties; violation of express or implied employment contracts, covenants, promises or duties, intellectual property or other proprietary rights; unlawful or tortious conduct such as assault or battery; background check violations; defamation; detrimental reliance; fiduciary breach; fraud; indemnification; intentional or negligent infliction of emotional distress; interference with contractual or other legal rights; invasion of privacy; loss of consortium; misrepresentation; negligence (including negligent hiring, retention, or supervision); personal injury; promissory estoppel; public policy violation; retaliatory discharge; safety violations; posting or records-related violations; wrongful discharge; or other federal, state or local statutory or common law matters; discrimination, harassment or retaliation based on age (including Age Discrimination in Employment Act or "ADEA" claims), benefit entitlement, citizenship, color, concerted activity,

disability, ethnicity, gender, gender identity and expression, genetic information, immigration status, income source, jury duty, leave rights, military status, national origin, parental status, protected off-duty conduct, race, religion, retaliation, sexual orientation, union activity, veteran status, whistleblower activity (including Sarbanes-Oxley, Dodd-Frank and False Claims Act claims), other legally protected status or activity; or any allegation that payment under this Agreement was affected by any such discrimination, harassment or retaliation; and any participation in any class or collective action against any Released Party.

Nothing in this Release section or anything else in this Agreement limits or otherwise affects: claims for workers' or unemployment compensation; claims that arise after you sign this Agreement; claims to enforce this Agreement; and any other claims that cannot lawfully be waived. Nothing in this Agreement limits your right to: file a charge with, provide information (including testimony) to, or participate in an investigation or proceeding conducted by any federal, state or local government agency; report possible violations of any law or regulation to any such agency; make other disclosures protected under whistleblower provisions of any law or regulation; or file or disclose any facts necessary to receive unemployment insurance, Medicaid, or other public benefits to which you are entitled. Regardless of the above, you expressly waive all rights to recover money or other individual relief in connection with any administrative or court action related in any way to any claim covered by this section, whether brought by you or on your behalf. However, you may recover money properly awarded by the U.S. Securities and Exchange Commission as a reward for providing information to that agency.

**1.1. State Law Release and Exclusion Provisions.** The applicable state provisions below are part of this Agreement:

**California.** Because you reside or last worked for the Company in California, you expressly waive the protection of Section 1542 of the California Civil Code, which states that: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY". In addition, nothing in any part of this agreement prevents you from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that you have reason to believe is unlawful. You acknowledge this Agreement is voluntary, deliberate, and informed, provides consideration of value to you, and you have been given notice and an opportunity to retain an attorney or are represented by an attorney. You therefore acknowledge that this Agreement is a voluntary severance agreement as that term has been defined under California law.

Act.

**4. Representations and Promise Not To Sue.** You represent that: a) you have not filed nor caused to be filed any lawsuits or arbitrations against any Released Party in any forum; b) you have been paid all compensation owed for all hours worked; c) you have received all leave and leave benefits and protections

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for which you were eligible under any law; and d) you have not suffered any on-the-job injury for which you have not already filed a claim. You further agree never to sue any Released Party for any reason covered by the General Release in Section 3 above. If you sue a Released Party in violation of this Agreement: (i) you shall be required to pay that Released Party's reasonable attorney fees and other litigation costs incurred in defending against your suit; or alternatively (ii) the Company can require you to return all but two hundred dollars (\$200.00) of the money and benefits provided to you under this agreement. In that event, the Company shall be excused from any remaining obligations that exist solely because of this Agreement.

**5. Confidentiality.** This Agreement is confidential. You agree never to disclose its contents to anyone except: (i) as may be required by law; and (ii) to your spouse, attorney and/or tax and financial advisors, but only if they first agree to keep this information confidential. If you are compelled by subpoena or judicial order to disclose any contents of this Agreement, then before such disclosure you will immediately provide the Company a copy of the subpoena or judicial order, by overnight delivery and e-mail, to: Wendy Kushner, Vice President and Assistant General Counsel, Labor & Employment, 200 S. Kraemer Blvd, Brea, CA 92821, [wendy.kushner@envistaco.com](mailto:wendy.kushner@envistaco.com). You will allow the Company seven business days to intervene before responding to the order or subpoena.

6. **Non-disparagement.** Subject to the limitations in the Release and any applicable State Law Release and Exclusion provisions, you will not orally or in writing disparage the Company, or its officers, directors, or employees in any way likely to harm their business, business reputation, or personal reputation, subject to applicable protections in this Agreement. However, you may respond accurately and fully to any inquiry or request for information when required by legal process. The Company agrees that it will not, and will instruct its Board of Directors and the members of executive management (and use commercially reasonable efforts to ensure compliance with such instruction) to not, make any oral or written communication (including on social media) that is intended to disparage, or has the effect of disparaging Employee.

7. **Time to Consult, Consider.** You are being advised to consult with an attorney before signing this Agreement. You may consider this Agreement for twenty-one (21) days before signing. You may sign the agreement at any time within the 21-day period but in no event earlier than your Termination Date.

8. **Right to Revoke.** Consistent with applicable law, if you are age 40 or over, if you wish you may revoke this Agreement within seven (7) days after signing. (If you work or reside in Minnesota, consistent with applicable law, you may revoke fifteen (15) days after signing, regardless of your age). To revoke, you must send a written notice of revocation within the applicable 7- or 15-day time period to Wendy Kushner at wendy.kushner@envistaco.com. If you revoke, you will not receive any severance pay. If you do not revoke, this Agreement will be enforceable the day after the applicable 7- day revocation period expires (the "Effective Date").

9. **Integration and Continuing Obligations.** You acknowledge and reaffirm your continuing post- termination obligations under any non-disclosure, confidentiality, intellectual property, non-solicitation and/or noncompetition agreement you previously signed pertaining to the Company's interests. Those obligations are hereby incorporated and made part of this Agreement, and are to be read together and in conformity with the following **capitalized** continuing obligations, which together along with the rest of this Agreement constitute the entire agreement between the Parties and supersedes any other agreements and understandings about your employment or the termination of your employment:

- a. You agree you had access to a variety of trade secret and/or confidential and proprietary information relating to the Company's business and/or other information which has not been made available to the general public ("Confidential Information"). You acknowledge and agree that such Confidential Information is Company property and you shall not, directly or indirectly, use or disclose it for your own or a third party's benefit. Notwithstanding the above and any

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other continuing post-termination obligations that apply to you, pursuant to the federal Defend Trade Secrets Act, you cannot be held criminally or civilly liable under any federal or state trade secret law for disclosing a trade secret if that disclosure is made: (i) in confidence to a federal, state or local government official, either directly or indirectly, or to any attorney, and for the sole purpose of reporting or investigating a suspected violation of law; or (ii) in a complaint or other document filed in a lawsuit or similar proceeding, provided that filing is made under seal.

b. You also agree that for twelve (12) months after your Termination Date, you will not, directly or indirectly, attempt to hire, engage the services of, or employ in any manner any person who was an executive, management, sales and marketing, operations, research and development, or information technology employee or contractor of the Company or Released Parties in the six months preceding your Termination Date and who possesses or had access to Confidential Information. **If you are a California employee,** you shall not either directly or indirectly use Envista trade secrets or confidential information to solicit, induce, recruit or encourage any of Envista employees or consultants to terminate their relationship with Envista, or attempt to solicit, induce, recruit, encourage or take away, hire, or otherwise engage the services of employees or consultants of Envista, either for yourself or for any other person or entity.

10. **Governing Law.** This Agreement shall be governed by and construed in accordance with the law of the state where you resided while providing services to the Company, unless federal law governs.

11. **Return of Company Property and Cancellation of Accounts.** You represent that you have returned (or you will before receiving any separation pay) all Company property in your possession or control, including any documents or confidential information (originals, hard copy, and

electronic versions, such as emails, files, presentations, records and reports), laptop or other computer and all peripherals, cellular phone, and other business equipment, work product, and software. You further confirm that you have cancelled any accounts for your benefit in the Company's name, including but not limited to credit cards and cellular phone accounts. You also agree to reconcile promptly any outstanding expense accounts and timely submit any final reimbursement requests.

12. Future Cooperation. You agree to cooperate with the Company and to respond to reasonable inquiries and requests for information by the Company, with reasonable notice, in connection with any legal matters in which you are involved or may become involved relating to matters arising during your employment with the Company. Your agreement to cooperate and provide responses shall not be construed as requiring you to provide anything other than truthful information, regardless of whether it is favorable or unfavorable to the Company, nor as creating any employment relationship between you and the Company.

13. IRC §409A. Each of the payments of severance and continued medical benefits (if any) are designated as separate payments for purposes of IRC §409A. Any such payments which are not exempt from IRC §409A shall be paid in the time and form as set forth in this Agreement and no person shall have the right or ability to later change the time and form of payment. Notwithstanding the preceding, if IRC §409A requires, payments under this Agreement which are not exempt and which are to be made during the first six months following your termination shall be withheld and the amount of the payments withheld shall be paid in a lump sum, without interest, during the seventh month following your termination. You and not the Company are responsible for any tax penalties that may be imposed on you as a result of IRC §409 A.

14. Electronic Transmissions. If you received this document electronically through an e-signature application, you may review and sign this Agreement digitally within twenty-one (21) days. If you received an email or hard-copy of this Agreement without an e-signature application, you can sign and send it back to the Company through e-mail (pdf scan), or by U.S. mail, within 21 days, to your HR Business Partner, Vicki Perry at [vicki.perry@envistaco.com](mailto:vicki.perry@envistaco.com).

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15. Knowing and Voluntary Release. You agree that you are signing this Agreement voluntarily and of your own free will and not because of any threats or duress. You affirm that no promises or agreements of any kind (other than those in this Agreement) have been made to or with you by any person or entity that would cause you to sign this Agreement. You have had an opportunity to review the terms are defined of this Agreement with an attorney of your choice. You agree that you have carefully read this Agreement and understand its contents, freely and voluntarily assent to all terms having the meaning indicated below): and conditions contained in this Agreement, sign your name of your own free will, and intend to be legally bound by this Agreement

Date of Grant EMPLOYEE

#GrantDate# COMPANY

Sign: /s/ Patrik Eriksson

Sign: /s/ Mark Nance

Print: Patrik Eriksson

Print: Mark Nance

Date: January 1, 2024

Title: General Counsel

Date: January 4, 2024

Number of  
Restricted  
Stock  
Units

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Exhibit 10.27

ENVISTA HOLDINGS CORPORATION

December 5, 2023

Amir Aghdai  
Chief Executive Officer  
200 S. Kraemer Blvd., Building E  
Brea, California 92821

Dear Amir:

Reference is made to that certain relocation by you ("CEO") by Envista Holdings Corporation, a Delaware Corporation (the "Company") (as successor in interest to Danaher Corporation, a Delaware Corporation) to Germany on July 1, 2015, and your repatriation on June 30, 2017 (the "Assignment"). From time to time each of CEO and Company are hereafter referred to as a "Party" and collectively as the "Parties" to this letter agreement (this "Letter Agreement").

1. **Terms of Assignment.** The Parties acknowledge and agree as a condition to the Assignment, and pursuant to the Company's and its predecessor's tax equalization policy, any tax burden realized by CEO in excess of any tax liability that would have been incurred by CEO had he and his family remained in his principal state/country (Oregon, United States) would be borne by the Company; including without limitation the cost of any excess taxes owed internationally and/or domestically, penalties and interest associated with any miscalculation of the same, and any and all costs associated with the evaluation, review, calculation, audit, defense, tax preparation and amendment thereof and costs incurred by any third party legal and/or professional services associated with the same ("Company Obligation"). Furthermore, it is acknowledged and agreed by the Parties that CEO shall neither bear the burden of any additional costs associated with the Assignment nor reap any benefit as a consequence of the Assignment.

2. **Tax Equalization.** Based in part upon information provided by Deloitte Tax LLP ("Deloitte") (CEO's prior tax advisor) and Delagnes, Mitchell & Linder, LLP ("Tax Advisor"), Deloitte (for tax years 2018 to 2020) and Vialto Partners ("Vialto" and together with Deloitte, collectively referred to herein as "Company Tax Representatives") for tax year ending 2021, have calculated such portion of foreign tax payments by the Company which have created excess tax benefits to CEO with respect to the Assignment in the form of federal tax refunds (said payments generating a foreign tax credit on the CEO's federal income tax return). Such excess tax benefits are referred to herein as "Tax Equalization".

As of the date of this Letter Agreement (the "Effective Date"), Company Tax Representatives have calculated such total Tax Equalization for the tax years ending 2018, 2019, 2020, and 2021 to equal \$3,306,752; which amount Company represents to be true and accurate subject to the data provided by CEO's Tax Advisor. Each of the Company and CEO acknowledge and agree that as of the Effective Date, CEO has paid two (2) tax equalization payments to the Company, (i) \$1,919,255 payment made on May 22, 2022; and (ii) \$545,133 payment made on December 19, 2022. The parties further acknowledge and agree that the remaining balance of the Tax Equalization for the tax years ending 2018, 2019, 2020 and 2021 is \$842,364 ("Outstanding Balance"); and no further amounts are owed for the aforementioned tax years. Upon payment of the Outstanding Balance in accordance with this Letter Agreement, no further Tax Equalization shall be owed to the Company for tax years ending 2018, 2019, 2020 and 2021 absent an intentional, wilful or grossly negligent error in information provided by Tax Advisor to Company Tax Representatives for the foregoing tax years.

The Parties anticipate that until the remaining balance of German source options held by CEO have been disposed of the Tax Equalization cannot be fully determined; however the Parties agree that the tax related to these German source options, if any, is expected to be nominal and may not require the completion of a German tax return, therefore no Tax Equalization would be required. The Company waives any Tax Equalization with respect to these remaining German source options.

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The Parties further acknowledge and agree that it is in the best interest of the CEO and the Company to complete all Tax Equalization calculations and administration as expeditiously as possible; and upon the payment of the Outstanding Balance as well as any Tax Equalization for

the 2022 tax year (collectively the “**Final Tax Equalization**”), both Parties are waiving all future claims of right or opportunities resulting from reimbursement of Tax Equalization by the CEO for the 2023 tax year and all future tax years. Such waiver shall be conditioned upon payment of the Final Tax Equalization by no later than the close of the Company’s 2024 1<sup>st</sup> Quarter. The Parties shall authorize Tax Advisor and Company Tax Representatives to cooperate in calculating such amounts for the 2022 tax year; and each of CEO and Company shall acknowledge such calculation within a reasonable period following calculation. Notwithstanding the foregoing, upon confirmation and payment of the Final Tax Equalization, no further Tax Equalization shall be owed to the Company for tax years ending 2022 and all future tax years absent an intentional, wilful or grossly negligent error in information provided by Tax Advisor to Company Tax Representatives for the foregoing tax years. Completion of these actions will fully close CEO’s Tax Equalization obligation and no further material trailing income is expected attributable to the Assignment. By agreement, the Company will not pursue the 2021 Foreign Tax Credit (which would have required an amended US return) or exercise any future Claim of Rights other than as agreed upon for the 2022 tax year.

3. Indemnification. In the event that CEO incurs any liability with respect to the Assignment or as a result of information provided by the Company and/or the Company Tax Representatives related to the Assignment, tax filings or calculations related thereto, including without limitation liability with respect to any foreign, federal and/or state tax filings and balances due for (i) the 2018, 2019, 2020 and 2021 tax years; (ii) upon the review, approval and filing of CEO’s personal federal and state tax returns, the 2022 tax year; (iii) any future tax periods whether domestically or foreign; (iv) costs associated with the Company Obligation; and/or (v) any Tax Equalization payments in excess of those confirmed by each of CEO and Company in accordance with Section 2 above; and such liability is not caused by gross negligence, wilful misconduct or intentional misrepresentation of CEO or Tax Advisor, then the Company shall indemnify the CEO for any such liability and against one hundred percent (100%) of any losses, damages, claims, judgments, settlements entered into in accordance with this Letter Agreement, fees, costs expenses (including reasonable attorney’s fees) and liability actually incurred or sustained by CEO as a result of the Assignment, including but not limited to any losses incurred by CEO when acting in good faith reliance pursuant to the direction of the Company or Company Tax Representatives.

4. Payment of Outstanding Balance. In consideration of this Letter Agreement, CEO shall make the Final Tax Equalization payment to the Company by no later than the close of the Company’s 2024 1<sup>st</sup> Quarter, in full satisfaction and settlement of any and all outstanding Tax Equalization claims owed by CEO to the Company for the 2018, 2019, 2020, 2021 and 2022 tax years. The Parties acknowledge and agree upon payment of the Final Tax Equalization, there shall be no further obligation to Company by CEO for the aforementioned tax years and by agreement, the parties waive all future Tax Equalization for the 2023 and all future tax years in each case, related to the Assignment.

