8-K Supplement



September 18, 2024

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Safe Harbor

This report contains forward-looking information within the meaning of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. Any statements contained herein which do not describe historical facts, including, among others, statements regarding the expected impact of the Restatement and change in accounting treatment, including on the Company's overall business operations, previously reported cash and cash equivalent balances, and strategic outlook; statements regarding the Company's internal controls over financial reporting and ongoing internal reviews and assessments; and statements regarding the Company's 2024 guidance are based on management's current expectations and beliefs and are forward-looking statements which involve risks and uncertainties that could cause actual results to differ materially from those discussed in such forward-looking statements. Such risks and uncertainties include, among others, that the Company has underestimated the scope and impact of the Restatement, risks and uncertainties around the effectiveness of the Company's disclosure controls and procedures and the effectiveness of the Company's internal control over financial reporting, the risk that the Company's restated financial statements may take longer to complete than expected, as well as those risks and uncertainties identified in the Company's filings with the U.S. Securities and Exchange Commission (the "Commission"), including its 2023 Annual Report, its Current Reports on Form 8-K, its Quarterly Reports on Form 10-Q, including for the quarters ended March 31, 2024 and June 30, 2024, and in any subsequent filings with the Commission, which are available at the Commission's website at www.sec.gov. Any such risks and uncertainties could materially and adversely affect the Company's results of operations, its profitability and its cash flows, which would, in turn, have a significant and adverse impact on the Company's stock price. The Company cautions you not to place undue reliance on any forward-looking statements, which speak only as of the date they are made. The Company disclaims any obligation to publicly update or revise any such statements to reflect any change in expectations or in events, conditions or circumstances on which any such statements may be based, or that may affect the likelihood that actual results will differ from those set forth in the forward-looking statements. As noted above, investors are cautioned that the Prior Period Financial Statements, and related investor communications, should no longer be relied upon; such communications include earnings releases, press releases, shareholder communications, investor presentations and other communications describing relevant portions of the Prior Period Financial Statements.

Non-GAAP Measures of Financial Performance

To supplement our financial statements, which are presented on the basis of U.S. generally accepted accounting principles (GAAP), the following non-GAAP measures of financial performance are included in these slides: adjusted income from operations. The Company's non-GAAP financial results and/or non-GAAP guidance exclude the impact of: inventory step-up charges; acquisition and integration costs; restructuring charges including the costs of severance; inventory adjustments and accelerated depreciation among other charges; contingent consideration related to the Company's acquisitions; intangible amortization costs; loss on extinguishment of debt; non-cash interest expense related to the accretion of the debt discount; amortization of debt issuance costs related to Company's convertible debt; foreign currency impact of certain intercompany loans; and, the related impact on tax of non-GAAP charges. These costs are excluded because management believes that such expenses do not have a direct correlation to future business operations, nor do the resulting charges recorded accurately reflect the performance of our ongoing operations for the period in which such charges are recorded. *All reconciliations of above GAAP figures (reported or guidance) to adjusted (non-GAAP) figures are detailed in the tables included later in these slides. When analyzing the Company's operating performance and guidance investors should not consider non-GAAP measures as a substitute for the comparable financial measures prepared in accordance with GAAP.*

Change of Accounting Treatment of a Specific COVID-Related Cancellation Fee

Accounting Treatment Change

- A $17.3M cancellation fee agreed with a key customer and recognized as revenue in Q1 2023 should have been recognized as $10.7M in Q4 2023, $1.8M in Q1 2024 and $4.8M in Q2 2024.
- Overall revenue remains the same, but the timing of the revenue will change.
- The Company will restate its financials for 2023 and the first half of 2024.
- No impact on overall business operations, previously reported cash balance and strategic outlook.
- The Company is reaffirming previously provided full year 2024 revenue guidance, with the understated $6.6M in the first half of 2024 being added incrementally, thus updating the range to $627-$642M.

Review Process and Actions

- The Company believed it applied the appropriate accounting treatment under U.S. GAAP for this transaction which was included in the 2023 audited financial statements.
- The complex accounting treatment was first called into question in connection with the Public Company Accounting Oversight Board's ("PCAOB") inspection of EY's integrated audit of the 2023 consolidated financial statements.
- Upon being notified in August 2024, the management team and Audit Committee, with the support of outside experts, initiated a review of the Company's financial statements and its internal controls related to revenue recognition.
- This change did not result from any override of controls, misconduct or fraud.

