



# **First Quarter 2025 Financial Results**

**May 6, 2025**

# Agenda and Speakers



**Rob Claypoole**  
President and  
Chief Executive Officer

**Update on Business and  
2025 Priorities**



**Mark Singleton**  
Senior Vice-President  
and Chief Financial Officer

**Q1 2025 Results  
2025 Financial Guidance**

# Forward Looking Statements and Use of Estimates

## Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements contained in this presentation that do not relate to matters of historical fact should be considered forward-looking statements, including, without limitation, statements concerning our future financial results and liquidity; regarding our business strategy, including, without limitation, the impact of the divestiture of our Advanced Rehabilitation Business on our financial condition and operations; and expected sales trends, opportunities, market position and growth. In some cases, you can identify forward-looking statements by terminology such as "aim," "anticipate," "assume," "believe," "contemplate," "continue," "could," "due," "estimate," "expect," "goal," "intend," "may," "objective," "plan," "predict," "potential," "positioned," "seek," "should," "target," "will," "would" and other similar expressions that are predictions of or indicate future events and future trends, or the negative of these terms or other comparable terminology, although not all forward-looking statements contain these words. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. Important factors that may cause actual results to differ materially from current expectations include, among other things: the risks related to tariffs and unexpected changes in tariffs, trade barriers and regulatory requirements, export licensing requirements or other restrictive actions by the United States or retaliatory tariffs and other actions taken by foreign governments; the risk that we might not realize some or all of the benefits expected to result from the recently completed divestiture of our Advanced Rehabilitation Business; if we fail to properly manage growth or scale our business processes, systems, or data management, our business could suffer; our ability to maintain our competitive position depends on our ability to attract, retain and motivate our senior management team and highly qualified personnel necessary to execute our strategic plans; we may face issues with respect to the supply of our products or their components due to product quality and regulatory compliance issues, including increased costs, disruptions of supply, shortages, contamination or mislabeling; we might not meet certain of our debt covenants under our Credit and Guaranty Agreement and might be required to repay our indebtedness on an accelerated basis; there are restrictions on operations and other costs associated with our indebtedness; we might require additional capital to fund our current financial obligations and support business growth; failure to establish and maintain effective financial controls could adversely affect our business and stock price; we might not be able to complete acquisitions or successfully integrate new businesses, products or technologies in a cost-effective and non-disruptive manner; our cash is maintained at financial institutions, often in balance that exceed federally insured limits; we are subject to securities class action litigation and may be subject to similar or other litigation, in the future, which will require significant management time and attention, result in significant legal expenses or costs not covered by our insurers, and may result in unfavorable outcomes; we are highly dependent on a limited number of products; our long-term growth depends on our ability to develop, acquire and commercialize new products, line extensions or expanded indications; we may be unable to successfully commercialize newly developed or acquired products or therapies in the United States; demand for our existing portfolio of products and any new products, line extensions or expanded indications depends on the continued and future acceptance of our products by physicians, patients, third-party payers and others in the medical community; the proposed down classification of non-invasive bone growth stimulators, including our EXOGEN system, by the U.S. Food and Drug Administration ("FDA") could increase future competition for bone growth stimulators and otherwise adversely affect the Company's sales of EXOGEN; failure to achieve and maintain adequate levels of coverage and/or reimbursement for our products or future products, the procedures using our products, such as our hyaluronic acid ("HA") viscosupplements, or future products we may seek to commercialize; pricing and other competitive factors; we may be unable to successfully commercialize newly developed or acquired products or therapies in the United States; governments outside the United States might not provide coverage or reimbursement of our products; we compete and may compete in the future against other companies, some of which have longer operating histories, more established products or greater resources than we do; if our HA products are reclassified from medical devices to drugs in the United States by the FDA, it could negatively impact our ability to market these products and may require that we conduct costly additional clinical studies to support current or future indications for use of those products; our failure to properly manage our anticipated growth and strengthen our brands; risks related to product liability claims; fluctuations in demand for our products; issues relating to the supply of our products or their components due to product quality and regulatory compliance issues, including increased costs, disruptions of supply, shortages, contamination or mislabeling; our reliance on a limited number of third-party manufacturers to manufacture certain of our products; if our facilities are damaged or become inoperable, we will be unable to continue to research, develop and manufacture certain of our products; economic, political, regulatory and other risks related to international sales, manufacturing and operations; failure to maintain contractual relationships; security breaches, unauthorized access to our disclosure of information, cyberattacks, or other incidents, or the perception that confidential information in our or our vendors' or service providers' possession or control is not secure; failure of key information technology and communications systems, process or sites; risks related to our future capital needs; failure to comply with extensive governmental regulation relevant to us and our products; we may be subject to enforcement action if we engage in improper claims submission practices and resulting audits or denials of our claims by government agencies could reduce our net sales or profits; the FDA regulatory process is expensive, time-consuming and uncertain, and the failure to obtain and maintain required regulatory clearances and approvals could prevent us from commercializing our products; if clinical studies of our future product candidates do not produce results necessary to support regulatory clearance or approval in the United States or elsewhere, we will be unable to expand the indications for or commercialize these products; unstable political or economic conditions; legislative or regulatory reforms; our business might experience adverse impacts due to public health outbreaks; risks related to intellectual property matters; the dilution of our Class A common stockholders upon an exchange of the outstanding common membership interests in Bioventus LLC could adversely affect the market price of our Class A common stock and the resale of such shares could cause the market price of our Class A common stock to fall; and other the other risks identified in our Annual Report on Form 10-K for the year ended December 31, 2024, as such factors may be updated from time to time in Bioventus' other filings with the SEC which are accessible on the SEC's website at [www.sec.gov](http://www.sec.gov) and the Investor Relations page of Bioventus' website at <https://ir.bioventus.com>. Except to the extent required by law, the Company undertakes no obligation to update or review any estimate, projection, or forward-looking statement. Actual results may differ materially from those set forth in the forward-looking statements.