5. Release of Claims. (a) in exchange for the consideration being exchanged pursuant to this Letter Agreement, Company hereby releases and forever discharges CEO from any and all liability for claims known or unknown with respect to the Assignment and or Tax Equalization arising prior to the Effective Date, except as provided herein. This release includes, but is not limited to, any and all claims, rights, demands, and causes of action of any and every kind, known or unknown, whether arising out of any claims for breach of contract (express or implied), breach of the covenant of good faith and fair dealing, which Company may now have, or has ever had, against CEO with respect to the Assignment to the fullest extent permitted by law. Notwithstanding anything in this Letter Agreement to the contrary, however, this release does not include and Company is not giving up the right to enforce the terms of this Letter Agreement and/or any other terms with respect to the employment/engagement agreement of CEO with the Company.

(b) in exchange for the consideration being exchanged pursuant to this Letter Agreement, CEO hereby releases and forever discharges the Company from any and all liability for claims known or unknown with respect to the Assignment and or Tax Equalization arising prior to the Effective Date, except as provided herein. This release includes, but is not limited to, any and all claims, rights, demands, and causes of action of any and every kind, known or unknown, whether arising out of any claims for breach

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of contract (express or implied), breach of the covenant of good faith and fair dealing, which CEO may now have, or has ever had, against the Company with respect to the Assignment to the fullest extent permitted by law. Notwithstanding anything in this Letter Agreement to the contrary,

however, this release does not include and CEO is not giving up the right to enforce the terms of this Letter Agreement and/or any other terms with respect to the employment/engagement agreement of the Company with CEO.

6. Unknown or Different Facts or Law. Each Party acknowledges that it may discover facts or law different from, or in addition to, the facts or law each Party knows or believes to exist with respect to a released claim hereunder. Each Party agrees, nonetheless, that the release contained in this Letter Agreement shall be and remain effective in all respects notwithstanding such different or additional facts or law.

7. Civil Code §1542 Waiver. Each Party hereby agrees that the provisions of Section 1542 of the Civil Code of the State of California are waived. Section 1542 provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS  
THAT THE CREDITOR OR RELEASING PARTY DOES NOT  
KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT  
THE TIME OF EXECUTING THE RELEASE, AND THAT IF  
KNOWN BY HIM OR HER WOULD HAVE MATERIALLY  
AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR  
OR RELEASED PARTY.

AA\_CEO (Initial Here)

SK\_Company (Initial Here)

8. No Reliance upon Representations by the Other Side. Each Party represents and acknowledges that in executing this Agreement he/it does not rely upon, and has not relied upon, any representation or statement made by the other Party or by the agents, attorneys or representatives of the other Party, with regard to the subject matter of this Letter Agreement, or its basis, or the effects of this Letter Agreement other than those representations specifically set forth in this written document.

9. Severability. Any provision of this Letter Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

10. No Waiver; Cumulative Remedies. No Party hereto shall by any act of delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of any Party hereto, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy that would otherwise be available on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any rights or remedies provided by law.

11. Survival. Each Party's obligations under this Letter Agreement shall survive the resignation, retirement, termination or replacement of CEO or any assignment of rights by the Company or its successors and Affiliates; and Company Obligation shall remain in full force and effect until the applicable statute of limitations has run with respect to any potential claims made by any applicable tax authorities with respect to the Assignment or any tax year filings associated with reporting income or expenses with respect to the Assignment.

12. Representations and Warranties. Each of the CEO and Company represent and warrant to other Parties hereto, as to itself as follows:

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(a) it has full power, authority and legal right to execute, deliver, perform and observe the provisions of this Letter Agreement, including without limitation , the payment of all moneys hereunder;

- (b) the execution, delivery and performance by each Party to this Letter Agreement have been duly authorized by all necessary actions under its constituent documents;
- (c) this Letter Agreement constitutes the legal, valid and binding obligations of each Party, enforceable in accordance with its terms, subject as to enforceability to bankruptcy, insolvency and other similar laws affecting creditors' rights generally and general equity principles;
- (d) no authorization, approval, consent or permission (governmental or otherwise) of any court, agency, commission or other authority or entity is required for the due execution, delivery, performance or observance by any Party to this Letter Agreement or for the payment of any sums hereunder; and
- (e) neither the execution and delivery of this Letter Agreement by such Party, nor the consummation of the transactions herein contemplated, nor compliance with the terms and provisions hereof, conflicts or will conflict with or result in a breach of any of the terms, conditions or provisions of the constituent documents of such Party, or of any law, order, writ, injunction or decree of any court or government authority, or of any agreement or instrument to which such party hereto is a Party or by which it is bound, or constitutes or will constitute a default thereunder.

13. Conflicts. This Letter Agreement contains the entire agreement of the Parties concerning the subject matter hereof, and supersedes any and all prior agreements, whether oral or written, between the Parties hereto concerning the subject matter hereof. This Letter Agreement may not be changed, modified, amended, discharged, abandoned or terminated orally, but only by an agreement in writing, signed by the Parties hereto.

14. Representation by Counsel. The Parties agree that each has had the opportunity to be represented in the negotiation and preparation of this Letter Agreement by an independent attorney of their own choice. The Parties understand that Delagnes, Linder & Duey, LLP represents CEO; and does not represent the Company in this matter. Each Party has carefully read this Letter Agreement in its entirety and the attorney for each Party, if represented, has fully explained its contents and legal effect.

15. Governing Law. This Letter Agreement shall be governed and construed in accordance with the laws of the State of California and all rights and remedies shall be governed by such laws, without regard to principles of conflict of laws.

16. Enforcement Costs and Attorneys' Fees. If any Party to this Letter Agreement obtains a final non-appealable judgment from a court of competent jurisdiction against any other Party by reason of breach of this Agreement, the prevailing Party's costs of enforcement and collection in connection with such claim, including reasonable attorneys' fees and expenses, court costs and disbursements, as fixed by the court, shall be included in such judgment.

If the foregoing correctly sets forth your understanding, please execute this Letter Agreement in the space provided below.

This Letter Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which, taken together, shall constitute one and the same instrument.

Sincerely,

#QuantityGranted#  
ENVISTA HOLDINGS CORPORATION  
a Delaware Corporation

/s/ Stephen Keller  
Stephen Keller

Principal Financial Officer  
Title

Agreed to and approved this 6th day of December 2023

/s/ Amir Aghdaei  
Amir Aghdaei

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Exhibit 21.1

#### SUBSIDIARIES OF ENVISTA HOLDINGS CORPORATION

A list of certain subsidiaries of Envista Holdings Corporation is set forth below, indicating as to each the state or jurisdiction of organization. Subsidiaries not included in the list are omitted because, in the aggregate, they are not significant as permitted by Item 601(b)(21) of Regulation S-K.

Vesting Schedule Name	Jurisdiction of Organization
Dental Imaging Technologies Corporation	#VestDate_1# #VestQty_1# #Vest%_1# California
Implant Direct Sybron International LLC	#VestDate_2# #VestQty_2# #Vest%_2# Nevada
Kerr Corporation	#VestDate_3# #VestQty_3# #Vest%_3# Delaware
Metrex Research, LLC	Wisconsin
Nobel Biocare Deutschland GmbH	Germany
Nobel Biocare Services AG	Switzerland
Nobel Biocare USA LLC	Delaware
Ormco BV	Netherlands
Ormco Corporation	California
PaloDEx Group OY	Finland
EH Germany GmbH	Germany
DH Dental Employment Services LLC	Delaware
DH Dental Business Services LLC	Delaware
Carnassial Corporation	Canada
Spofa Dental a.s.	Czech Republic
Carestream Dental Technology Shanghai Co. Ltd.	China

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## II. **AGREEMENT**

**1. Grant of RSUs.** Envista Holdings Corporation (the "Company") hereby grants to the Participant named in this Grant Notice (the "Participant"), an Award of Restricted Stock Units ("RSUs") to acquire the number of shares of Company Common Stock ("Share"), subject to the terms and conditions of this Agreement and the Plan, which are incorporated herein by reference.

**2. Vesting.**

(a) **Vesting Schedule.** Except as may otherwise be set forth in this Agreement or in the Plan, with respect to each Tranche of RSUs granted under this Agreement (a "Tranche" consists of all RSUs as to which the Time-Based Vesting Criteria are scheduled to be satisfied on the same date), the Tranche shall not vest unless the Participant continues to be actively employed with the Company or an Eligible Subsidiary for the period required to satisfy the Time-Based Vesting Criteria applicable to such Tranche (the date on which the Time-Based Vesting Criteria applicable to a Tranche are scheduled to be satisfied is the "Time-Based Vesting Date"). Vesting shall be determined separately for each Tranche. The Time-Based Vesting Criteria applicable to any Tranche are referred to as "Vesting Conditions," and the date upon which all Vesting Conditions applicable to that Tranche are satisfied is referred to as the "Vesting Date" for such Tranche. The Vesting Conditions shall be established by the Compensation Committee (the "Committee") of the Company's Board of Directors (or by one or more members of Company management, if such power has been delegated in accordance with the Plan and applicable law) and reflected in the account maintained for the Participant by an external third party administrator of the RSUs. Further, during any approved leave of absence (and without limiting the application of any other rules governing leaves of absence that the Committee may approve from time to time pursuant to the Plan), to the extent permitted by applicable law, the Committee shall have discretion to provide that the vesting of the RSUs shall be frozen as of the first day of the leave (or as of any subsequent day during such leave, as applicable) and shall not resume until and unless the Participant returns to active employment.

(b) **Fractional RSU Vesting.** In the event the Participant is vested in a fractional portion of an RSU (a "Fractional Portion"), such Fractional Portion will be rounded up and converted into a whole Share and issued to the Participant; provided that to the extent rounding a fractional share up would result in the imposition of either (i) individual tax and penalty interest charges imposed under Section 409A of the U.S. Internal Revenue Code of 1986, as amended ("Section 409A"), or (ii) adverse tax consequences if the Participant is located outside of the United States, the fractional Share will be rounded down without the payment of any consideration in respect of such fractional share.

(c) **Addenda.** The provisions of any addenda attached hereto are incorporated by reference herein and made a part of this Agreement, and to the extent any provision in any such addenda conflicts with any provision set forth elsewhere in this Agreement, the provision set forth in such addenda shall control.

**3. Form and Timing of Payment; Conditions to Issuance of Shares.**

(a) **Form and Timing of Payment.** The Award of RSUs represents the right to receive a number of Shares equal to the number of RSUs that vest pursuant to the Vesting Conditions. Unless and until the RSUs have vested in the manner set forth in Sections 2 and 4, the Participant shall have no right to payment of any such RSUs. Prior to actual issuance of any Shares underlying the RSUs, such RSUs will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company. Subject to the other terms of the Plan and this Agreement, with respect to any Tranche that vests in accordance with Sections 2 and 4, the underlying Shares will be paid to the Participant in whole Shares within 90 days of the Vesting Date for that Tranche. The Shares shall not be issued under the Plan unless the issuance and delivery of such Shares comply with (or are exempt from) all applicable requirements of law, including (without limitation) the Securities Act, the rules and regulations promulgated thereunder, state securities laws and regulations, and the regulations of any stock exchange or other securities market on which the Company's securities may then be traded. The Committee may require the Participant to take any reasonable action in order to comply with any such rules or regulations.

(b) **Acknowledgment of Potential Securities Law Restrictions.** Unless a registration statement under the Securities Act covers the Shares issued upon vesting of an RSU, the Committee may require that the Participant agree in writing to acquire such Shares for investment and not for public resale or distribution, unless and until the Shares subject to the RSUs are registered under the Securities Act. The Committee may also require the Participant to acknowledge that the Participant shall not sell or transfer such Shares except in compliance with all applicable laws, and may apply such other restrictions as it deems appropriate. The Participant acknowledges that the U.S. federal securities laws prohibit trading in the stock of the Company by persons who are in possession of material, non-public information, and also acknowledges and understands the other restrictions set forth in the Company's Insider Trading Policy.

**4. Termination.**

(a) **General.** In the event the Participant's active employment or other active service-providing relationship, as applicable, with the Company or an Eligible Subsidiary terminates (the date of any such termination is referred to as the "Termination Date") for any reason (other than death, Early Retirement or Normal Retirement) whether or not in breach of applicable labor laws, unless contrary to applicable law and unless otherwise provided by the Administrator either initially or subsequent to the grant of the RSUs, all RSUs that are unvested as of the Termination Date shall automatically terminate as of the Termination Date and the Participant's right to receive further RSUs under the Plan shall also terminate as of the Termination Date. The Committee shall have discretion to determine whether the Participant has ceased to be actively employed by (or, if the Participant is a consultant or director, has ceased actively providing services to) the Company or an Eligible Subsidiary, and the effective date on which such active employment (or active service-providing relationship, as applicable) terminated. The Participant's active employer-employee or other active service-providing relationship, as applicable, will not be extended by any notice period mandated under applicable law (e.g., active employment shall not include a period of "garden leave," paid administrative leave or similar period pursuant to applicable law). Unless the Committee provides otherwise (1) termination of the Participant's employment will include instances in which the Participant is terminated and immediately rehired as an independent contractor, and (2) the spin-off, sale, or disposition of the Participant's employer from the Company or an Eligible Subsidiary (whether by transfer of shares, assets or otherwise) such that the Participant's employer no longer constitutes an Eligible Subsidiary will constitute a termination of employment or service.

(b) **Death.** In the event the Participant's active employment or other active service-providing relationship with the Company or an Eligible Subsidiary terminates as a result of death, unless contrary to applicable law and unless otherwise provided by the Administrator either initially or subsequent to the grant of the RSUs, the Participant's estate will become vested in a pro rata amount of each unvested Tranche based on the number of complete twelve-month periods between the Date of Grant and the date of the Participant's death divided by the total number of twelve-month periods between the Date of Grant and the Time-Based Vesting Date applicable to such Tranche. Notwithstanding anything in the Plan or this Agreement to the contrary, for purposes of this Section, any partial twelve-month period between the Date of Grant and the date of death shall be considered a complete twelve-month period and any Fractional Portion that results from applying the pro rata methodology shall be rounded up to a whole Share.

**(c) Retirement.**

(i) Upon termination of employment (or other active service-providing relationship, as applicable) by reason of the Participant's Early Retirement, unless contrary to applicable law and unless otherwise provided by the Committee either initially or subsequent to the grant of RSUs, with respect to each Tranche that is unvested as of the Early Retirement date, a pro-rata portion of such Tranche (i.e. based on the ratio of (x) the number of full or partial months worked by the Participant from the Date of Grant to the Early Retirement date to (y) the total number of months in the original time-based vesting schedule of such Tranche) will vest as of the Time-Based Vesting Date for such Tranche.

(ii) Upon termination of employment (or other active service-providing relationship) by reason of the Participant's Normal Retirement, unless contrary to applicable law and unless otherwise provided by the Committee either initially or subsequent to the grant of the RSUs, with respect to each Tranche that is unvested as of the Normal Retirement date, such Tranche will vest as of the Time-Based Vesting Date for such Tranche.

(d) **Gross Misconduct.** If the Participant's employment with the Company or an Eligible Subsidiary is terminated for Gross Misconduct as determined by the Administrator, the Administrator in its sole discretion may provide that all, or any portion specified by the Administrator, of the Participant's unvested RSUs shall automatically terminate as of the time of termination without consideration. The Participant acknowledges and agrees that the Participant's termination of employment shall also be deemed to be a termination of employment by reason of the Participant's Gross Misconduct if, after the Participant's employment has terminated, facts and circumstances are discovered or confirmed by the Company that would have justified a termination for Gross Misconduct.

(e) **Violation of Post-Termination Covenant.** To the extent that any of the Participant's RSUs remain outstanding under the terms of the Plan or this Agreement after the Termination Date, such RSUs shall expire as of the date the Participant violates any covenant not to compete or other post-termination covenant that exists between the Participant on the one hand and the Company or any Subsidiary of the Company, on the other hand.

(f) **Substantial Corporate Change.** Notwithstanding any other provision in this Agreement to the contrary, in the event (i) a Substantial Corporate Change occurs, (ii) the RSUs are effectively assumed or continued by the surviving or acquiring corporation in such Substantial Corporate Change (as determined by the Board or the Committee), and (iii) the Participant is terminated without Gross Misconduct or, if the Participant participates in the Envista Holdings Corporation Severance and Change in Control Plan, the Participant is terminated due to an "Involuntary Termination" or "Good Reason Resignation" (as defined in the Severance and Change in Control Plan), in each case within 24 months following the Substantial Corporate Change, then any unvested RSUs held by the Participant shall vest in full as of the Participant's termination date.

5. **Non-Transferability of RSUs.** Unless the Committee determines otherwise in advance in writing, RSUs may not be transferred in any manner otherwise than by will or by the applicable laws of descent or distribution. The terms of the Plan and this Agreement shall be binding upon the executors, administrators, heirs and permitted successors and assigns of the Participant.