Preliminary Updates to Key Revenue Metrics (GAAP and Non-GAAP)

		Previously Reported / Outlook	Post Restatement	Highlights to changes
2023 Sales Growth (vs 2022)	Reported	(20)%	(21)%	• Limited change in overall performance for 2023
	Base[1]	(9)%	(9)%	
2024 Sales Growth (vs 2023, Guidance)	Reported	(3)% - (1)%	(1)% - 2%	• ~2 pt increase in reported growth versus 2023 • Slight change to base as $4.9M moves to COVID (see below)
	Base[1]	(1)% - 1%	(2)% - 1%	
2H 2024 Sales Growth (Implied at mid-point)	vs 1H'24 Reported	+5%	+3%	• Smaller 2H run rate increase required than previously shared • 2H growth still driven by fourth quarter
	vs 2H'23 Non-COVID[1]	+11%	+11%	
Book-to-bill	Last 12 Months	1.03	1.00	• No impact on orders … remain in line with revenue trajectory • Book-to-bill performance for last 12-months still ~1.
COVID Sales	2023 Sales	$32M	$26M	• $6.6M of COVID sales moves to 2024 (from 2023) • $4.9M of COVID business not called out YTD (de minimis/ <1% of sales), with change now $11M 2024 COVID sales
	2024 Sales	De minimis	$11M	

No impact on our ability to grow revenue above market in 2025

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[1] Base revenue (Non-GAAP) excludes COVID-related revenue and excludes acquisition-related revenue contributions in current periods for which there was no prior year.

Totals may not add due to rounding

Preliminary Financial Summary[1] - GAAP

(in millions)	1Q23	2Q23	3Q23	4Q23	FY23	1Q24	2Q24	1H24
Total revenue – as reported	$ 182.7	$ 159.2	$ 141.2	$ 155.7	$ 638.8	$ 151.3	$ 154.1	$ 305.4
Adjustment	*(17.3)*	--	--	*10.7*	*(6.6)*	*1.8*	*4.8*	*6.6*
Restated Total revenue	$ 165.4	$ 159.2	$ 141.2	$ 166.4	$ 632.2	$ 153.1	$ 158.9	$ 312.0
Income from operations – as reported	$ 31.3	$ 19.4	$ 4.8	$ (0.9)	$ 54.6	$ 2.0	$ 1.5	$ 3.5
Adjustment	*(17.3)*	--	--	*10.7*	*(6.6)*	*1.8*	*4.8*	*6.6*
Restated Income from operations	$ 14.0	$ 19.4	$ 4.8	$ 9.8	$ 48.0	$ 3.8	$ 6.3	$ 10.1

1. *Preliminary financial summary only. An assessment of the impact of the revision on the remaining financial statements, including income tax provision, is underway and will be provided when the Company files its restated financial statements with the SEC.*

Totals may not add due to rounding

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Preliminary Financial Summary[1] – Non-GAAP

(in millions)	1Q23	2Q23	3Q23	4Q23	FY23	1Q24	2Q24	1H24
Total revenue – as reported	$ 182.7	$ 159.2	$ 141.2	$ 155.7	$ 638.8	$ 151.3	$ 154.1	$ 305.4
Adjustment	*(17.3)*	--	--	*10.7*	*(6.6)*	*1.8*	*4.8*	*6.6*
Restated Total revenue	$ 165.4	$ 159.2	$ 141.2	$ 166.4	$ 632.2	$ 153.1	$ 158.9	$ 312.0
Adj. Income from operations – as reported	$ 40.9	$ 29.4	$ 5.2	$ 18.8	$ 94.3	$ 11.8	$ 15.6	$ 27.4
Adjustment	*(17.3)*	--	--	*10.7*	*(6.6)*	*1.8*	*4.8*	*6.6*
Restated Adj. Income from operations	$ 23.6	$ 29.4	$ 5.2	$ 29.5	$ 87.7	$ 13.6	$ 20.4	$ 34.0

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GAAP to Non-GAAP Reconciliation

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Reconciliation of Restated Income from Operations (GAAP) to Restated Adjusted Income from Operations (Non-GAAP)

(in millions)	1Q23	2Q23	3Q23	4Q23	FY23	1Q24	2Q24	1H24
Restated Income from operations (GAAP)	$ 14.0	$ 19.4	$ 4.8	$ 9.8	$ 48.0	$ 3.8	$ 6.3	$ 10.1
Inventory step-up charges	-	-	-	1.2	1.2	-	-	-
Acquisition and integration costs	1.0	0.7	3.1	0.9	5.7	1.8	1.3	3.1
Restructuring costs	-	-	24.0	8.2	32.2	(0.6)	(0.1)	(0.7)
Incremental costs attributed to CEO	-	-	-	-	-	-	4.4	4.4
Contingent consideration	1.2	1.8	(34.3)	0.7	(30.6)	-	-	-
Intangible amortization	7.3	7.5	7.5	8.7	31.0	8.6	8.5	17.1
Restated Adjusted Income from operations (Non-GAAP)	$ 23.6	$ 29.4	$ 5.2	$ 29.5	$ 87.7	$ 13.6	$ 20.4	$ 34.0

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