## Use of Estimates

Unless otherwise indicated, information contained in this presentation concerning our industry, competitive position and the markets in which Bioventus operates is based on information from independent industry and research organizations, other third-party sources and management estimates. Management estimates are derived from publicly available information released by independent industry analysts and other third-party sources, as well as data from our internal research, and are based on assumptions made by the Company upon reviewing such data, and the Company's experience in, and knowledge of, such industry and markets, which the Company believes to be reasonable. In addition, projections, assumptions and estimates of the future performance of the industry in which the Company operates and its future performance are necessarily subject to uncertainty and risk due to a variety of factors, including those described above. These and other factors could cause results to differ materially from those expressed in the estimates made by independent parties and by the Company.

# Delivered Another Quarter of Solid Financial Results

- Successfully executed on our financial plan and maintained strong momentum in the first quarter
- First quarter revenue of \$124 million and organic\* growth of 5%
- Adjusted EPS\* of \$0.08 increased 33%
- Despite increased uncertainty with the macroenvironment, we do not see a material impact from tariffs at this time
- Well positioned for accelerated growth in the second half of 2025
- Reiterating our full-year revenue, Adjusted EBITDA\*, and Adjusted EPS\* guidance\*\*

\* See important disclosures on non-GAAP financial measures and the reconciliation of reported GAAP measures to non-GAAP measures on slides 17 - 19 of this presentation.

\*\* The Company does not provide U.S. GAAP financial measures, other than net sales, on a forward-looking basis, because the Company is unable to predict with reasonable certainty the impact and timing of acquisition and divestiture related expenses, accounting fair-value adjustments, and certain other reconciling items without unreasonable efforts. These items of uncertainty depend on various factors and could be material to the Company's results calculated in accordance with U.S. GAAP.

# Solid Execution in First Quarter

- Revenue growth of 7% in Surgical Solutions
  - Double-digit growth in Ultrasonics driven by new capital placements
  - Value proposition continues to resonate with surgeons and hospital administrators
- In Restorative Therapies, Exogen maintained momentum
  - Grew revenue by high-single digits in the U.S.
  - Exogen has the ability to sustain this level of growth



# Solid Execution in First Quarter

- Pain Treatments growth continues to be driven by double digit growth in Durolane
- Expanded Pain Treatments portfolio
- Signed agreement with Apex Biologix to distribute their XCELL Platelet-Rich Plasma (PRP) system in the U.S.
  - PRP is a world-class technology that is synergistic with our existing channels and call points as a majority of surgeons using HA also use PRP
  - XCELL system is designed to reduce procedural time and provide a customizable treatment solution for different patient applications
  - PRP revenue impact is expected to be immaterial in 2025, but PRP adds another long-term potential growth driver leveraging our existing HA commercial leadership and footprint