#### 6. **Amendment of RSUs or Plan.**

(a) The Plan and this Agreement constitute the entire understanding of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Participant with respect to the subject matter hereof. The Participant expressly warrants that the Participant is not accepting this Agreement in reliance on any promises, representations, or inducements other than those contained herein. The Board may amend, modify or terminate the Plan or the RSUs in any respect at any time; provided, however, that modifications to this Agreement or the Plan that materially and adversely affect the Participant's rights hereunder can be made only in an express written contract signed by the Company and the Participant. Notwithstanding anything to the contrary in the Plan or this Agreement, the Company reserves the right to revise this Agreement and the Participant's rights under outstanding RSUs as it deems necessary or advisable, in its sole discretion and without the consent of the Participant, (1) upon a Substantial Corporate Change, (2) as required by law, or (3) to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection with the RSUs; provided, however, that the Company shall not make any change that would alter the rights of the Participant under Section 4(f) of the Agreement.

(b) The Participant acknowledges and agrees that if the Participant changes classification from a full-time employee to a part-time employee the Committee may in its sole discretion reduce or eliminate the Participant's unvested RSUs.

#### 7. **Tax Obligations.**

(a) **Withholding Taxes.** Regardless of any action the Company or any Eligible Subsidiary employing the Participant (the "Employer") takes with respect to any or all federal, state, local or foreign income tax, social insurance, payroll tax, payment on account or other Tax Related-Items ("Tax-Related Items"), the Participant acknowledges that the ultimate liability for all Tax Related-Items associated with the RSUs is and remains the Participant's responsibility and that the Company and the Employer (i) make no representations or undertakings regarding the treatment of any Tax Related-Items in connection with any aspect of the RSUs, including, but not limited to, the grant or vesting of the RSUs, the delivery of Shares, the subsequent sale of Shares acquired at vesting and the receipt of any dividends or dividend equivalents; and (ii) do not commit to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate the Participant's liability for Tax Related-Items. Further, if the Participant is subject to tax in more than one jurisdiction, the Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax Related-Items in more than one jurisdiction.

(i) This Section 7(a)(i) shall apply to the Participant only if the Participant is not subject to Section 16 of the Securities Exchange Act of 1934 as of the date the relevant RSU first becomes includable in the gross income of the Participant for purposes of Tax Related-Items. The Participant shall, no later than the date as of which the value of an RSU first becomes includable in the gross income of the Participant for purposes of Tax Related-Items, pay to the Company and/or the Employer, or make arrangements satisfactory to the Administrator regarding payment of, all Tax Related-Items required by applicable law to be withheld by the Company and/or the Employer with respect to the RSU. The obligations of the Company under the Plan shall be conditional on the making of such payments or arrangements, and the Company and/or the Employer shall, to the extent permitted by applicable law, have the right to deduct any such Tax Related-Items from any payment of any kind otherwise due to the Participant. The Company shall have the right to require the Participant to remit to the Company an amount in cash sufficient to satisfy any applicable withholding requirements related thereto. With the approval of the Administrator, the Participant may satisfy the foregoing requirement by either (i) electing to have the Company withhold from delivery of Shares or (ii) delivering already owned unrestricted Shares, in each case, having a

value up to the maximum amount of tax required to be withheld (or such other rate that will not cause adverse accounting consequences for the Company). Any such Shares shall be valued at their Fair Market Value on the date as of which the amount of Tax Related-Items to be withheld is determined. Such an election may be made with respect to all or any portion of the Shares to be delivered pursuant to the RSUs. The Company may also use any other method or combination of methods of obtaining the necessary payment or proceeds, as permitted by applicable law, to satisfy its withholding obligation with respect to any RSU.

(ii) This Section 7(a)(ii) shall apply to the Participant only if the Participant is subject to Section 16 of the Securities Exchange Act of 1934 as of the date the relevant RSU first becomes includable in the gross income of the Participant for purposes of Tax Related-Items. All Tax Related-Items legally payable by the Participant in respect of the RSUs shall be satisfied by the Company, withholding a number of the Shares that would otherwise be delivered to the Participant upon the vesting or settlement of the RSUs with a Fair Market Value, determined as of the date of the relevant taxable event, equal to the minimum statutory withholding amount that applies to the Participant, rounded up to the nearest whole share ("Net Settlement"). The Net Settlement mechanism described in this paragraph was approved by the Committee prior to the Date of Grant in a manner intended to constitute "approval in advance" by the Committee for purposes of Rule 16b3-(e) under the Securities Exchange Act of 1934, as amended.

(iii) If the obligation for Tax Related-Items is satisfied by net settlement, for tax purposes, the Participant shall be deemed to have been issued the full number of Shares issued upon vesting of the RSUs notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax Related-Items.

(b) Code Section 409A. Payments made pursuant to this Plan and this Agreement are intended to qualify for an exemption from or comply with Section 409A. Notwithstanding any provision in this Agreement, the Company reserves the right, to the extent the Company deems necessary or

advisable in its sole discretion, to unilaterally amend or modify the Plan and/or this Agreement to ensure that all RSUs granted to Participants who are United States taxpayers are made in such a manner that either qualifies for exemption from or complies with Section 409A; provided, however, that the Company makes no representations that the Plan or the RSUs shall be exempt from or comply with Section 409A and makes no undertaking to preclude Section 409A from applying to the Plan or any RSUs granted thereunder. If this Agreement fails to meet the requirements of Section 409A, neither the Company nor any of its Eligible Subsidiaries shall have any liability for any tax, penalty or interest imposed on the Participant by Section 409A, and the Participant shall have no recourse against the Company or any of its Eligible Subsidiaries for payment of any such tax, penalty or interest imposed by Section 409A.

Notwithstanding anything to the contrary in this Agreement, these provisions shall apply to any payments and benefits otherwise payable to or provided to the Participant under this Agreement. For purposes of Section 409A, each "payment" (as defined by Section 409A) made under this Agreement shall be considered a "separate payment." In addition, for purposes of Section 409A, payments shall be deemed exempt from the definition of deferred compensation under Section 409A to the fullest extent possible under (i) the "short-term deferral" exemption of Treasury Regulation § 1.409A-1(b)(4), and (ii) (with respect to amounts paid as separation pay no later than the second calendar year following the calendar year containing the Participant's "separation from service" (as defined for purposes of Section 409A)) the "two years/two-times" involuntary separation pay exemption of Treasury Regulation § 1.409A-1(b)(9)(ii), which are hereby incorporated by reference.

For purposes of making a payment under this Agreement, if any amount is payable as a result of a Substantial Corporate Change, such event must also constitute a "change in ownership or effective control" of the Company or a "change in the ownership of a substantial portion of the assets" of the Company within the meaning of Section 409A.

If the Participant is a "specified employee" as defined in Section 409A (and as applied according to procedures of the Company and its Subsidiaries) as of the Participant's separation from service, to the extent any payment under this Agreement constitutes deferred compensation (after taking into account any applicable exemptions from Section 409A), and such payment is payable by reason of a separation from service, then to the extent required by Section 409A, no payments due under this Agreement may be made until the earlier of: (i) the first day of the seventh month following the Participant's separation from service, or (ii) the Participant's date of death; provided, however, that any payments delayed during this six-month period shall be paid in the aggregate in a lump sum, without interest, on the first day of the seventh month following the Participant's separation from service.

8. Rights as Shareholder. Until all requirements for vesting of the RSUs pursuant to the terms of this Agreement and the Plan have been satisfied, the Participant shall not be deemed to be a shareholder of the Company, and shall have no dividend rights or voting rights with respect to the RSUs or any Shares underlying or issuable in respect of such RSUs until such Shares are actually issued to the Participant.

9. **No Employment Contract.** Nothing in the Plan or this Agreement constitutes an employment or service contract between the Company and the Participant and this Agreement shall not confer upon the Participant any right to continuation of employment or service with the Company or any of its Eligible Subsidiaries, nor shall this Agreement interfere in any way with the Company's or any of its Eligible Subsidiaries right to terminate the Participant's employment or at any time, with or without cause (subject to any employment or service agreement the Participant may otherwise have with the Company or an Eligible Subsidiary thereof and/or applicable law).

10. **Board Authority.** The Board and/or the Committee shall have the power to interpret this Agreement and to adopt such rules for the administration, interpretation and application of this Agreement as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether any RSUs have vested). All interpretations and determinations made by the Board and/or the Committee in good faith shall be final and binding upon the Participant, the Company and all other interested persons and such determinations of the Board and/or the Committee do not have to be uniform nor do they have to consider whether Plan participants are similarly situated.

11. **Headings.** The captions used in this Agreement and the Plan are inserted for convenience and shall not be deemed to be a part of the RSUs for construction and interpretation.

12. **Electronic Delivery.**

(a) If the Participant executes this Agreement electronically, for the avoidance of doubt, the Participant acknowledges and agrees that the Participant's execution of this Agreement electronically (through an on-line system established and maintained by the Company or a third party designated by the Company, or otherwise) shall have the same binding legal effect as would execution of this Agreement in paper form. The Participant acknowledges that upon request of the Company the Participant shall also provide an executed, paper form of this Agreement.

(b) If the Participant executes this Agreement in paper form, for the avoidance of doubt the parties acknowledge and agree that it is their intent that any agreement previously or subsequently entered into between the parties that is executed electronically shall have the same binding legal effect as if such agreement were executed in paper form.

(c) If the Participant executes this Agreement multiple times (for example, if the Participant first executes this Agreement in electronic form and subsequently executes this Agreement in paper form), the Participant acknowledges and agrees that (i) no matter how many versions of this Agreement are executed and in whatever medium, this Agreement only evidences a single Award relating to the number of RSUs set forth in the Grant Notice and (ii) this Agreement shall be effective as of the earliest execution of this Agreement by the parties, whether in paper form or electronically, and the subsequent execution of this Agreement in the same or a different medium shall in no way impair the binding legal effect of this Agreement as of the time of original execution.

(d) The Company may, in its sole discretion, decide to deliver by electronic means any documents related to the RSUs, to participation in the Plan, or to future awards granted under the Plan, or otherwise required to be delivered to the Participant pursuant to the Plan or under applicable law, including but not limited to, the Plan, this Agreement, the Plan prospectus and any reports of the Company generally provided to shareholders. Such means of electronic delivery may include, but do not necessarily include, the delivery of a link to the Company's intranet or the internet site of a third party involved in administering the Plan, the delivery of documents via electronic mail ("e-mail") or such other means of electronic delivery specified by the Company. By executing this Agreement, the Participant hereby consents to receive such documents by electronic delivery. At the Participant's written request to the Secretary of the Company, the Company shall provide a paper copy of any document at no cost to the Participant.

13. **Data Privacy.** *The Company is located at 200 S. Kraemer Blvd., Building E, Brea, California 92821, United States of America and grants RSUs under the Plan to employees of the Company and its Subsidiaries in its sole discretion. In conjunction with the Company's grant of the RSUs under the Plan and its ongoing administration of such awards, the Company is providing the following information about its data collection, processing and transfer practices ("Personal Data Activities"). In accepting the grant of the RSUs, the Participant expressly and explicitly consents to the Personal Data Activities as described herein.*

(a) **Data Collection, Processing and Usage.** *The Company collects, processes and uses the Participant's personal data, including the Participant's name, home address, e-mail address, and telephone number, date of birth, social insurance / passport number or other identification number (e.g. resident registration number), salary, citizenship, job title, any Shares or directorships held in the Company, and details of all RSUs or any other equity compensation awards granted, canceled, exercised, vested, or outstanding in the Participant's favor, which the Company receives from the Participant or the Employer ("Personal Information"). In granting the RSUs under the Plan, the Company will collect the Participant's Personal Information for purposes of allocating Shares and implementing,*

administering and managing the Plan. The Company's legal basis for the collection, processing and usage of the Participant's Personal Information is the Participant's consent.

(b) **Stock Plan Administration Service Provider.** The Company transfers the Participant's Personal Information to Fidelity Stock Plan Services LLC, an independent service provider based in the United States, which assists the Company with the implementation, administration and management of the Plan (the "Stock Plan Administrator"). In the future, the Company may select a different Stock Plan Administrator and share the Participant's Personal Information with another company that serves in a similar manner. The Stock Plan Administrator will open an account for the Participant to receive and trade Shares acquired under the Plan. The Participant will be asked to agree on separate terms and data processing practices with the Stock Plan Administrator, which is a condition to the Participant's ability to participate in the Plan.

(c) **International Data Transfers.** The Company and the Stock Plan Administrator are based in the United States. The Participant should note that the Participant's country of residence may have enacted data privacy laws that are different from the United States. The Company's legal basis for the transfer of the Participant's Personal Information to the United States is the Participant's consent.

(d) **Voluntariness and Consequences of Consent Denial or Withdrawal.** The Participant's participation in the Plan and the Participant's grant of consent is purely voluntary. The Participant may deny or withdraw the Participant's consent at any time. If the Participant does not consent, or if the Participant later withdraws the Participant's consent, the Participant may be unable to participate in the Plan. This would not affect the Participant's existing employment or salary; instead, the Participant merely may forfeit the opportunities associated with the Plan.

(e) **Data Subjects Rights.** The Participant may have a number of rights under the data privacy laws in the Participant's country of residence. For example, the Participant's rights may include the right to (i) request access or copies of personal data the Company processes, (ii) request rectification of incorrect data, (iii) request deletion of data, (iv) place restrictions on processing, (v) lodge complaints with competent authorities in the Participant's country of residence, and/or (vi) request a list with the names and addresses of any potential recipients of the Participant's Personal Information. To receive clarification regarding the Participant's rights or to exercise the Participant's rights, the Participant should contact the Participant's local human resources department.

14. **Waiver of Right to Jury Trial.** EACH PARTY, TO THE FULLEST EXTENT PERMITTED BY LAW, WAIVES ANY RIGHT OR EXPECTATION AGAINST THE OTHER TO TRIAL OR ADJUDICATION BY A JURY OF ANY CLAIM, CAUSE OR ACTION ARISING WITH RESPECT TO THE RSUS OR HEREUNDER, OR THE RIGHTS, DUTIES OR LIABILITIES CREATED HEREBY.

15. **Agreement Severable.** In the event that any provision of this Agreement shall be held invalid or unenforceable, such provision shall be severable from, and such invalidity or unenforceability shall not be construed to have any effect on, the remaining provisions of this Agreement.

16. **Governing Law and Venue.** The laws of the State of Delaware (other than its choice of law provisions) shall govern this Agreement and its interpretation. For purposes of litigating any dispute that arises with respect to the RSUs, this Agreement or the Plan, the parties hereby submit to and consent to the jurisdiction of the State of Delaware, and agree that such litigation shall be conducted in the courts of New Castle County, or the United States Federal court for the District of Delaware, and no other courts; and waive, to the fullest extent permitted by law, any objection that the laying of the venue of any legal or equitable proceedings related to, concerning or arising from such dispute which is brought in any such court is improper or that such proceedings have been brought in an inconvenient forum. Any claim under the Plan, this Agreement or the RSUs must be commenced by the Participant within twelve (12) months of the earliest date on which the Participant's claim first arises, or the Participant's cause of action accrues, or such claim will be deemed waived by the Participant.

17. **Nature of RSUs.** In accepting the RSUs, the Participant acknowledges and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the award of RSUs is exceptional, voluntary and occasional and does not create any contractual or other right to receive future awards of RSUs, benefits in lieu of RSUs or other equity awards, even if RSUs have been awarded in the past;

(c) all decisions with respect to future equity awards, if any, shall be at the sole discretion of the Company;

(d) the Participant's participation in the Plan is voluntary;

(e) the award of RSUs and the Shares subject to the RSUs, and the income from and value of same, are an extraordinary item that (i) does not constitute compensation of any kind for services of any kind rendered to the Company or any Subsidiary, and (ii) is outside the scope of the Participant's employment or service contract, if any;

(f) the award of RSUs and the Shares subject to the RSUs, and the income from and value of same are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, holiday pay, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or any Subsidiary;

(g) the award of RSUs and any Shares acquired under the Plan, and the income from and value of same, are not intended to replace or supplement any pension rights or compensation;

(h) unless otherwise expressly agreed with the Company, the RSUs and the Shares subject to the RSUs, and the income from and value of same, are not granted as consideration for, or in connection with, any service the Participant may provide as a director of any Subsidiary;

(i) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(j) the value of the Shares acquired upon vesting/settlement of the RSUs may increase or decrease in value;

(k) in consideration of the award of RSUs, no claim or entitlement to compensation or damages shall arise from termination of the RSUs or from any diminution in value of the RSUs or the Shares upon vesting of the RSUs resulting from termination of the Participant's employment or continuous service with the Company or any Subsidiary (for any reason whatsoever and whether or not in breach of applicable labor laws of the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any), and in consideration of the grant of the RSUs, the Participant agrees not to institute any claim against the Company or any Subsidiary; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by signing this Agreement/accepting this Agreement, the Participant shall be deemed to have irrevocably waived the Participant's entitlement to pursue or seek remedy for any such claim; and

(l) neither the Company, the Employer nor any other Eligible Subsidiary shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United

States Dollar that may affect the value of the RSUs or of any amounts due to the Participant pursuant to the settlement of the RSUs or the subsequent sale of any Shares acquired upon vesting.

**18. Language.** The Participant acknowledges that the Participant is proficient in the English language and understands the terms of this Agreement. If the Participant has received the Plan, this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control, unless otherwise prescribed by applicable law.

**19. Severability.** The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

**20. Waiver.** The Participant acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Participant or any other participant.

**21. Insider Trading/Market Abuse Laws.** By accepting the RSUs, the Participant acknowledges that the Participant is bound by all the terms and conditions of any Company insider trading policy as may be in effect from time to time. The Participant further acknowledges that, depending on the Participant's country, the Participant may be or may become subject to insider trading restrictions and/or market abuse laws, which may affect the Participant's ability to accept, acquire, sell or otherwise dispose of Shares, rights to Shares (e.g., RSUs) or rights linked to the value of Shares under the Plan during such times as the Participant is considered to have "inside information" regarding the Company (as defined by the laws in the applicable jurisdictions). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant placed before the Participant possessed inside information. Furthermore, the Participant could be prohibited from (i) disclosing the inside information to any third party, which may include fellow employees and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any Company insider trading policy as may be in effect from time to time. The Participant acknowledges that it is the Participant's personal responsibility to comply with any applicable restrictions, and the Participant should speak to the Participant's personal advisor on this matter.

22. **Legal and Tax Compliance; Cooperation.** If the Participant resides or is employed outside of the United States, the Participant agrees, as a condition of the grant of the RSUs, to repatriate all payments attributable to the Shares and/or cash acquired under the Plan (including, but not limited to, dividends and any proceeds derived from the sale of Shares acquired pursuant to the RSUs) if required by and in accordance with local foreign exchange rules and regulations in the Participant's country of residence (and country of employment, if different). In addition, the Participant also agrees to take any and all actions, and consent to any and all actions taken by the Company and its Eligible Subsidiaries, as may be required to allow the Company and its Eligible Subsidiaries to comply with local laws, rules and regulations in the Participant's country of residence (and country of employment, if different). Finally, the Participant agrees to take any and all actions as may be required to comply with the Participant's personal legal and tax obligations under local laws, rules and regulations in the Participant's country of residence (and country of employment, if different).

23. **Private Offering.** The grant of the RSUs is not intended to be a public offering of securities in the Participant's country of residence (and country of employment, if different). The Company has not submitted any registration statement, prospectus or other filing with the local securities authorities with respect to the grant of the RSUs (unless otherwise required under local law). **No employee of the Company is permitted to advise the Participant on whether the Participant should acquire Shares under the Plan or provide the Participant with any legal, tax or financial advice with respect to the grant of the RSUs. Investment in Shares involves a degree of risk. Before deciding to acquire Shares pursuant to the RSUs, the Participant should carefully consider all risk factors and tax considerations relevant to the acquisition of Shares under the Plan or the disposition of them. Further, the Participant should carefully review all of the materials related to**

**the RSUs and the Plan, and the Participant should consult with the Participant's personal legal, tax and financial advisors for professional advice in relation to the Participant's personal circumstances.**

24. **Foreign Asset/Account Reporting Requirements and Exchange Controls.** The Participant's country may have certain foreign asset/account reporting requirements and exchange controls which may affect the Participant's ability to acquire or hold Shares under the Plan or cash received from participating in the Plan (including any dividends paid on Shares, sale proceeds resulting from the sale of Shares acquired under the Plan) in a brokerage or bank account outside the Participant's country. The Participant may be required to report such accounts, assets, or transactions to the tax or other authorities in the Participant's country. The Participant may be required to repatriate sale proceeds or other funds received as a result of the Participant's participation in the Plan to the Participant's country through a designated bank or broker within a certain time after receipt. The Participant acknowledges that it is the Participant's responsibility to be compliant with such regulations and the Participant should consult the Participant's personal legal advisor for any details.

25. **Addendums.** Notwithstanding any provisions in this Agreement, the RSUs and any Shares subject to the RSUs shall be subject to any special terms and conditions for the Participant's country of employment and country of residence, if different, as set forth in the addenda attached hereto. Moreover, if the Participant relocates to one of the countries included in such addenda, the special terms and conditions for such country will apply to the Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons and provided the imposition of the term or condition will not result in any adverse accounting expense with respect to the RSUs (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Participant's transfer). All addenda attached hereto constitute part of this Agreement.

26. **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the RSUs and on any Shares subject to the RSUs, to the extent the Company determines it is necessary or advisable for legal or administrative reasons and provided the imposition of the term or condition will not result in any adverse accounting expense to the Company, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

27. **Recoupment.** The RSUs granted pursuant to this Agreement are subject to the terms of the Envista Holdings Corporation Recoupment Policy in the form approved by the Committee from time to time (including any successor thereto, the "Policy") if and to the extent such Policy by its terms applies to the RSUs, and to the terms required by applicable law; and the terms of the Policy and such applicable law are incorporated by reference herein and made a part hereof. For purposes of the foregoing, the Participant expressly and explicitly authorizes the Company to issue instructions, on the Participant's behalf, to any brokerage firm and/or third party administrator engaged by the Company to hold the Participant's Shares and other amounts acquired pursuant to the Participant's RSUs, to re-convey, transfer or otherwise return such Shares and/or other amounts to the Company upon the Company's enforcement of the Policy. To the extent that this Agreement and the Policy conflict, the terms of the Policy shall prevail.

28. **Notices.** The Company may, directly or through its third party stock plan administrator, endeavor to provide certain notices to the Participant regarding certain events relating to awards that the Participant may have received or may in the future receive under the Plan, such as notices reminding the Participant of the vesting or expiration date of certain awards. The Participant acknowledges and agrees that (1) the Company

has no obligation (whether pursuant to this Agreement or otherwise) to provide any such notices; (2) to the extent the Company does provide any such notices to the Participant the Company does not thereby assume any obligation to provide any such notices or other notices; and (3) the Company, its Subsidiaries and the third party stock plan administrator have no liability for, and the Participant has no right whatsoever (whether pursuant to this Agreement or otherwise) to make any claim against the Company, any of its Subsidiaries or the third party stock plan administrator based on any allegations of, damages or harm suffered by the Participant as a result of the Company's failure to provide

any such notices or the Participant's failure to receive any such notices. The Participant further agrees to notify the Company upon any change in the Participant's residence address.

**29. Limitations on Liability.** Notwithstanding any other provisions of the Plan or this Agreement, no individual acting as a director, employee, or agent of the Company or any of its Subsidiaries will be liable to the Participant or the Participant's spouse, beneficiary, or any other person or entity for any claim, loss, liability, or expense incurred in connection with the Plan, nor will such individual be personally liable because of any contract or other instrument the Participant executes in such other capacity. No member of the Board or of the Committee will be liable for any action or determination (including, but limited to, any decision not to act) made in good faith with respect to the Plan or any RSUs.

**30. Consent and Agreement With Respect to Plan.** The Participant (a) acknowledges that the Plan and the prospectus relating thereto are available to the Participant on the website maintained by the Company's third party stock plan administrator; (b) represents that the Participant has read and is familiar with the terms and provisions thereof, has had an opportunity to obtain the advice of counsel of the Participant's choice prior to executing this Agreement and fully understands all provisions of this Agreement and the Plan; (c) accepts these RSUs subject to all of the terms and provisions thereof; and (d) agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan or this Agreement.

*[If this Agreement is signed in paper form, complete and execute the following:]*

**PARTICIPANT**

**ENVISTA HOLDINGS CORPORATION**

#Signature#

Signature

Signature

#ParticipantName#

Print Name

Print Name

Title

**Declaration of Data Privacy Consent.** By providing the additional signature below, the undersigned explicitly declares the Participant's consent to the data processing operations described in Section 13 of this Agreement. This includes, without limitation, the transfer of the Participant's Personal Information to, and the processing of such data by, the Company, the Employer or, as the case may be, the Stock Plan Administrator in the United States. The undersigned may withdraw the Participant's consent at any time, with future effect and for any or no reason as described in Section 13 of this Agreement.

**PARTICIPANT:**

#Signature#

Signature

**ADDENDUM A**

This Addendum includes additional terms and conditions that govern the RSUs granted to the Participant if the Participant works and/or resides in one of the countries listed herein. Capitalized terms used but not defined herein shall have the same meanings ascribed to them in the Grant Notice, the Agreement or the Plan.

This Addendum may also include information regarding exchange controls, tax and certain other issues of which the Participant should be aware with respect to the Participant's participation in the Plan. The information is based on the securities, exchange control, tax and other laws in effect as of **February 2022**. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Participant not rely on the information contained herein as the only source of information relating to the consequences of the Participant's participation in the Plan because the information may be out of date at the time the Participant vests in the RSUs or sells Shares acquired under the Plan.

In addition, this Addendum is general in nature and may not apply to the Participant's particular situation, and the Company is not in a position to assure the Participant of any particular result. Accordingly, the Participant should seek appropriate professional advice as to how the relevant laws in the Participant's country apply to the Participant's specific situation.

If the Participant is a citizen or resident (or is considered as such for local tax purposes) of a country other than the one in which the Participant is currently residing and/or working, or if the Participant transfers employment and/or residency to another country after the grant of the RSUs, the information contained herein may not be applicable to the Participant in the same manner.

#### **EUROPEAN UNION ("EU") / EUROPEAN ECONOMIC AREA ("EEA"), AND SWITZERLAND**

##### **Data Privacy**

If the Participant resides and/or is employed in the EU / EEA, the following provision replaces Section 13 of the Agreement:

**The Company is located at 200 S. Kraemer Blvd., Building E, Brea California 92821 and grants RSUs under the Plan to employees of the Company and its Subsidiaries in its sole discretion. The Participant should review the following information about the Company's data processing practices.**

**(a) Data Collection, Processing and Usage.** Pursuant to applicable data protection laws, the Participant is hereby notified that the Company collects, processes, and uses certain personally-identifiable information about the Participant; specifically, including the Participant's name, home address, email address and telephone number, date of birth, social insurance / passport number or other identification number (e.g. resident registration number), salary, citizenship, job title, any Shares or directorships held in the Company, and details of all RSUs or any other equity compensation awards granted, canceled, exercised, vested, or outstanding in the Participant's favor, which the Company receives from the Participant or the Employer ("Personal Information"). In granting the RSUs under the Plan, the Company will collect the Participant's Personal Information for purposes of allocating Shares and implementing, administering and managing the Plan. The Company's legal basis for collecting, processing and using the Participant's Personal Information will be the Company's necessity to execute its contractual obligations under this Agreement and to comply with its legal obligations. The Participant's refusal to provide personal data may affect the Participant's ability to participate in the Plan. As such, by participating in the Plan, the Participant voluntarily acknowledges the collection, processing and use, of the Participant's Personal Information as described herein.

**(b) Stock Plan Administration Service Provider.** The Company transfers participant data to Fidelity Stock Plan Services LLC, an independent service provider based in the United States, which assists the Company with the implementation, administration and management of the Plan (the "Stock Plan Administrator"). In the future, the Company may select a different Stock Plan Administrator and share the Participant's Personal Information with another company that serves in a similar manner. The Stock Plan Administrator will open an account for the Participant to receive and trade Shares

<sup>1</sup> For the avoidance of doubt, references to the European Union / European Economic Area in this Addendum include currently the United Kingdom.

**acquired under the Plan. The Participant will be asked to agree on separate terms and data processing practices with the Stock Plan Administrator, which is a condition to the Participant's ability to participate in the Plan.**

**(c) International Data Transfers.** The Company and the Stock Plan Administrator are based in the United States. The Company can only meet its contractual obligations to the Participant if the Participant's Personal Information is transferred to the United States. The Company's legal basis for the transfer of the Participant's Personal Information to the United States is to satisfy its contractual obligations under the terms of this Agreement and/or its use of the standard data protection clauses adopted by the EU Commission.

**(d) Data Retention.** The Company will use the Participant's Personal Information only as long as is necessary to implement, administer and manage the Participant's participation in the Plan or as required to comply with legal or regulatory obligations, including under tax and securities laws. When the Company no longer needs the Participant's Personal Information, the Company will remove it

from its systems. If the Company keeps the Participant's data longer, it would be to satisfy legal or regulatory obligations and the Company's legal basis would be for compliance with relevant laws or regulations.

(e) **Data Subjects Rights.** The Participant may have a number of rights under data privacy laws in the Participant's country of residence (and country of employment, if different). For example, the Participant's rights may include the right to (i) request access or copies of personal data the Company processes pursuant to this Agreement, (ii) request rectification of incorrect data, (iii) request deletion of data, (iv) request restrictions on processing, (v) lodge complaints with competent authorities in the Participant's country of residence (and country of employment, if different), and/or (vi) request a list with the names and addresses of any potential recipients of the Participant's Personal Information. To receive clarification regarding the Participant's rights or to exercise the Participant's rights, the Participant should contact the Participant's local human resources department.

## AUSTRALIA

### Australia Offer Document

The Participant understands that the offering of the Plan in Australia is intended to qualify for exemption from the prospectus requirements under Class Order 14/1000 issued by the Australian Securities and Investments Commission. Participation in the Plan is subject to the terms and conditions set forth in the Australian Offer Document (delivered to the Participant separately), the Plan and the Agreement provided to the Participant.

### RSUs Conditioned on Satisfaction of Regulatory Obligations

If the Participant is (a) a director of a Subsidiary incorporated in Australia, or (b) a person who is a management-level executive of a Subsidiary incorporated in Australia and who also is a director of a Subsidiary incorporated outside of Australia, the grant of the RSUs is conditioned upon satisfaction of the shareholder approval provisions of section 200B of the Corporations Act 2001 (Cth) in Australia.

### Tax Information

The Plan is a plan to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) (the "Act") applies (subject to the conditions in that Act).

### ExchangeControlNotice

Exchange control reporting is required for cash transactions exceeding A\$10,000 and international fund transfers of any amount. The Australian bank assisting with the transaction will file the report for the Participant. If there is no Australian bank involved in the transfer, the Participant will be responsible for filing the report.

## BELGIUM

### Foreign Asset/Account Reporting Information

The Participant is required to report any securities (e.g., Shares acquired under the Plan) or bank accounts (including brokerage accounts) opened and maintained outside of Belgium on the Participant's annual tax return. The Participant will also be required to complete a separate report, providing the National Bank of

Belgium with details regarding any such account (including the account number, the name of the bank in which such account is held and the country in which such account is located). This report, as well as additional information on how to complete it, can be found on the website of the National Bank of Belgium, [www.nbb.be](http://www.nbb.be), under *Kredietcentrales / Centrales des crédits* caption.

### Stock Exchange Tax Information

A stock exchange tax applies to transactions executed by a Belgian resident through a non-Belgian financial intermediary, such as a U.S. broker. The stock exchange tax will apply when Shares acquired pursuant to the RSUs are sold. The Participant should consult with a personal tax or financial advisor for additional details on the Participant's obligations with respect to the stock exchange tax.

### Annual Securities Account Tax

An annual securities accounts tax may be payable if the total value of securities held in a Belgian or foreign securities account (e.g., Shares acquired under the Plan) exceeds a certain threshold on four reference dates within the relevant reporting period (i.e., December 31, March 31, June 30 and September 30). In such case, the tax will be due on the value of the qualifying securities held in such account. The Participant should consult with a personal tax or financial advisor for additional details on the Participant's obligations with respect to the annual securities account tax.

## BRAZIL

### Labor Law Policy and Acknowledgment

The following provision supplements Section 17 of the Agreement:

By accepting the RSUs, the Participant agrees that the Participant is (i) making an investment decision; (ii) the Shares will be issued to the Participant only if the Vesting Conditions are met and (iii) the value of the underlying Shares is not fixed and may increase or decrease in value over the vesting period without compensation to the Participant.

#### Compliance with Law

By accepting the RSUs, the Participant acknowledges that the Participant agrees to comply with applicable Brazilian laws and to pay any and all applicable taxes associated with the vesting of the RSUs, and the sale of Shares acquired under the Plan and the receipt of any dividends.

#### Foreign Asset/Account Reporting Information

If the Participant is a resident or domiciled in Brazil, the Participant may be required to submit an annual declaration of assets and rights held outside of Brazil to the Central Bank of Brazil. If the aggregate value of such assets and rights is US\$100,000 or more but less than US\$100,000,000, a declaration must be submitted annually. If the aggregate value exceeds US\$100,000,000, a declaration must be submitted quarterly.