# 2025 Financial Priorities – Improving Profitability and Accelerating Cash Flow

- Continue to forecast at least 100 basis points of Adjusted EBITDA\* margin expansion in 2025
- Margin expansion driven by forecasted second half revenue growth acceleration and peer-leading gross margin
- Prepared to swiftly adapt and prioritize spending if needed due to macroenvironment uncertainty
- Expect to nearly double cash from operations this year compared to last year
- Already seeing reduced interest expense and one-time cash costs

# Solid Foundation Provides Flexibility for Uncertain Macroenvironment

- Enhanced financial liquidity and cash flow generation
- Assembled diverse portfolio of short, mid, and long-term growth drivers
- Revenue composition comprised of consumable products or therapies, many of which help delay more expensive procedures
- Dedicated team has displayed agility and resiliency in responding to past challenges
- Current climate provides another opportunity to distinguish Bioventus from the competition

# First Quarter Results

**Mark Singleton**  
Senior Vice-President and Chief Financial Officer

# First Quarter Performance

- Pleased with start to the year and progress to improve and strengthen our performance
- Revenue of \$124 million declined 4% due to the divestiture of the Advanced Rehabilitation business at the end of last year
- Organic\* growth was 5%, with solid growth in all three businesses
- Generated Adjusted EBITDA\* of \$19 million, \$3 million lower compared to the prior year quarter
  - Impact of Advanced Rehabilitation divestiture
  - Unexpected foreign currency loss of \$1.1 million related to Swedish krona

\* See important disclosures on non-GAAP financial measures and the reconciliation of reported GAAP measures to non-GAAP measures on slides 17 -19 of this presentation.

# First Quarter Performance

## Surgical Solutions Revenue

Millions



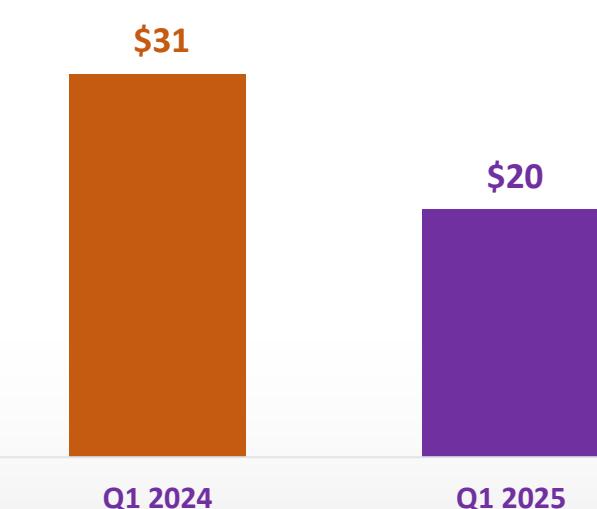
## Pain Treatments Revenue

Millions



## Restorative Therapies Revenue

Millions

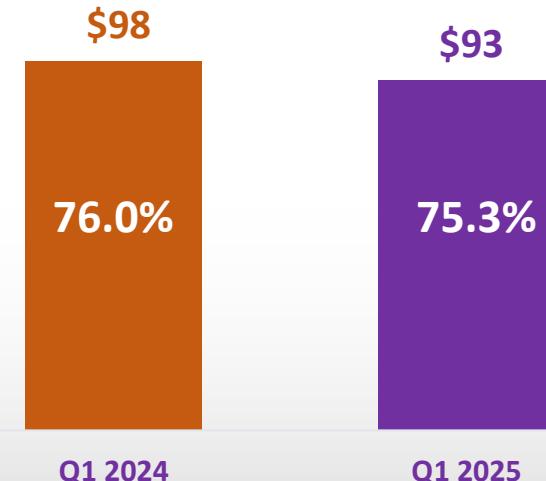


- Surgical Solutions increased 7% compared to prior year quarter
  - Double-digit growth in Ultrasonics as U.S. capital sales up more than 50%
  - Expect Bone Graft Substitutes growth to accelerate in the second half of 2025
- Pain Treatments increased 4% compared to prior year quarter
  - Revenue growth impacted by the reduction in distributor buying following higher purchases at the end of last year impacting growth by 3% to 4%
- Restorative Therapies declined 35% compared to prior year quarter due to the divestiture of our Advanced Rehabilitation business
  - Growth in Exogen was 4%

# First Quarter Performance

- Adjusted Gross Margin\* decreased 70 basis points
  - Change in channel mix
  - Higher freight costs

**Adjusted Gross Profit\***  
Millions  
**Adjusted Gross Margin\***



\* See important disclosures on non-GAAP financial measures and the reconciliation of reported GAAP measures to non-GAAP measures on Slides 17 – 19 of this presentation.