#### Tax on Financial Transactions (IOF)

Repatriation of funds (e.g., the proceeds from the sale of Shares) into Brazil and the conversion of USD into BRL associated with such fund transfers may be subject to the Tax on Financial Transactions. It is the Participant's responsibility to comply with any applicable Tax on Financial Transactions arising from the Participant's participation in the Plan. The Participant should consult with the Participant's personal tax advisor for additional details.

### CANADA

#### RSUs Payable Only in Shares

RSUs granted to Participants in Canada shall be paid in Shares only. In no event shall any of such RSUs be paid in cash, notwithstanding any discretion contained in the Plan, or any provision in the Agreement to the contrary.

#### Forfeiture Upon Termination of Employment

The following provision replaces Section 4(a) of the Agreement:

Until vested, the RSU shall be subject to forfeiture in the event of the termination of the Participant's employment, where termination of employment means the date on which the Participant is no longer actively providing services to the Company (including, for this purpose, all Eligible Subsidiaries) for any reason, whether such termination is occasioned by the Participant, by the Company or any of its Eligible Subsidiaries, with or without cause, and whether or not later found to be invalid or unlawful; by mutual agreement or by operation of law ("Termination of Employment"). For the avoidance of doubt, unless explicitly required by applicable legislation, the date on which any Termination of Employment occurs shall not be extended by any notice period or period for which pay in lieu of notice or related damages or payments are provided or mandated under local law (including, but not limited to, statute, contract, regulatory law and/or common or civil law), and the Participant shall have no right to full or pro-rated vesting or compensation for lost vesting related to such periods. For greater clarity, the date on which Termination of Employment occurs shall not be extended by any period of "garden leave", paid administrative leave or similar period under local law. The Administrator shall have the exclusive discretion to determine when the Participant ceased to actively provide services to the Employer for the purposes of this RSU (including, subject to statutory protections, whether the Participant may still be considered to be providing services while on an approved leave of absence). Unless the Committee provides otherwise (1) Termination of Employment shall include instances in which the Participant is terminated and immediately rehired as an independent contractor, and (2) the spin-off, sale, or disposition of the Participant's employer from the Company or an Eligible Subsidiary (whether by transfer of shares, assets or otherwise) such that the Participant's employer no longer constitutes an Eligible Subsidiary shall constitute a Termination of Employment.

If, notwithstanding the foregoing, applicable employment legislation explicitly requires continued vesting during a statutory notice period, the Participant's right to vest in the RSU, if any, will terminate effective as of the last day of the minimum statutory notice period, but the Participant will not earn or be entitled to pro-rated vesting if the vesting date falls after the end of the Participant's statutory notice period, nor will the Participant be entitled to any compensation for the lost vesting.

Sections 4(b) through 4(e) of the Agreement shall continue to apply to the Participant; *provided, however, that any reference to termination of employment, termination of an active service-providing relationship, "no longer actively employed (or is no longer actively providing services, as applicable)" or similar language shall be interpreted to mean Termination of Employment as defined in this Addendum A.*

*The following two provisions apply if the Participant is a resident of Quebec:*

#### Consent to Receive Information in English

The parties acknowledge that it is their express wish that the Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be written in English.

*Les parties reconnaissent avoir exigé la rédaction en anglais du présent Contrat, ainsi que de tous documents exécutés, avis donnés ou procédures judiciaires intentées, en vertu du, ou liés directement ou indirectement, au présent Contrat.*

#### **Grant for Future Services**

The following provision supplements Section 17 of the Agreement:

(m) By accepting the RSUs, the Participant acknowledges, understands and agrees that the Options relate to future services to be performed and are not a bonus or compensation for past services.

#### **Data Privacy**

The following provision supplements Section 13 of the Agreement:

The Participant hereby authorizes the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Participant's awards under the Plan. The Participant further authorizes the Company, its Subsidiaries, and the Stock Plan Administrator, to disclose and discuss the Participant's participation in the Plan with their respective advisors. The Participant further authorizes the Company and its Subsidiaries to record such information and to keep such information in the Participant's employee file.

#### **Securities Law Notice**

The Participant is permitted to sell Shares acquired under the Plan through the designated broker appointed under the Plan, if any (or any other broker acceptable to the Company), provided the resale of Shares acquired under the Plan takes place outside of Canada through the facilities of a stock exchange on which the Shares is listed. The Shares are currently listed on the New York Stock Exchange.

#### **Foreign Asset/Account Reporting Information**

Foreign property, including the RSUs, Shares acquired under the Plan, and other rights to receive shares of a non-Canadian company held by a Canadian resident must generally be reported annually on a Form T1135 (Foreign Income Verification Statement) if the total cost of the foreign property exceeds C\$100,000 at any time during the year. Thus, unvested RSUs must be reported – generally at a nil cost – if the C\$100,000 cost threshold is exceeded because the Participant holds other foreign property. When Shares are acquired, their cost generally is the adjusted cost base ("ACB") of the Shares. The ACB would ordinarily equal the fair market value of the Shares at the time of acquisition, but if the Participant owns other shares of the Company, this ACB may need to be averaged with the ACB of the other shares. The Participant should consult the Participant's personal legal advisor to ensure compliance with applicable reporting obligations.

## **CHILE**

#### **Securities Law Notice**

The grant of the RSUs is not intended to be a public offering of securities in Chile but instead is intended to be a private placement.

- a) The starting date of the offer will be the Date of Grant (as defined in the Agreement), and this offer conforms to General Ruling No. 336 of the Chilean Commission of the Financial Market ("CMF");
- b) The offer deals with securities not registered in the Registry of Securities or in the Registry of Foreign Securities of the CMF, and therefore such securities are not subject to its oversight;
- c) The issuer is not obligated to provide public information in Chile regarding the foreign securities, as such securities are not registered with the CMF; and
- d) The foreign securities shall not be subject to public offering as long as they are not registered with the corresponding registry of securities in Chile.

- a) *La fecha de inicio de la oferta será el de la fecha de otorgamiento (o "Date of Grant", según este término se define en el documento denominado "Agreement") y esta oferta se acoge a la norma de Carácter General N° 336 de la Comisión para el Mercado Financiero de Chile ("CMF");*
- b) *La oferta versa sobre valores no inscritos en el Registro de Valores o en el Registro de Valores Extranjeros que lleva la CMF, por lo que tales valores no están sujetos a la fiscalización de ésta;*
- c) *Por tratar de valores no inscritos en la CMF no existe la obligación por parte del emisor de entregar en Chile información pública respecto de esos valores; y*

d) *Esos valores no podrán ser objeto de oferta pública mientras no sean inscritos en el registro de valores correspondiente.*

#### **Exchange Control Notice**

If the Participant is a resident of Chile, the Participant is not required to repatriate any proceeds obtained from the sale of Shares or the receipt of dividends to Chile. However, if the Participant is a resident of Chile and decides to repatriate proceeds from the sale of Shares or the receipt of dividends and the amount of the proceeds to be repatriated exceeds US\$10,000, the Participant must effect such repatriation through the Formal Exchange Market. It is unnecessary to convert any repatriated funds into Chilean currency.

Please note that exchange control regulations in Chile are subject to change. The Participant should consult with the Participant's personal legal advisor regarding any exchange control obligations that the Participant may have prior to the vesting of the RSUs.

#### **Foreign Asset/Account Reporting Information**

The Chilean Internal Revenue Service ("CIRS") requires all taxpayers to provide information annually regarding: (i) the taxes paid abroad which they will use as a credit against Chilean income taxes, and (ii) the results of foreign investments. These annual reporting obligations must be complied with by submitting a sworn statement setting forth this information before June 30 of each year. The sworn statement disclosing this information (or *Formularios*) must be submitted electronically through the CIRS website: [www.sii.cl](http://www.sii.cl), using Form 1929. In addition, the Participant will be personally responsible for reporting taxable income on Form 22.

#### **CHINA**

*The following provision applies if the Participant is subject to exchange control restrictions and regulations in the People's Republic of China ("PRC"), including the requirements imposed by the PRC State Administration of Foreign Exchange ("SAFE"), as determined by the Company in its sole discretion.*

#### **Settlement Notice**

Notwithstanding anything to the contrary in the Plan or the Agreement, no Shares will be issued to the Participant in settlement of the RSUs unless and until all necessary exchange control or other approvals with respect to the RSUs under the Plan have been obtained from the SAFE or its local counterpart ("SAFE Approval"). In the event that SAFE Approval has not been obtained prior to any date(s) on which the RSUs are scheduled to vest in accordance with the vesting schedule set forth in the Agreement, any Shares which are contemplated to be issued in settlement of such vested RSUs shall be held by the Company in escrow on behalf of the Participant until SAFE Approval is obtained.

#### **Exchange Control Restrictions Applicable to Participants who are PRC Nationals**

If the Participant is a local national of the PRC, the Participant understands and agrees that upon RSU vesting the underlying Shares may be sold immediately or, at the Company's discretion, at a later time. The Participant further agrees that the Company is authorized to instruct its designated broker to assist with the mandatory sale of such Shares (on the Participant's behalf pursuant to this authorization), and the Participant expressly authorizes such broker to complete the sale of such Shares. The Participant acknowledges that the Company's designated broker is under no obligation to arrange for the sale of the Shares at any particular price. Upon the sale of the Shares, the Company agrees to pay the cash proceeds from the sale, less any brokerage fees or commissions, to the Participant in accordance with applicable exchange control laws and regulations and provided any liability for Tax Related-Items resulting from the vesting of the RSUs has been satisfied. Due to fluctuations in the Share price and/or the U.S. Dollar exchange rate between the Vesting Date and (if later) the date on which the Shares are sold, the sale proceeds may be more or less than the fair market value of the Shares on the Vesting Date. The Participant understands and agrees that the Company is not responsible for the amount of any loss the Participant may incur and that the Company assumes no liability for any fluctuations in the Share price and/or U.S. Dollar exchange rate.

The Participant understands and agrees that, due to exchange control laws in China, the Participant will be required to immediately repatriate to China the cash proceeds from the sale of any Shares acquired at vesting of the RSUs and any dividends received in relation to the Shares. The Participant further understands that, under local law, such repatriation of the cash proceeds may need to be effectuated through a special exchange control account to be approved by the local foreign exchange administration, and the Participant hereby consents and agrees that the proceeds from the sale of Shares acquired under the Plan and any dividends received in relation to the Shares may be transferred to such special account prior to being delivered to the Participant. The proceeds may be paid to the Participant in U.S. Dollars or local currency at the Company's discretion (as of the Date of Grant, the proceeds are paid to the Participant in local currency). In the event the proceeds are paid to the Participant in U.S. Dollars, the Participant understands that the Participant will be required to set up a U.S. Dollar bank account in China and provide the bank account details to the Employer and/or the Company so that the proceeds may be deposited into this account.

If the proceeds are paid to the Participant in local currency, the Participant agrees to bear any currency fluctuation risk between the time the Shares are sold or dividends are paid and the time the proceeds are distributed to the Participant through any such special account.

### **Exchange Control Notice Applicable to Participants in the PRC**

If the Participant is a local national of the PRC, the Participant understands that exchange control restrictions may limit the Participant's ability to access and/or convert funds received under the Plan, particularly if these amounts exceed US\$50,000. The Participant should confirm the procedures and requirements for withdrawals and conversions of foreign currency with the Participant's local bank prior to the vesting of the RSUs/sale of Shares.

The Participant agrees to comply with any other requirements that may be imposed by the Company in the future in order to facilitate compliance with exchange control requirements in the PRC.

### **COLOMBIA**

#### **Labor Law Acknowledgement**

The following provision supplements Section 17 of the Agreement:

The Participant acknowledges that pursuant to Article 15 of Law 50/1990 (Article 128 of the Colombian Labor Code), the Plan, the RSUs, the underlying Shares, and any other amounts or payments granted or realized from participation in the Plan do not constitute a component of the Participant's "salary" for any purpose. To this extent, they will not be included and/or considered for purposes of calculating any and all labor benefits, such as legal/fringe benefits, vacations, indemnities, payroll taxes, social insurance contributions or any other labor-related amount which may be payable.

#### **Securities Law Notice**

The Shares are not and will not be registered with the Colombian registry of publicly traded securities (*Registro Nacional de Valores y Emisores*), and therefore, the Shares cannot be offered to the public in Colombia. Nothing in the Agreement shall be construed as making a public offer of securities, or the promotion of financial products in Colombia.

#### **Exchange Control Notice**

Foreign investments must be registered with the Central Bank of Colombia (*Banco de la República*). Upon the subsequent sale or other disposition of investments held abroad, the registration with the Central Bank must be canceled, the proceeds from the sale or other disposition of the Shares must be repatriated to Colombia and the appropriate Central Bank form must be filed (usually with the Participant's local bank). The Participant acknowledges that the Participant personally is responsible for complying with Colombian exchange control requirements.

#### **Foreign Asset/Account Reporting Information**

An annual informative return must be filed with the Colombian Tax Office detailing any assets held abroad (including the Shares acquired under the Plan). If the individual value of any of these assets exceeds a certain threshold, each asset must be described (e.g., its nature and its value) and the jurisdiction in which it is located must be disclosed. The Participant acknowledges that the Participant personally is responsible for complying with this tax reporting requirement.

### **CROATIA**

#### **Exchange Control Notice**

The Participant must report any foreign investments (including Shares acquired under the Plan) to the Croatian National Bank for statistical purposes. However, because exchange control regulations may change without notice, the Participant should consult with the Participant's legal advisor to ensure compliance with current regulations. The Participant acknowledges that the Participant personally is responsible for complying with Croatian exchange control laws.

### **CZECH REPUBLIC**

#### **Exchange Control Notice**

Upon request of the Czech National Bank (the "CNB"), the Participant may need to report the following to the CNB: foreign direct investments, financial credits from abroad, investment in foreign securities and associated collection and payments (Shares and proceeds from the sale of the Shares may be included in this reporting requirement). The Participant may need to report the following even in the absence of a request from the CNB: foreign direct investments with a value of CZK 2,500,000 or more in the aggregate or other foreign financial assets with a value of CZK 200,000,00 or more. Because exchange control regulations change frequently and without notice, the Participant should consult the Participant's personal legal advisor prior to vesting of the RSUs and the sale of Shares to ensure compliance with current regulations. It is the Participant's responsibility to comply with Czech exchange control laws, and neither the Company nor any Subsidiary will be liable for any resulting fines or penalties.

## DENMARK

### Danish Stock Option Act

Notwithstanding anything in this Agreement to the contrary, the treatment of the RSUs upon the Participant's termination of employment with the Company or an Eligible Subsidiary, as applicable, shall be governed by the Danish Stock Option Act, as in effect at the time of the Participant's termination (as determined by the Committee in its discretion in consultation with legal counsel). By accepting the RSUs, the Participant acknowledges that the Participant has received a Danish translation of an Employer Statement, which is being provided to comply with the Danish Stock Option Act.

### Foreign Asset/Account Reporting Information

The establishment of an account holding Shares or an account holding cash outside Denmark must be reported to the Danish Tax Administration. The form which should be used in this respect may be obtained from a local bank.

The requirement to report certain information to the Danish Tax Administration via Form V or K was eliminated effective January 1, 2019. However, the Participant must still report the foreign bank/broker accounts and their deposits, and Shares held in a foreign bank or broker in the Participant's tax return under the section on foreign affairs and income.

## ECUADOR

### Foreign Asset/Account Reporting Information

The Participant will be responsible for including any RSUs that vested during the previous fiscal year in the Participant's annual Net Worth Declaration if the Participant's net worth exceeds the thresholds set forth in the law. The Net Worth Declaration must be filed in May of the following year using the electronic form on the tax authorities' website ([www.sri.gob.ec](http://www.sri.gob.ec)). Penalties will apply to a late filing and it is not possible to seek an extension.

## ESTONIA

### Participant Responsibility for Fringe Benefits Tax.

The following provision supplements Section 7 of the Agreement:

The Participant understands that the Participant generally would not be subject to taxation in Estonia when the RSUs vest and Shares are issued under the Plan and instead, the Employer generally would be subject to a fringe benefits tax ("FBT") unless an exemption otherwise applies. Notwithstanding the foregoing, as a condition to the grant of the RSUs and the Participant's participation in the Plan, the Participant expressly agrees that the Participant shall bear the cost of any FBT that may be payable upon the issuance of the Shares issued in settlement of the RSUs upon vesting, and the Company and/or the Employer will seek indemnification / reimbursement from the Participant for any FBT that is payable. For purposes of the foregoing, the Company shall reduce the number of Shares otherwise issuable to the Participant upon vesting of the RSUs by a number of Shares equal to an amount determined by the Company to be appropriate to offset the FBT, and may otherwise recover any FBT by any other means referred to in Section 7 of the Agreement. The Participant further acknowledges and agrees that the Company and/or Employer shall have discretion to seek indemnification for any FBT that may be payable upon the issuance of the Shares issued in settlement of the RSUs upon vesting and that such discretion is not imbalanced or harmful to the Participant, and the Participant unconditionally and irrevocably waives any rights to amend or dispute its validity on the basis of any law or regulation of Estonia or any other jurisdiction.

### Language Consent

By accepting the RSUs, the Participant confirms having read and understood the documents related to the grant, which were provided in the English language, and that he or she does not need the translation thereof into the Estonian language. The Participant accepts the terms of those documents accordingly.

Võttes vastu piiratud aktsiaühikute (RSUs) pakkumise, kinnitab Osaleja, et ta on ingliskeelsena esitatud pakkumisega seotud dokumendid läbi lugenud ja nendest aru saanud ning et ta ei vaja nende tõlkimist eesti keelde. Selgest tulenevalt Osaleja nõustub viidatud dokumentide tingimustega.

## FINLAND

**Foreign Asset/Account Reporting Information.** There are no specific reporting requirements with respect to foreign assets/accounts. However, the Participant should check the Participant's pre-completed tax return to confirm that the ownership of Shares and other securities (foreign or domestic) are correctly reported. If the Participant finds any errors or omissions, the Participant must make the necessary corrections electronically or by sending specific paper forms to the local tax authorities.

## FRANCE

### Consent to Receive Information in English

By accepting the RSUs, the Participant confirms having read and understood the Plan, the Grant Notice, the Agreement and this Addendum, including all terms and conditions included therein, which were provided in the English language. The Participant accepts the terms of those documents accordingly.

### Consentement afin de Recevoir des Informations en Anglais

En acceptant les droits sur des actions assujettis à restrictions (« restricted stock units » ou « RSUs »), le Participant confirme avoir lu et compris le Plan, la Notification d'Attribution, le Contrat et la présente Annexe B, en ce compris tous les termes et conditions y relatifs, qui ont été fournis en langue anglaise. Le Participant accepte les termes de ces documents en connaissance de cause.

### Tax Information

The RSUs granted under the Agreement are not intended to be a tax-qualified RSUs.

### Foreign Asset/Account Reporting Information

The Participant may hold any Shares acquired under the Plan, any sales proceeds resulting from the sale of Shares or any dividends paid on such Shares outside of France, provided the Participant declares all foreign accounts, whether open, current, or closed, in the Participant's income tax return. Failure to complete this reporting triggers penalties for the resident. Further, French residents with foreign account balances exceeding prescribed amounts may have additional monthly reporting obligations.

## GERMANY

### Exchange Control Notice

German residents must report cross-border payments (made or received) in excess of €12,500 to the *Deutsche Bundesbank*. Such reporting obligation might arise when Shares are issued to employees and when Shares are subsequently sold by the employees. *The Participant is personally responsible for complying with applicable reporting obligations and should consult with the Participant's personal legal advisor for additional information about these reporting obligations.*

## HUNGARY

None.

## INDIA

### Exchange Control Notice

The Participant must repatriate any proceeds from the sale of the Shares and any cash dividends acquired under the Plan to India and convert the proceeds into local currency within a certain period from the time of receipt (90 days for sale proceeds and within 180 days for dividend payments, or within such other period of time as may be required under applicable regulations and to convert the proceeds into local currency). The Participant will receive a foreign inward remittance certificate ("FIRC") from the bank where the Participant deposits the foreign currency. The Participant should maintain the FIRC as evidence of the repatriation of funds in the event the Reserve Bank of India or the Employer requests proof of repatriation.

It is the Participant's responsibility to comply with exchange control laws in India, and neither the Company nor the Employer will be liable for any fines or penalties resulting from the Participant's failure to comply with applicable laws.

### Foreign Asset/Account Reporting Information

The Participant is required to declare the Participant's foreign bank accounts and any foreign financial assets (including Shares held outside India) in the Participant's annual tax return. It is the Participant's responsibility to comply with this reporting obligation and the Participant should consult the Participant's personal advisor in this regard as significant penalties may apply in the case of non-compliance.

## INDONESIA

### Language Consent

A translation of the documents relating to this grant into Bahasa Indonesia can be provided to Participant upon request to Envista's Corporate Compensation department. By accepting the RSUs, the Participant (i) confirms having read and understood the documents relating to the RSUs (i.e., the Plan and the Agreement) which were provided in the English language, (ii) accepts the terms of those documents accordingly, and (iii) agrees not to challenge the validity of this document based on Law No. 24 of 2009 on National Flag, Language, Coat of Arms and National Anthem or the implementing Presidential Regulation (when issued).

### Persetujuan Bahasa

Terjemahan dari dokumen-dokumen terkait dengan pemberian ini ke Bahasa Indonesia dapat disediakan untuk Peserta berdasarkan permintaan kepada Envista's Corporate Compensation department. Dengan menerima Pemberian, Peserta (i) memberikan konfirmasi bahwa anda telah membaca dan memahami dokumen-dokumen berkaitan dengan Pemberian ini (yaitu, Program dan Perjanjian) yang disediakan dalam Bahasa Inggris, (ii) menerima persyaratan di dalam dokumen-dokumen tersebut, dan (iii) setuju untuk tidak mengajukan keberatan atas keberlakuan dari dokumen ini berdasarkan Undang-Undang No. 24 Tahun 2009 tentang Bendera, Bahasa dan Lambang Negara serta Lagu Kebangsaan ataupun Peraturan Presiden sebagai pelaksanaannya (ketika diterbitkan).

#### **Exchange Control Notice**

Indonesian residents repatriating funds (e.g., remittance of proceeds from the sale of Shares into Indonesia) into Indonesia, the Indonesian bank through which the transaction is made will submit a report of the transaction to the Bank of Indonesia. For transactions of US\$10,000 or more (or its equivalent in other currency), a more detailed description of the transaction must be included in the report and the Participant may be required to provide information about the transaction to the bank in order to complete the transaction. For foreign currency transactions exceeding US\$25,000, the underlying document of that transaction will have to be submitted to the relevant local bank.

#### **ITALY**

#### **Plan Document Acknowledgement**

In accepting the RSUs, the Participant acknowledges that the Participant has received a copy of the Plan and the Agreement, has reviewed the Plan and the Agreement (including this Addendum), in their entirety and fully understands and accepts all provisions of the Plan and the Agreement (including this Addendum).

The Participant further acknowledges that the Participant has read and specifically and expressly approves without limitation, the following sections of the Agreement: Section 7: Tax Obligations; Section 16: Governing Law and Venue; Section 17: Nature of RSUs; Section 25: Addendums; Section 26: Imposition of Other Requirements; Section 27: Recoupment; and the Data Privacy section above.

#### **Foreign Asset/Account Reporting Information**

Italian residents who, at any time during the fiscal year, hold foreign financial assets (including cash and Shares) which may generate income taxable in Italy are required to report these assets on their annual tax returns (UNICO Form, RW Schedule) for the year during which the assets are held, or on a special form if no tax return is due. These reporting obligations will also apply to Italian residents who are the beneficial owners of foreign financial assets under Italian money laundering provisions. Italian residents should consult with their personal tax advisor to determine their personal reporting obligations.

#### **Foreign Asset Tax**

The value of any Shares (and other financial assets) held outside Italy by individuals resident of Italy may be subject to a foreign asset tax. The taxable amount will be the fair market value of the financial assets (e.g., Shares) assessed at the end of the calendar year. The value of financial assets held abroad must be reported in Form RM of the annual return. The Participant should consult the Participant's personal tax advisor for additional information on the foreign asset tax.

#### **JAPAN**

#### **Foreign Asset/Account Reporting Information**

The Participant will be required to report details of any assets held outside Japan as of December 31st to the extent such assets have a total net fair market value exceeding ¥50,000,000. This report is due by March 15 each year. The Participant should consult with the Participant's personal tax advisor as to whether the reporting obligation applies to him or her and whether the requirement extends to any outstanding RSUs or Shares acquired under the Plan.

#### **KOREA**

#### **Exchange Control Notice**

If the Participant realizes US\$500,000 or more from the sale of Shares or the receipt of any dividends with respect to RSUs granted prior to July 18, 2017, Korean exchange control laws may require the Participant to repatriate the proceeds back to Korea within three (3) years of the sale/receipt.

#### **Foreign Asset/Account Reporting Information**

Korean residents must declare all foreign financial accounts (e.g., non-Korean bank accounts, brokerage accounts) to the Korean tax authority and file a report with respect to such accounts in June of the following year if the monthly balance of such accounts exceeds KRW 500 million (or an equivalent amount in foreign currency) on any month-end date during a calendar year. The Participant should consult with the his / her personal tax advisor to determine the Participant's personal reporting obligations.

#### **MEXICO**

#### **Labor Law Acknowledgement**

The following provision supplements Section 17 of the Agreement.

By accepting the RSUs, the Participant acknowledges that the Participant understands and agrees that: (i) the RSUs are not related to the salary and other contractual benefits granted to the Participant by the Employer; and (ii) any modification of the Plan or its termination shall not constitute a change or impairment of the terms and conditions of employment.

#### **Policy Statement**

The grant of the RSUs the Company is making under the Plan is unilateral and discretionary and, therefore, the Company reserves the absolute right to amend it and discontinue it at any time without any liability.

The Company, with registered offices at 200 S. Kraemer Blvd., Building E, Brea, California 92821, is solely responsible for the administration of the Plan. Participation in the Plan and the acquisition of Shares under the Plan does not, in any way establish an employment relationship between the Participant and the Company since the Participant is participating in the Plan on a wholly commercial basis and the Participant's sole employer is the Subsidiary employing the Participant, as applicable, nor does it establish any rights between the Participant and the Employer.

#### **Plan Document Acknowledgment**

By participating in the Plan, Participant acknowledges that the Participant has received copies of the Plan and the Agreement, has reviewed the Plan and the Agreement in their entirety and fully understands and accept all provisions of the Plan and the Agreement.

In addition, by participating in the Plan, the Participant further acknowledges that the Participant has read and specifically and expressly approves the terms and conditions in Section 17 of the Agreement, in which the following is clearly described and established: (i) participation in the Plan does not constitute an acquired right; (ii) the Plan and participation in the Plan is offered by the Company on a wholly discretionary basis; (iii) participation in the Plan is voluntary; and (iv) the Company and its Subsidiaries are not responsible for any decrease in the value of the Shares underlying the RSUs.

Finally, the Participant hereby declares that the Participant does not reserve any action or right to bring any claim against the Company for any compensation or damages as a result of participation in the Plan and therefore grants a full and broad release to the Employer and the Company and its Subsidiaries with respect to any claim that may arise under the Plan.

#### **Spanish Translation**

##### **Reconocimiento de la Ley Laboral**

Esta disposición complementa la Sección 17 del Acuerdo.

Al aceptar el RSU, el Participante reconoce entiende y acuerda que: (i) la RSU no se encuentra relacionada con el salario ni con otras prestaciones contractuales concedidas al Participante por del patrón; y (ii) cualquier modificación del Plan o su terminación no constituye un cambio o detrimento en los términos y condiciones de empleo.

##### **Declaración de Política**

La concesión del RSU que la Compañía está haciendo bajo el Plan es unilateral y discrecional y, por lo tanto, la Compañía se reserva el derecho absoluto de modificar y disconinuar el mismo en cualquier momento, sin ninguna responsabilidad.

La Compañía, con oficinas registradas ubicadas en 200 S. Kraemer Blvd., Building E, Brea, California 92821, es la única responsable por la administración del Plan. La participación en el Plan y la adquisición de Acciones no establece de forma alguna, una relación de trabajo entre el Participante y la Compañía, ya que la participación en el Plan por parte del Participante es completamente comercial y el único patrón es Subsidiaria que esta contratando al que tiene la RSU, en caso de ser aplicable, así como tampoco establece ningún derecho entre el que tiene la RSU y el patrón.

##### **Reconocimiento del Plan de Documentos**

Al participar en el Plan, el Participante reconoce que ha recibido copias del Plan y del Acuerdo, mismos que ha revisado en su totalidad y los entiende completamente y, que ha entendido y aceptado las disposiciones contenidas en el Plan y en el Acuerdo.

Adicionalmente, al participar en el Plan, el Participante reconoce que ha leído, y que aprueba específica y expresamente los términos y condiciones contenidos en la Sección 17 del Acuerdo, en la cual se encuentra claramente descrito y establecido lo siguiente: (i) la participación en el Plan no constituye un derecho adquirido; (ii) el Plan y la participación en el mismo es ofrecida por la Compañía de forma enteramente discrecional; (iii) la participación en el Plan es voluntaria; y (iv) la Compañía, así como sus Subsidiarias no son responsables por cualquier detrimento en el valor de las Acciones en relación con la RSU.

Finalmente, el Participante declara que no se reserva ninguna acción o derecho para interponer una demanda en contra de la Compañía por compensación, daño o perjuicio alguno como resultado de la participación en el Plan y en consecuencia, otorga el más amplio finiquito a su patrón,

así como a la Compañía, a sus Subsidiarias con respecto a cualquier demanda que pudiera originarse en virtud del Plan.

## NETHERLANDS

None.

## POLAND

### Foreign Asset/Account Reporting Information

Polish residents holding foreign securities (e.g., Shares) and/or maintaining accounts abroad are obligated to file quarterly reports with the National Bank of Poland incorporating information on transactions and balances of the securities and cash deposited in such accounts if the value of such securities and cash (when combined with all other assets held abroad) exceeds PLN 7,000,000.

### Exchange Control Notice

Polish residents are also required to transfer funds through a bank account in Poland if the transferred amount in any single transaction exceeds a specified threshold (currently EUR 15,000). Polish residents are required to store documents connected with foreign exchange transactions for a period of five years from the date the exchange transaction was made.

## PORTUGAL

### Language Consent.

The Participant hereby expressly declares that the Participant has full knowledge of the English language and has read, understood and freely accepted and agreed with the terms and conditions established in the Plan and the Agreement.

### Conhecimento da Língua.

Pela presente, o Participante declara expressamente que tem pleno conhecimento da língua inglesa e que leu, compreendeu e livremente aceitou e concordou com os termos e condições estabelecidas no Plano e no Acordo (Agreement em inglês).

## RUSSIA

### Labor Law Acknowledgement

The Participant understands that if the Participant continues to hold the Shares acquired under the Plan after an involuntary termination of employment, the Participant will be ineligible to receive unemployment benefits in Russia.

### U.S. Transaction

Any Shares issued upon vesting of the RSUs shall be delivered to the Participant through a brokerage account with the Stock Plan Administrator established in the United States. The Participant may hold the Shares in the Participant's brokerage account in the United States; however, in no event will the Shares issued to the Participant and/or share certificates or other instruments be delivered to the Participant in Russia. The Participant is not permitted to make any public advertising or announcements regarding the RSUs or Shares in Russia, or promote these Shares to other Russian legal entities or individuals, and the Participant is not permitted to sell Shares acquired upon vesting of the RSUs directly to other Russian legal entities or residents. The Participant is permitted to sell Shares only on the New York Stock Exchange and only through a United States broker.

### Foreign Asset/Account Reporting Information

The Participant is required to report the opening, closing or change of details of any foreign bank account to Russian tax authorities within one month of opening, closing or change of details of such account. The Participant is also required to report (i) the beginning and ending balances in such a foreign bank account each year, and (ii) transactions related to such a foreign account during the year to the Russian tax authorities, on or before June 1 of the following year. The tax authorities may require supporting documents related to transactions in such foreign bank accounts. The Participant should consult the Participant's personal tax advisor to determine and ensure compliance with the Participant's foreign asset/account reporting obligations. As of January 1, 2020, the Participant also will be required to report the Participant's foreign brokerage accounts and foreign accounts with other financial institutions (financial market organizations). Certain specific exceptions from the reporting requirements may apply.

### Anti-Corruption Legislation Information

Individuals holding public office in Russia, as well as their spouses and dependent children, may be prohibited from opening or maintaining a foreign brokerage or bank account and holding any securities, whether acquired directly or indirectly, in a foreign company (including the Shares acquired under the Plan). The Participant should consult with the Participant's personal legal advisor to determine whether this restriction applies to the Participant's circumstances.