# First Quarter Performance

## \$0.08 Adjusted Earnings Per Share\*

### Adjusted EBITDA\*

Millions



### Adjusted Operating Income\*

Millions



### Adjusted Net Income\*

Millions



- Adjusted EBITDA impacted by Advanced Rehabilitation divestiture and foreign exchange loss
- Total Adjusted Operating Expenses\* declined \$3 million
- Adjusted Operating Margin\* of 14% decreased 90 basis points from prior year period
- Adjusted Net Income\* increased 32% compared to the prior year period
- Growth primarily a result of \$3 million decrease in interest expense compared to prior year

\* See important disclosures on non-GAAP financial measures and the reconciliation of reported GAAP measures to non-GAAP measures on Slides 17 – 19 of this presentation.

# First Quarter Performance: Balance Sheet and Cash Flow

- Ended first quarter with \$23 million of cash and \$346 million of debt outstanding, including \$10 million drawn on revolving credit facility
- As expected, cash from operations was an outflow of \$19 million
  - Timing of annual bonus payments and other annual costs
  - Cash flow would have been positive excluding these \$27 million of cash outflows
- Confident that cash from operations will accelerate in the second quarter and throughout the remainder of the year
- Expect to reduce net leverage to below 2.5 times by the end of 2025

# 2025 Financial Guidance

- Reaffirming 2025 financial guidance provided on March 11, 2025
  - 2025 net sales to be in the range of \$560 million to \$570 million representing organic\* growth of 6% to 8%
  - Adjusted EBITDA\* to be in the range of \$112 million to \$116 million
  - 2025 Adjusted Earnings Per Share\* to be in the range of \$0.64 to \$0.68
- Financial guidance reflects expected strong acceleration in the second half of 2025
- Expect minimal impact due to tariffs which are forecasted to have an impact slightly less than \$1 million for 2025

\* The Company does not provide U.S. GAAP financial measures, other than net sales, on a forward-looking basis, because the Company is unable to predict with reasonable certainty the impact and timing of acquisition and divestiture related expenses, accounting fair-value adjustments, and certain other reconciling items without unreasonable efforts. These items of uncertainty depend on various factors and could be material to the Company's results calculated in accordance with U.S. GAAP.



# Reconciliation of Net (Loss) Income from Continuing Operations to Adjusted EBITDA (unaudited)

(\$, thousands)	Three Months Ended			Twelve Months Ended
	March 29, 2025	March 30, 2024	December 31, 2024	December 31, 2024
<b>Net loss</b>	<b>\$ (3,322)</b>	<b>\$ (6,381)</b>	<b>\$ (47,049)</b>	
Interest expense, net	7,509	10,339	38,792	
Income tax expense (benefit), net	(95)	907	(5,293)	
Depreciation and amortization <sup>(a)</sup>	11,865	11,785	49,555	
Acquisition and related costs <sup>(b)</sup>	—	211	1,339	
Shareholder litigation costs <sup>(c)</sup>	23	1,168	13,802	
Restructuring and succession charges <sup>(d)</sup>	—	53	(57)	
Equity compensation <sup>(e)</sup>	2,414	2,990	13,274	
Financial restructuring costs <sup>(f)</sup>	—	352	351	
Impairment of assets <sup>(g)</sup>	—	—	36,357	
Loss on disposal of a business <sup>(h)</sup>	81	—	292	
Other items <sup>(i)</sup>	737	1,199	7,519	
<b>Adjusted EBITDA</b>	<b>\$ 19,212</b>	<b>\$ 22,623</b>	<b>\$ 108,882</b>	

(a) Includes for the three months ended March 29, 2025 and March 30, 2024, respectively, depreciation and amortization of \$10.3 million and \$10.0 million in cost of sales and \$1.6 million and \$1.8 million in operating expenses presented in the consolidated statements of operations and comprehensive loss.

The year ended December 31, 2024 includes depreciation and amortization of \$41.9 million in cost of sales and \$7.7 million in operating expenses.

(b) Includes acquisition and integration costs related to completed acquisitions and changes in fair value of contingent consideration.

(c) Costs incurred as a result of certain shareholder litigation unrelated to our ongoing operations.