**Data Privacy.** This data privacy consent replaces Section 13 of the Agreement:

1. Purposes for processing of the Personal Data		1. Цели обработки Персональных данных	
1.1.	Granting to the Participant restricted share units or rights to purchase shares of common stock.	1.1.	Предоставление Субъектам персональных данных ограниченных прав на акции (RSU) или прав покупки обыкновенных акций.
1.2.	Compliance with the effective Russian Federation laws;	1.2.	Соблюдение действующего законодательства Российской Федерации;
2. The Participant hereby grants consent to processing of the personal data listed below		2. Субъект персональных данных настоящим дает согласие на обработку перечисленных ниже персональных данных	
2.1.	Last name, first name, patronymic, year, month, date and place of birth, gender, age, address, citizenship, information on education, contact details (home address(es), direct office, home and mobile telephone numbers, e-mail address, etc.), photographs;	2.1.	Фамилия, имя, отчество, год, месяц, дата и место рождения, пол, возраст, адрес, гражданство, сведения об образовании, контактная информация (домашний(е) адрес(а), номера прямого офисного, домашнего и мобильного телефонов, адрес электронной почты и др.), фотографии;
2.2.	Information contained in personal identification documents (including passport details), tax identification number and number of the State Pension Insurance Certificate, including photocopies of passports, visas, work permits, drivers licenses, other personal documents;	2.2.	Сведения, содержащиеся в документах, удостоверяющих личность, в том числе паспортные данные, ИНН и номер страхового свидетельства государственного пенсионного страхования, в том числе фотокопии паспортов, виз, разрешений на работу, водительских удостоверений, других личных документов;
2.3.	Information on employment, including the list of duties, information on the current and former employers, information on promotions, disciplinary sanctions, transfer to other position / work, etc.;	2.3.	Информация о трудовой деятельности, включая должностные обязанности, информация о текущем и прежних работодателях, сведения о повышениях, дисциплинарных взысканиях, переводах на другую должность/работу, и т.д.;
2.4.	Information on the Participant's salary amount, information on salary changes, on participation in employer benefit plans and programs, on bonuses paid, etc.;	2.4.	Информация о размере заработной платы Субъекта персональных данных, данные об изменении заработной платы, об участии в премиальных системах и программах Работодателя, информация о выплаченных премиях, и т.д.;
2.5.	Information on work time, including hours scheduled for work per week and hours actually worked;	2.5.	Сведения о рабочем времени, включая нормальную продолжительность рабочего времени в неделю и количество фактически отработанного рабочего времени;
2.6.	Information on potential membership of certain categories of employees having rights for guarantees and benefits in accordance with the Russian Federation Labor Code and other effective legislation;	2.6.	Сведения о принадлежности к определенным категориям работников, которым предоставляются гарантии и льготы в соответствии с Трудовым кодексом Российской Федерации и иным действующим законодательством;
2.7.	Information on the Participant's tax status (exempt, tax resident status, etc.);	2.7.	Информация о налоговом статусе Субъекта персональных данных (освобождение от уплаты налогов, является ли налоговым резидентом и т.д.);
2.8.	Information on shares of Common Stock or directorships held by the Participant, details of all awards or any other entitlement to shares of Common Stock awarded, cancelled, exercised, vested, unvested or outstanding;	2.8.	Информация об обыкновенных акциях или членстве в совете директоров Субъекта персональных данных, обо всех программах вознаграждения или иных правах на получение обыкновенных акций, которые были предоставлены, аннулированы, исполнены, погашены, непогашены или подлежат выплате.
2.9.	Any other information, which may become necessary to the Company in connection with the purposes specified in Clause 2 above.	2.9.	Любые иные данные, которые могут потребоваться Операторам в связи с осуществлением целей, указанных в п. 3 выше.
the "Personal Data"		далее – «Персональные данные»	

3.1. The Participant hereby consents to performing the following operations with the Personal Data:		3.1. Субъект персональных данных настоящим дает согласие на совершение с Персональными данными перечисленных ниже действий:	
3.1.1.	processing of the Personal Data, including collection, systematization, accumulation, storage, verification (renewal, modification), use, dissemination (including transfer), impersonalizing, blockage, destruction;	3.1.1.	обработка Персональных данных, включая сбор, систематизацию, накопление, хранение, уточнение (обновление, изменение), использование, распространение (в том числе передача), обезличивание, блокирование, уничтожение персональных данных;
3.1.2.	transborder transfer of the Personal Data to operators located on the territory of foreign states. The Participant hereby confirms that he was notified of the fact that the recipients of the Personal Data may be located in foreign states that do not ensure adequate protection of rights of personal data subjects;	3.1.2.	трансграничная передача Персональных данных операторам на территории любых иностранных государств. Субъект персональных данных настоящим подтверждает, что он был уведомлен о том, что получатели Персональных данных могут находиться в иностранных государствах, не обеспечивающих адекватной защиты прав субъектов персональных данных;
3.1.3.	including Personal Data into generally accessible sources of personal data (including directories, address books and other), placing Personal Data on the Company's web-sites on the Internet.	3.1.3.	включение Персональных данных в общедоступные источники персональных данных (в том числе справочники, адресные книги и т.п.), размещение Персональных данных на сайтах Операторов в сети Интернет.
3.2. General description of the data processing methods used by the Company		3.2.	Общее описание используемых Оператором(ами) способов обработки персональных данных
3.2.1.	When processing the Personal Data, the Company undertakes the necessary organizational and technical measures for protecting the Personal Data from unlawful or accidental access to them, from destruction, change, blockage, copying, dissemination of Personal Data, as well as from other unlawful actions.	3.2.1.	При обработке Персональных данных Операторы принимают необходимые организационные и технические меры для защиты Персональных данных от неправомерного или случайного доступа к ним, уничтожения, изменения, блокирования, копирования, распространения Персональных данных, а также от иных неправомерных действий.
3.2.2.	Processing of the Personal Data by the Company shall be performed using the data processing methods that ensure confidentiality of the Personal Data, except where: (1) Personal Data is impersonalized; and (2) in relation to publicly available Personal Data; and in compliance with the established requirements to ensuring the security of personal data, the requirements to the tangible media of biometric personal data; and to the technologies for storage of such data outside personal data information systems in accordance with the effective legislation.	3.2.2.	Обработка Персональных данных Операторами осуществляется при помощи способов, обеспечивающих конфиденциальность таких данных, за исключением следующих случаев: (1) в случае обезличивания Персональных данных; (2) в отношении общедоступных Персональных данных; и при соблюдении установленных требований к обеспечению безопасности персональных данных, требований к материальным носителям биометрических персональных данных и технологиям хранения таких данных вне информационных систем персональных данных в соответствии с действующим законодательством.
4. Term, revocation procedure		4. Срок, порядок отзыва	
This Statement of Consent is valid for an indefinite term. The Participant may revoke this consent by sending to Company a written notice at least ninety (90) days in advance of the proposed consent revocation date. The Participant agrees that during the specified notice period the Company is not obliged to cease processing of Personal Data or destroy the Personal Data of the Participant.		Настоящее согласие действует в течение неопределенного срока. Субъект может отозвать это согласие путем направления Оператору(ам) письменного(ых) уведомления(ий) не менее чем за 90 (девяносто) дней до предполагаемой даты отзыва настоящего согласия. Субъект соглашается на то, что в течение указанного срока Оператор(ы) не обязан(ы) прекращать обработку персональных данных и уничтожать персональные данные Субъекта персональных данных.	

#### **Securities Law Notice**

The Participant acknowledges that the Agreement, the grant of the RSUs, the Plan and all other materials the Participant may receive regarding participation in the Plan do not constitute advertising or an offering of securities in Russia, and the Participant's acceptance of the RSUs results in an agreement between the Company and the Participant that is completed in the United States and is governed by the laws of the State of Delaware. Shares to be issued under the Plan have not and will not be registered in Russia, nor will they be admitted for listing on any Russian exchange for trading within Russia. Thus, the Shares described in any Plan documents may not be offered or placed in public circulation in Russia. In no event will the Shares to be issued under the Plan be delivered to the Participant in Russia. All the Shares acquired under the Plan will be maintained on behalf of the Participant outside of Russia. The Participant will not be permitted to sell or otherwise transfer the Shares directly to a Russian legal entity or resident.

## **Exchange Control Notice**

Under current exchange control regulations in Russia, the Participant is required to repatriate certain cash amounts received with respect to the RSUs (including proceeds from the sale of the Shares) to Russia as soon as the Participant intends to use those cash amounts for any purpose, including reinvestment. Such funds must initially be credited to the Participant through a foreign currency account at an authorized bank in Russia. After the funds are initially received in Russia, they may be further remitted to foreign banks in accordance with Russian exchange control laws. As an express statutory exception to the above-mentioned repatriation rule, cash dividends paid on the Shares can be paid directly to a foreign bank or brokerage account opened with a bank located in an OECD (Organization for Economic Co-operation and Development) or FATF (Financial Action Task Force) country. As of January 1, 2018, cash proceeds from the sale of the Shares listed on one of the foreign stock exchanges on the list provided for by the Russian Federal law "On the Securities Market", can also be paid directly to a foreign bank or brokerage account opened with a bank located in an OECD or FATF country. Other statutory exceptions may apply, and the Participant should consult with the Participant's personal legal advisory in this regard.

## **SINGAPORE**

### **Securities Law Notice**

The grant of the RSUs is being made pursuant to the "Qualifying Person" exemption" under section 273(1)(f) of the Securities and Futures Act (Chapter 289, 2006 Ed.) ("SFA") and is not made to Participant with a view to the underlying Shares being subsequently offered for sale to any other party. The Plan has not been, and will not be, lodged or registered as a prospectus with the Monetary Authority of Singapore. The Participant should note that the RSUs are subject to section 257 of the SFA and the Participant should not make (i) any subsequent sale of the Shares in Singapore or (ii) any offer of such subsequent sale of the Shares subject to the RSUs in Singapore, unless such sale or offer is made after six (6) months from the Date of Grant or pursuant to the exemptions under Part XIII Division 1 Subdivision (4) (other than section 280) of the SFA. The Shares are currently traded on the New York Stock Exchange, which is located outside of Singapore, under the ticker symbol "NVST" and the Shares acquired under the Plan may be sold through this exchange.

### **Chief Executive Officer and Director Notification Requirement**

If the Participant is the Chief Executive Officer (the "CEO"), or a director, associate director, or shadow director if a Singapore Subsidiary of the Company, the Participant is subject to certain notification requirements under the Singapore Companies Act, regardless of whether the Participant is resident or employed in Singapore. Among these requirements is an obligation to notify the Singapore Subsidiary in writing when the Participant receives an interest (e.g., RSUs, Shares, etc.) in the Company or any related company. In addition, the Participant must notify the Singapore Subsidiary when the Participant sells the Shares of the Company or any related company (including when the Participant sells the Shares acquired under the Plan). These notifications must be made within two (2) business days of (i) its acquisition or disposal, (ii) any change in a previously-disclosed interest (e.g., upon vesting of the RSUs or when Shares acquired under the Plan are subsequently sold), or (iii) becoming the CEO / or a director.

## **SPAIN**

### **Nature of RSUs**

The following provision supplements Section 17 of the Agreement:

In accepting the grant of the RSUs, the Participant acknowledges that the Participant consents to participation in the Plan and has received a copy of the Plan. The Participant understands that the Company, in its sole discretion, has unilaterally and gratuitously decided to grant RSUs under the Plan to individuals who may be employees of the Company or its Subsidiaries throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any RSUs will not economically or otherwise bind the Company or any of its Subsidiaries on an ongoing basis. Consequently, the Participant understands that the RSUs are granted on the assumption and condition that such RSUs and any Shares acquired upon vesting of the RSUs shall not become a part of any employment contract (either with the Company or any of its Subsidiaries) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever.

Further, as a condition of the grant of the RSUs, unless otherwise expressly provided for by the Company or set forth in the Agreement, the RSUs will be cancelled without entitlement to any Shares if the Participant terminates employment by reason of, including, but not limited to: resignation, retirement, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without cause (i.e., subject to a "despido improcedente"), material modification of the terms of employment under Article 41 of the Workers' Statute, relocation under Article 40 of the Workers' Statute, Article 50 of the Workers' Statute, or under Article 10.3 of Royal Decree 1382/1985. The Committee, in its sole discretion, shall determine the date when the Participant's employment has terminated for purposes of the RSUs.

The Participant understands that the grant of the RSUs would not be granted but for the assumptions and conditions referred to above; thus, the Participant acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any grant of, or right to, the RSUs shall be null and void.

### **Securities Law Notice**

No "offer of securities to the public," as defined under Spanish law, has taken place or will take place in the Spanish territory in connection with the RSUs. The Plan, the Agreement (including this Addendum) and any other documents evidencing the grant of the RSUs have not, nor will they be, registered with the *Comisión Nacional del Mercado de Valores*, and none of those documents constitutes a public offering prospectus.

#### **Exchange Control Notice**

The Participant must declare the acquisition of the Shares to the Dirección General de Comercio e Inversiones (the "DGCI") of the Ministry of Economy, Industry and Competitiveness for statistical purposes. The Participant must also declare ownership of any Shares with the Directorate of Foreign Transactions each January while the Shares are owned. In addition, if the Participant wishes to import the ownership title of the Shares (i.e., share certificates) into Spain, the Participant must declare the importation of such securities to the DGCI. The sale of the Shares must also be declared to the DGCI by means of a form D-6 filed in January. The form D-6, generally, must be filed within one (1) month after the sale if the Participant owns more than 10% of the share capital of the Company or the Participant's investment exceeds €1,502,530. In addition, the Participant may be required to electronically declare to the Bank of Spain any foreign accounts (including brokerage accounts held abroad), any foreign instruments (including Shares acquired under the Plan), and any transactions with non-Spanish residents, depending on the balances in such accounts together with the value of such instruments as of December 31 of the relevant year, or the volume of transactions with non-Spanish residents during the relevant year.

#### **Foreign Asset/Account Reporting Information**

To the extent the Participant holds rights or assets (e.g., cash or the Shares held in a bank or brokerage account) outside of Spain with a value in excess of €50,000 per type of right or asset as of December 31 each year (or at any time during the year in which the Participant sells or disposes of such right or asset), the Participant is required to report information on such rights and assets on the Participant's tax return for such year. After such rights or assets are initially reported, the reporting obligation will only apply for subsequent years if the value of any previously-reported rights or assets increases by more than €20,000 per type of right or asset as of each subsequent December 31, or if the Participant sells Shares or cancel bank accounts that were previously reported. Failure to comply with this reporting requirement may result in penalties to the Spanish residents.

In addition, the Participant may be required to electronically declare to the Bank of Spain any foreign accounts (including brokerage accounts held abroad), any foreign instruments (including Shares acquired under the Plan), and any transactions with non-Spanish residents (including any payments of Shares made pursuant to the Plan), depending on the balances in such accounts together with the value of such instruments as of December 31 of the relevant year, or the volume of transactions with non-Spanish residents during the relevant year.

Spanish residents should consult with their personal tax and legal advisors to ensure compliance with their personal reporting obligations.

## **SWEDEN**

None.

## **SWITZERLAND**

#### **Securities Law Notice**

Neither this document nor any other materials relating to the RSUs (i) constitutes a prospectus according to articles 35 et seq. of the Swiss Federal Act on Financial Services ("FinSA"), (ii) may be publicly distributed nor otherwise made publicly available in Switzerland to any person other than an employee of the Company, or (iii) has been or will be filed with, approved or supervised by any Swiss reviewing body according to article 51 of FinSA or any Swiss regulatory authority, including the Swiss Financial Market Supervisory Authority (FINMA).

## **TAIWAN**

#### **Data Privacy**

The Participant acknowledges that the Participant has read and understands the terms regarding collection, processing and transfer of personal data contained in Section 13 of the Agreement and agrees that, upon request of the Company or the Employer, the Participant will provide any executed data privacy consent form to the Employer or the Company (or any other agreements or consents that may be required by the Employer or the Company) that the Company and/or the Employer may deem necessary to obtain under the data privacy laws in Participant's country, either now or in the future. The Participant understands the Participant will not be able to participate in the Plan if the Participant fails to execute any such consent or agreement.

#### **Securities Law Notice**

The offer of participation in the Plan is available only for employees of the Company and its Subsidiaries. The offer of participation in the Plan is not a public offer of securities by a Taiwanese company.

#### **Exchange Control Notice**

If the Participant is a resident of Taiwan, the Participant may acquire foreign currency, and remit the same out of or into Taiwan, up to US\$5,000,000 per year without justification. If the transaction amount is TWD\$500,000 or more in a single transaction, the Participant must submit a Foreign Exchange Transaction Form to the remitting bank. If the transaction amount is US\$500,000 or more in a single transaction, the Participant may be required to provide additional supporting documentation to the satisfaction of the remitting bank.

## THAILAND

### Exchange Control Notice

Thai residents realizing US\$50,000 or more in a single transaction from the sale of Shares or the payment of dividends are required to repatriate the funds to Thailand immediately following the receipt of the funds and to then either convert such repatriated funds into Thai Baht or deposit the funds into a foreign currency account opened with any commercial bank in Thailand within 360 days of repatriation. Any such commercial bank must be duly authorized by the Bank of Thailand to engage in the purchase, exchange and withdrawal of foreign currency. Further, for repatriated funds of US\$50,000 or more, the Participant must specifically report the inward remittance by submitting the Foreign Exchange Transaction Form to an authorized agent, *i.e.*, a commercial bank authorized by the Bank of Thailand to engage in the purchase, exchange and withdrawal of foreign currency.