(d) Costs incurred were the result of adopting restructuring plans to reduce headcount, contract terminations, reorganize management structure and consolidate certain facilities.

(e) Includes compensation expense resulting from awards granted under our equity-based compensation plans.

(f) Financial restructuring costs include advisory fees and debt amendment related costs.

(g) Represents a non-cash impairment charge for intangible assets solely attributable to our Advanced Rehabilitation Business in 2024 due to our decision to divest the business.

(h) Represents the loss on the disposal of the Advanced Rehabilitation Business.

(i) Other items includes charges associated with strategic transactions, including potential acquisitions or divestitures and a transformative project to redesign systems and information processing. Other items during the three months ended March 29, 2025 primarily consisted of \$0.5 million of divestiture expenses related to the Advanced Rehabilitation Business sold on December 31, 2024.

During the three months ended March 30, 2024, other items primarily consisted of: (i) strategic transactions and divestiture expenses of \$0.5 million, primarily related to the Advanced Rehabilitation Business; and (ii) transformative project costs of \$0.8 million.

During the year ended December 31, 2024, other items primarily consisted of: (i) divestiture costs of \$4.7 million related to the Advanced Rehabilitation Business, including transactional fees; (ii) transformative project costs of \$1.7 million; and (iii) strategic transaction costs of \$0.4 million.

# Reconciliation of Other Reported GAAP Measures to Non-GAAP Measures (for Three Months Ended)

Three Months Ended March 29, 2025	Gross Profit	Operating Expenses <sup>(a)</sup>	R&D	Operating Income	Net Loss	EPS <sup>(i)</sup>
Reported GAAP measure	\$ 83,056	\$ 75,176	\$ 3,011	\$ 4,869	\$ (3,322)	\$ (0.04)
Reported GAAP margin	67.0 %			3.9%		
Depreciation and amortization <sup>(b)</sup>	10,265	1,593	7	11,865	11,865	0.15
Shareholder litigation costs <sup>(c)</sup>	—	23	—	23	23	—
Loss on disposal of a business <sup>(d)</sup>	—	81	—	81	81	—
Other items <sup>(h)</sup>	—	792	69	861	737	0.01
Tax effect of adjusting items <sup>(i)</sup>	—	—	—	—	(3,189)	(0.04)
Non-GAAP measure	\$ 93,321	\$ 72,687	\$ 2,935	\$ 17,699	\$ 6,195	\$ 0.08
Non-GAAP margin	75.3 %			14.3 %		
	Non-GAAP Gross Margin	Non-GAAP Operating Expenses	Non-GAAP R&D	Non-GAAP Operating Income	Non-GAAP Net Income	Adjusted EPS
Three Months Ended March 30, 2024	Gross Profit	Operating Expenses <sup>(a)</sup>	R&D	Operating Income	Net Loss	EPS <sup>(i)</sup>
Reported GAAP measure	\$ 88,380	\$ 80,825	\$ 2,627	\$ 4,928	\$ (6,381)	\$ (0.08)
Reported GAAP margin	68.3 %			3.8%		
Depreciation and amortization <sup>(b)</sup>	10,025	1,755	5	11,785	11,785	0.15
Acquisition and related costs <sup>(e)</sup>	—	211	—	211	211	—
Shareholder litigation costs <sup>(c)</sup>	—	1,168	—	1,168	1,168	0.01
Restructuring and succession charges <sup>(f)</sup>	—	53	—	53	53	—
Financial restructuring costs <sup>(g)</sup>	—	352	—	352	352	0.01
Other items <sup>(h)</sup>	—	1,113	86	1,199	1,199	0.02
Tax effect of adjusting items <sup>(i)</sup>	—	—	—	—	(3,706)	(0.05)
Non-GAAP measure	\$ 98,405	\$ 76,173	\$ 2,536	\$ 19,696	\$ 4,681	\$ 0.06
Non-GAAP margin	76.0 %			15.2 %		
	Non-GAAP Gross Margin	Non-GAAP Operating Expenses	Non-GAAP R&D	Non-GAAP Operating Income	Non-GAAP Net Income	Adjusted EPS

(a) The "Reported GAAP Measure" under the "Operating Expenses" column is a sum of all GAAP operating expense line items, excluding research and development.

(b) Includes for the three months ended March 29, 2025 and March 30, 2024, respectively, depreciation and amortization of \$10.3 million and \$10.0 million in cost of sales and \$1.6 million and \$1.8 million in operating expenses presented in the consolidated statements of operations and comprehensive loss.

(c) Comprised of costs incurred as a result of certain shareholder litigation unrelated to our ongoing operations.

(d) Represents the loss on disposal of the Advanced Rehabilitation Business.

(e) Includes acquisition and integration costs related to completed acquisitions and changes in fair value of contingent consideration.

(f) Costs incurred were the result of contract terminations.

(g) Financial restructuring costs include advisory fees and debt amendment related costs.

(h) Other items includes charges associated with strategic transactions, including potential acquisitions or divestitures and a transformative project to redesign systems and information processing. Other items during the three months ended March 29, 2025 primarily consisted of \$0.5 million of divestiture expenses related to the Advanced Rehabilitation Business sold on December 31, 2024.

During the three months ended March 30, 2024, other items primarily consisted of: (i) strategic transactions and divestiture expenses of \$0.5 million, primarily related to the Advanced Rehabilitation Business; and (ii) transformative project costs of \$0.8 million.

(i) An estimated tax impact for adjustments to Non-GAAP Net Income was calculated by applying a rate of 25.1% for the three months ended March 29, 2025 and March 30, 2024.

(j) Adjustments are pro-rated to exclude the weighted average non-controlling interest ownership of 19.2% and 19.9%, respectively, for the three months ended March 29, 2025 and March 30, 2024.

# Use of Non-GAAP Financial Measures

## Organic Revenue Growth

The Company defines the term "organic revenue" as revenue in the stated period excluding the impact from business acquisitions and divestitures. The Company uses the related term "organic revenue growth" or "organic growth" to refer to the financial performance metric of comparing the stated period's organic revenue with the comparable reported revenue of the corresponding period in the prior year. The Company believes that these non-GAAP financial measures, when taken together with GAAP financial measures, allow the Company and its investors to better measure the Company's performance and evaluate long-term performance trends. Organic revenue growth also facilitates easier comparisons of the Company's performance with prior and future periods and relative comparisons to its peers. The Company excludes the effect of acquisitions and divestitures because these activities can have a significant impact on the Company's reported results, which the Company believes makes comparisons of long-term performance trends difficult for management and investors.

## Adjusted EBITDA, Non-GAAP Gross Profit, Non-GAAP Gross Margin, Non-GAAP Operating Income, Non-GAAP Operating Expenses, Non-GAAP R&D, Non-GAAP Operating Margin, Non-GAAP Net Income, and Non-GAAP Earnings per share of Class A Common Stock