If the Participant does not comply with this obligation, the Participant may be subject to penalties assessed by the Bank of Thailand. Because exchange control regulations change frequently and without notice, the Participant should consult a legal advisor before selling Shares to ensure compliance with current regulations. It is the Participant's responsibility to comply with exchange control laws in Thailand, and neither the Company nor any Parent or Subsidiary will be liable for any fines or penalties resulting from the Participant's failure to comply with applicable laws.

## UNITED KINGDOM

### Tax Obligations

The following provision supplements Section 7 of the Agreement:

Without limitation to Section 7 of the Agreement, the Participant hereby agrees that the Participant is liable for all Tax Related-Items and hereby covenants to pay all such Tax Related-Items, as and when requested by the Company, or if different, the Employer, or by Her Majesty's Revenue & Customs ("HMRC") (or any other tax authority or any other relevant authority). The Participant also hereby agrees to indemnify and keep indemnified the Company and, if different, the Employer, against any Tax Related-Items that they are required to pay or withhold, or have paid or will pay to HMRC (or any other tax authority or any other relevant authority) on the Participant's behalf.

Notwithstanding the foregoing, if the Participant is a director or executive officer of the Company (within the meaning of Section 13(k) of the Exchange Act), the Participant may not be able to indemnify the Company or the Employer for the amount of any income tax not collected from or paid by the Participant.

as it may be considered a loan. In this case, the amount of any uncollected amounts may constitute a benefit to the Participant on which additional income tax and National Insurance Contributions may be payable. The Participant will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for paying the Company or the Employer for the value of any National Insurance Contributions due on this additional benefit, which the Company or the Employer may recover by any of the means referred to in Section 7 of the Agreement.

\* \* \* \* \*

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Exhibit 23.1

### Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statements:

- (1) Registration Statement (Form S-8 No. 333-233810) pertaining to the Envista Holdings Corporation 2019 Omnibus Incentive Plan, the Envista Holdings Corporation Deferred Compensation Plan, the Envista Holdings Corporation Savings Plan, and the Envista Holdings Corporation **Unions** **Union** Savings Plan, and
- (2) Registration Statement (Form S-8 No. 333-262985) pertaining to the Envista Holdings Corporation Savings Plan and the Envista Holdings Corporation Deferred Compensation Plan

of our reports dated **February 16, 2023** **February 15, 2024**, with respect to the consolidated financial statements and schedule of Envista Holdings Corporation, and the effectiveness of internal control over financial reporting of Envista Holdings Corporation included in this Annual Report (Form 10-K) of Envista Holdings Corporation for the year ended **December 31, 2022** **December 31, 2023**.

/s/ Ernst & Young LLP

Irvine, California

February **16, 2023** **15, 2024**

**Exhibit 31.1**

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER  
PURSUANT TO  
EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a),  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Amir Aghdai, certify that:

1. I have reviewed this Annual Report on Form 10-K of Envista Holdings Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **February 16, 2023** **February 15, 2024**

/s/ Amir Aghdaei

Amir Aghdaei

President and Chief Executive Officer

**Exhibit 31.2**

**CERTIFICATION OF CHIEF PRINCIPAL FINANCIAL OFFICER  
PURSUANT TO  
EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a),  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, **Howard H. Yu, Stephen Keller**, certify that:

1. I have reviewed this Annual Report on Form 10-K of Envista Holdings Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **February 16, 2023** **February 15, 2024**

/s/ **Howard H. Yu** **Stephen Keller**

**Howard H. Yu** **Stephen Keller**

**Senior Vice President and Chief Principal Financial Officer** **(Principal Financial and Accounting Officer)**

**Exhibit 32.1**

**CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER AND **CHIEF** PRINCIPAL FINANCIAL OFFICER  
PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Amir Aghdaei, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Annual Report on Form 10-K of Envista Holdings Corporation for the fiscal year ended December 31, 2022 December 31, 2023, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Annual Report on Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Envista Holdings Corporation as of and for the periods presented in the Report.

Date: February 16, 2023 February 15, 2024

/s/ Amir Aghdaei

Amir Aghdaei

President and Chief Executive  
Officer

I, Howard H. Yu, Stephen Keller, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Annual Report on Form 10-K of Envista Holdings Corporation for the fiscal year ended December 31, 2022 December 31, 2023, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Annual Report on Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Envista Holdings Corporation as of and for the periods presented in the Report.

Date: February 16, 2023 February 15, 2024

/s/ Howard H. Yu Stephen  
Keller

Howard H. Yu Stephen Keller  
Senior Vice President and  
Chief Principal Financial Officer  
(Principal Financial and  
Accounting Officer)

Exhibit 97.1

## ENVISTA HOLDINGS CORPORATION

### RECOUPMENT POLICY Effective October 2, 2023

**Statement of Intent.** The Board of Directors (“Board”) of Envista Holdings Corporation (the “Company” or “Envista”) believes that it is in the best interest of Envista and its stockholders to encourage outstanding leadership, accountability and responsible risk-taking that benefits the long-term success of Envista and its subsidiaries (collectively, the “Company Group”). Accordingly, the Board has adopted this Recoupment Policy (this “Policy”), which shall be effective as of October 2, 2023 (the “Effective Date”). The Company’s Recoupment Policy, effective September 20, 2019 (the “Prior Policy”), will continue in effect for Incentive-Based Compensation received prior to the Effective Date. The purpose of this Policy is to describe the circumstances in which Covered Employees will be required to repay or return Recoverable Compensation to members of the Company Group. This Policy shall be interpreted to comply with Rule 10D-1 promulgated under the Securities Exchange Act of 1934, as amended, and the related listing rules of the New York Stock Exchange (“NYSE”), and, to the extent this Policy is deemed inconsistent with such rules in any manner, this Policy shall be treated as retroactively amended to be compliant with such rules.

**Definitions.** For purposes of this Policy, the following definitions shall apply:

(a) "Accounting Restatement" shall mean an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial restatements that is material to the previously issued financial statements (a "Big R" restatement), or that corrects an error that is not material to previously issued financial statements, but would result in a material misstatement if the error were left uncorrected in the current period or the error correction were recognized in the current period (a "little r" restatement).

(b) "Committee" shall mean the Compensation Committee of the Board.

(c) "Covered Employee" means each officer who was subject to the reporting requirements of Section 16 of the Securities Exchange Act of 1934, as amended, at any time during the performance period relating to the applicable Incentive-Based Compensation.

(d) "Incentive-Based Compensation" means any compensation that is granted, earned or vested based wholly or in part upon the attainment of a financial reporting measure. Financial reporting measures are measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, any measures that are derived wholly or in part from such measures, and stock price and total shareholder return measures.

(e) "Look-back Period" means the three completed fiscal years immediately preceding the date on which the Company is required to prepare an Accounting Restatement, with such date being the earlier of: (i) the date the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement; or (ii) the date a court, regulator or other legally authorized body

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directs the Company to prepare an Accounting Restatement. In addition to such last three completed fiscal years, this Policy applies to any transition period (that results from a change in the Company's fiscal year) within or immediately following such three completed fiscal years. However, a transition period between the last day of the Company's previous fiscal year end and the first day of its new fiscal year that comprises a period of nine to 12 months would be deemed a completed fiscal year.

(f) "Misconduct" means a material act of dishonesty, fraud or misrepresentation or a willful violation of a material Company policy or law, in each case that directly causes the applicable Accounting Restatement.

(g) "Recoverable Compensation" means, in connection with an Accounting Restatement and with respect to each Covered Employee (whether or not such Covered Employee is serving at the time such Recoverable Compensation is required to be repaid to the Company Group), all Incentive-Based Compensation received by such Covered Employee (i) on or after the Effective Date, (ii) after beginning service as a Covered Employee, (iii) while the Company has a class of securities listed on a national securities exchange or a national securities association, and (iv) during the applicable Look-back Period. Incentive-Based Compensation is deemed received in the fiscal period during which the financial reporting measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant of the Incentive-Based Compensation occurs after the end of that period (subject to applicable law, including any Incentive-Based Compensation the payment of which has been deferred).

**Forfeiture and Reimbursement.** In the event of an Accounting Restatement, the Company will require, to the fullest extent permitted by applicable law, that a Covered Employee forfeit and/or reimburse the Company for all of the Covered Employee's Erroneously Awarded Compensation, and in the case of misconduct, such additional Recoverable Compensation as determined in the discretion of the Committee, in accordance with the following guidelines:

1. *No Misconduct.* If a Covered Employee did not engage in Misconduct, the amount of Recoverable Compensation that shall be forfeited and/or reimbursed to the Company by such Covered Employee, if any, shall be the amount of Recoverable Compensation that exceeds the amount that otherwise would have been received had it been computed based on the Accounting Restatement, and shall be calculated without regard to any taxes paid ("Erroneously Awarded Compensation"). For Erroneously Awarded Compensation based on stock price or total shareholder return measures, the amount that shall be forfeited and/or reimbursed to the Company shall be determined by the Committee based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return on which the Incentive-Based Compensation was received (in which case, the Company shall maintain documentation of such determination of that reasonable estimate and provide such documentation to the NYSE).
2. *Misconduct.* If such Covered Employee engaged in Misconduct, up to the full amount of Recoverable Compensation may be forfeited and/or reimbursed to the Company by such Covered Employee, with any amount above the Erroneously Awarded Compensation as determined in the discretion of the Committee.

The Committee shall promptly make such determination of the amount of any Recoverable Compensation for each Covered Employee in connection with an Accounting Restatement and shall promptly thereafter provide each Covered Employee with a written notice containing the

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amount of Recoverable Compensation and a demand for repayment or return, as applicable, subject to each Covered Employee's rights under the section of this Policy captioned "Opportunity To Be Heard" below.

The Committee has the power, in its sole discretion, to retain or obtain the advice of a compensation consultant, legal counsel or other adviser as it deems necessary or appropriate to carry out its duties under this Policy.

The Company shall recover reasonably promptly any Recoverable Compensation except to the extent that one or more of the conditions (i)-(ii) below apply. The Committee shall determine the repayment schedule for each amount of Recoverable Compensation in a manner that complies with this "reasonably promptly" requirement. Such determination shall be consistent with any applicable legal or regulatory guidance, by the Securities and Exchange Commission ("SEC"), judicial opinion, the NYSE or otherwise. The determination of "reasonably promptly" may vary from case to case, and the Committee is authorized to adopt additional rules to further describe what repayment schedules satisfy this requirement. The Committee shall have broad discretion to determine the appropriate means of recovery of Recoverable Compensation based on all applicable facts and circumstances and taking into account the time value of money and the cost to stockholders of delaying recovery. For the avoidance of doubt, except as set forth in (i)-(iii) below, in no event may the Company Group accept an amount that is less than the amount of Erroneously Awarded Compensation in satisfaction of a Covered Employee's obligations hereunder.

To the extent that a Covered Employee does not make reimbursement to the Company under this Policy reasonably promptly following demand by the Company, or any shares of Recoverable Compensation have been sold by the Covered Employee, the Company shall have the right to reduce, cancel or withhold against outstanding, unvested, vested or future cash

or equity-based compensation, or require a substitute form of reimbursement, in each case to the maximum extent permitted under applicable law. The Company shall, or shall cause one or more other members of the Company Group to, take all actions reasonable and appropriate to recover such Recoverable Compensation from the applicable Covered Employee. The applicable Covered Employee shall be required to reimburse the Company Group for any and all expenses reasonably incurred (including legal fees) by the Company Group in recovering such Recoverable Compensation in accordance with the immediately preceding sentence.

Notwithstanding anything to the contrary, forfeiture and reimbursement of Recoverable Compensation with respect to one or more Covered Employees shall not be required if the following conditions are met and the Committee determines that recovery would be impracticable:

- (i) The direct expenses paid to a third party to assist in enforcing the Policy against a Covered Employee would exceed the amount to be recovered, after the Company has made a reasonable attempt to recover the applicable Recoverable Compensation, documented such attempts and provided such documentation to the NYSE; or
- (ii) Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company Group, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

**No Indemnification.** The Company shall not indemnify any current or former Covered Employee against any loss of compensation under this Policy or any claims relating to the Company Group's enforcement of its rights under this Policy. Further, no member of the Company Group shall enter into any agreement that exempts any Incentive-Based Compensation

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from the application of this Policy or that waives the Company Group's right to recovery of any Recoverable Compensation and this Policy shall supersede any such agreement (whether entered into before, on or after the Effective Date). In no event shall the Company be required to award Covered Employees an additional payment if the Accounting Restatement would have resulted in a higher incentive compensation payment.

**Opportunity To Be Heard.** A Covered Employee whose Incentive-Based Compensation is subject to recoupment pursuant to this Policy shall be given the opportunity to appear before the Committee, with or without counsel, to present such facts and circumstances that such Covered Employee considers relevant to the Committee's determination and to discuss any recoupment action. To the extent that a Covered Employee appears before the Committee, the Committee shall consider all facts and circumstances presented by such Covered Employee and shall render a final determination on the imposition of such recovery or forfeiture and advise such Covered Employee of that determination.

**Authority and Interpretations.** This Policy generally will be administered and interpreted by the Committee. Any determination by the Committee with respect to this Policy shall be final, conclusive and binding on all interested parties. The determinations of the Committee under this Policy need not be uniform with respect to all Covered Employees.

The provisions in this Policy are intended to be applied to the fullest extent of the law. To the extent that any provision of this Policy is found to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted, and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to applicable law. The invalidity or unenforceability of any provision of this Policy shall not affect the validity or enforceability of any other provision of this Policy.

The rights of the Company under this Policy to seek forfeiture or reimbursement are not exclusive remedies and do not preclude any other recourse by the Company.

This Policy does not retroactively apply to any Incentive-Based Compensation received prior to the Effective Date. All questions or disputes related to the interpretation or enforcement of the Prior Policy with respect to Incentive-Based Compensation received before the Effective Date shall be resolved under the terms of the Prior Policy.

**Acknowledgement; Benefits Conditioned on Agreeing to this Policy.** Each Covered Employee shall be required to sign and return to the Company the Acknowledgement Form attached hereto as [Exhibit A](#) pursuant to which such Covered Employee will agree to be bound by the terms and comply with this Policy. Any employment agreement, equity award agreement, compensatory plan or any other agreement or arrangement with a Covered Employee shall be deemed to include, as a condition to the grant or receipt of any benefit thereunder, an agreement by the Covered Employee to abide by, and for such Covered Employee and his or her Incentive-Based Compensation to be subject to, the terms of this Policy. For the avoidance of doubt, each Covered Employee will be fully bound by, and must comply with, this Policy, whether or not such Covered Employee has executed and returned such Acknowledgment Form to the Company.

**Reporting and Disclosure.** The Company shall file all disclosures with respect to this Policy in accordance with the requirements of the federal securities laws, including the disclosure required by the applicable SEC filings.

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**Amendment and Termination.** To the extent permitted by, and in a manner consistent with, applicable SEC and NYSE rules and regulations, the Board reserves the power to terminate, suspend, revise or amend this Policy.

**Successors.** This Policy shall be binding and enforceable against all Covered Employees and their beneficiaries, heirs, executors, administrators or other legal representatives.

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#### Exhibit A

**ENVISTA HOLDINGS CORPORATION  
RECOUPMENT POLICY  
Effective October 2, 2023**

**ACKNOWLEDGEMENT FORM**

By signing below, the undersigned acknowledges and confirms that the undersigned has received and reviewed a copy of the Envista Holdings Corporation Recoupment Policy Effective October 2, 2023 (the "Policy"). Capitalized terms used but not otherwise defined in this Acknowledgement Form (this "Acknowledgement Form") shall have the meanings ascribed to such terms in the Policy.

By signing this Acknowledgement Form, the undersigned acknowledges and agrees that the undersigned is and will continue to be subject to the Policy and that the Policy will apply both during and after the undersigned's employment with the Company Group. In the event of any inconsistency or conflict between the Policy and any prior, existing or future employment agreement, compensation plan or program, award agreement or similar document to which the undersigned is or becomes a party or that otherwise is or becomes applicable to the undersigned (collectively, "**compensation arrangements**"), the undersigned acknowledges and agrees that the Policy shall govern such compensation arrangements, and all such compensation arrangements are hereby automatically deemed amended to the extent necessary to give effect to the Policy. The undersigned waives any right or claim of indemnification or insurance paid for by the Company with respect to any compensation recouped or recovered by the Company pursuant to the Policy. The undersigned acknowledges that any determination by the Committee with respect to the Policy shall be final, conclusive and binding. Further, by signing below, the undersigned agrees to abide by the terms of the Policy, including, without limitation, by returning any Recoverable Compensation (as defined in the Policy) to the Company Group to the extent required by, and in a manner permitted by, the Policy.

Signature:

Print Name:

Date:

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