We present Adjusted EBITDA, Non-GAAP Gross Profit, Non-GAAP (or Adjusted) Gross Margin, Non-GAAP Operating Income, Non-GAAP Operating Expenses, Non-GAAP R&D, Non-GAAP Operating Margin, Non-GAAP Net Income, and Non-GAAP Earnings per share of Class A common stock, all non-GAAP financial measures, to supplement our GAAP financial reporting because we believe these measures are useful indicators of our operating performance. We define Adjusted EBITDA as net loss before depreciation and amortization, provision of income taxes and interest expense, net, adjusted for the impact of certain cash, non-cash and other items that we do not consider in our evaluation of ongoing operating performance. These items include acquisition and divestiture related costs, certain shareholder litigation costs, impairment of assets, restructuring and succession charges, equity-based compensation expense, financial restructuring costs and other items. See the table below for a reconciliation of net loss to Adjusted EBITDA. Our management uses Adjusted EBITDA principally as a measure of our operating performance and believes that Adjusted EBITDA is useful to our investors because it is frequently used by securities analysts, investors and other interested parties in their evaluation of the operating performance of companies in industries similar to ours. Our management also uses Adjusted EBITDA for planning purposes, including the preparation of our annual operating budget and financial projections. Our management uses Non-GAAP Gross Profit, Non-GAAP Gross Margin, Non-GAAP Operating Income, Non-GAAP Operating Expense, Non-GAAP Operating Margin and Non-GAAP Net Income principally as measures of our operating performance and believes that these non-GAAP financial measures are useful to better understand the long term performance of our core business and to facilitate comparison of our results to those of peer companies. Our management also uses these non-GAAP financial measures for planning purposes, including the preparation of our annual operating budget and financial projections. We define Non-GAAP Gross Profit as gross profit, adjusted for the impact of certain cash, non-cash and other items that we do not consider in our evaluation of ongoing operating performance. These items include depreciation and amortization included in the cost of goods sold and acquisition and divestiture related costs in the cost of goods sold. We define Non-GAAP Gross Margin as Non-GAAP Gross Profit divided by net sales. See the table below for a reconciliation of gross profit and gross margin to Non-GAAP Gross Profit and Non-GAAP Gross Margin. We define Non-GAAP Operating Income as operating income, adjusted for the impact of certain cash, non-cash and other items that we do not consider in our evaluation of ongoing operating performance. These items include depreciation and amortization, acquisition and divestiture related costs, certain shareholder litigation costs, impairment of assets, restructuring and succession charges, financial restructuring costs and other items. Non-GAAP Operating Margin is defined as Non-GAAP Operating Income divided by net sales. See the table below for a reconciliation of operating income (loss) and operating margin to Non-GAAP Operating Income and Non-GAAP Operating Margin. We define Non-GAAP Operating Expenses as operating expenses, adjusted to exclude certain cash, non-cash and other items that we do not consider in our evaluation of ongoing operating performance. These items include depreciation and amortization, acquisition and divestiture related costs, certain shareholder litigation costs, impairment of assets, restructuring and succession charges, financial restructuring costs and other items. See the table below for a reconciliation of operating expenses to Non-GAAP Operating Expenses. We define Non-GAAP R&D as research and development, adjusted to exclude certain cash, non-cash and other items that we do not consider in our evaluation of ongoing operating performance. These items include depreciation and amortization, acquisition and divestiture related costs, restructuring and succession charges, and other items. See the table below for a reconciliation of operating expenses to Non-GAAP R&D. We define Non-GAAP Net Income as Net Income, adjusted for the impact of certain cash, non-cash and other items that we do not consider in our evaluation of ongoing operating performance. These items include depreciation and amortization, acquisition and divestiture related costs, certain shareholder litigation costs, restructuring and succession charges, impairment of assets, financial restructuring costs, other items and the tax effect of adjusting items. See the table below for a reconciliation of Net loss to Non-GAAP Net Income. We define Non-GAAP Earnings per Class A share as Earnings per Class A share, adjusted for the impact of certain cash, non-cash and other items that we do not consider in our evaluation of ongoing operating performance. These items include depreciation and amortization, acquisition and divestiture related costs, certain shareholder litigation costs, restructuring and succession charges, impairment of assets, financial restructuring costs, other items and the tax effect of adjusting items divided by weighted average number of shares of Class A common stock outstanding during the period. See the table below for a reconciliation of loss per Class A share to Non-GAAP Earnings per Class A share.

## Prior Period Recast

The Company identified an immaterial error in its equity-based compensation expense, which impacted annual and interim financial statements for the fiscal year 2024. Financial information relating to 2024 has been revised to correct this immaterial error. Refer to Note 1. Organization in the Company's Form 10-Q for the period ended March 29, 2025, filed on May 6, 2025, for further details regarding the immaterial error in equity-based compensation.

## Net Sales, International Net Sales Growth and Constant Currency Basis

Net Sales, International Net Sales Growth and Constant Currency Basis are non-GAAP measures, which are calculated by translating current and prior year results at the same foreign currency exchange rate. Constant currency can be presented for numerous GAAP measures, but is most commonly used by management to facilitate the comparison of sales in foreign currencies to prior periods and analyze net sales performance without the impact of changes in foreign currency exchange rates.

## Limitations of the Usefulness of Non-GAAP Measures

Non-GAAP financial measures have limitations as an analytical tool and should not be considered in isolation or as a substitute for, or as superior to, the financial information prepared and presented in accordance with GAAP. These measures might exclude certain normal recurring expenses. Therefore, these measures may not provide a complete understanding of the Company's performance and should be reviewed in conjunction with the GAAP financial measures. Additionally, other companies might define their non-GAAP financial measures differently than we do. Investors are encouraged to review the reconciliation of the non-GAAP measures provided in this press release, including in the tables below, to their most directly comparable GAAP measures. Additionally, the Company does not provide U.S. GAAP financial measures on a forward-looking basis because the Company is unable to predict with reasonable certainty the impact and timing of acquisition and divestiture related expenses, accounting fair-value adjustments and certain other reconciling items without unreasonable efforts. These items are uncertain, depend on various factors, and could be material to the Company's results computed in accordance with U.S. GAAP.