

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (date of earliest event reported): August 1, 2024



Merit Medical Systems, Inc.

(Exact name of registrant as specified in its charter)

Utah
(State or other jurisdiction of
incorporation or organization)

0-18592
(Commission
File Number)

87-0447695
(I.R.S. Employer
Identification No.)

1600 West Merit Parkway
South Jordan, Utah
(Address of principal executive offices)

84095
(Zip Code)

(801) 253-1600
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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, no par value	MMSI	NASDAQ Global Select Market System

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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.

Item 2.02. Results of Operations and Financial Condition.

On August 1, 2024, Merit Medical Systems, Inc. (“Merit”) issued a press release announcing its operating and financial results for the quarter ended June 30, 2024. A copy of the press release is furnished as Exhibit 99.1 to this report and incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.

On August 1, 2024, Merit issued a press release announcing the presentation of six-month outcomes from its WRAPSODY™ Arteriovenous Access Efficacy (WAVE) Pivotal Study at two upcoming medical meetings. A copy of the press release is furnished as Exhibit 99.2 to this report.

On August 1, 2024, Merit is conducting a conference call to discuss its operating and financial results for the quarter ended June 30, 2024. A live webcast and slide presentation will also be available for the conference call on the Merit’s website. A copy of the slide presentation is furnished as Exhibit 99.3 to this report and incorporated herein by reference.

The information contained in Item 2.02 and Item 7.01 of this Current Report on Form 8-K (including the exhibits attached hereto) is furnished pursuant to General Instruction B.2. of Form 8-K and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing made by Merit under the Securities Act of 1933, as amended, or the Exchange Act.

Merit is making reference to non-GAAP financial information in both the press release announcing its operating and financial results and the conference call presentation. Reconciliations of certain of these non-GAAP financial measures to the comparable GAAP financial measures are included in the press release and conference call presentation attached as Exhibit 99.1 and 99.3, respectively, to this report. Merit does not provide guidance for GAAP reported financial measures (other than revenue) or a reconciliation of forward-looking non-GAAP financial measures to the most directly comparable GAAP reported financial measures (other than revenue) because Merit is unable to predict with reasonable certainty the financial impact of items such as expenses related to acquisitions or other extraordinary transactions, non-cash expenses related to amortization or write-off of previously acquired tangible and intangible assets, certain severance expenses, performance-based stock compensation expenses, expenses resulting from non-ordinary course litigation or administrative proceedings and resulting settlements, governmental proceedings, and changes in governmental or industry regulations. These items are uncertain, depend on various factors, and could have a material impact on GAAP reported results for the guidance period. For the same reasons, Merit is unable to address the significance of the unavailable information, which could be material to future results. Specifically, Merit is not, without unreasonable effort, able to reliably predict the impact of these items and Merit believes inclusion of a reconciliation of these forward-looking non-GAAP figures to their GAAP counterparts could be confusing to investors or cause undue reliance.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

EXHIBIT NUMBER	DESCRIPTION
99.1	Press Release, dated August 1, 2024, entitled “Merit Medical Reports Second Quarter 2024 Results and Raises Full-Year Guidance” including unaudited financial information.
99.2	Press Release, dated August 1, 2024, entitled “Merit Medical to Present 6-Month Outcomes from Randomized Arm of WRAPSODY™ Arteriovenous Access Efficacy (WAVE) Pivotal Study at Two Upcoming Medical Meetings.
99.3	Conference Call Presentation.
104	The cover page from this Current Report on Form 8-K, formatted in Inline XBRL.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MERIT MEDICAL SYSTEMS, INC.

Date: August 1, 2024

By: /s/ Brian G. Lloyd
Brian G. Lloyd
Chief Legal Officer and Corporate Secretary

Contacts:

PR/Media Inquiries:
Teresa Johnson
Merit Medical
+1-801-208-4295
tjohnson@merit.com

Investor Inquiries:
Mike Piccinino, CFA, IRC
Westwicke – ICR
+1-443-213-0509
mike.piccinino@westwicke.com

FOR IMMEDIATE RELEASE**MERIT MEDICAL REPORTS SECOND QUARTER 2024 RESULTS AND RAISES FULL-YEAR GUIDANCE****Second Quarter 2024 Highlights†**

- Reported revenue of \$338.0 million, up 5.6%
- Constant currency revenue* up 6.6%
- Constant currency revenue, organic,* up 5.0%
- GAAP operating margin of 13.6%, compared to 9.0% in prior year period
- Non-GAAP operating margin* of 20.1%, compared to 19.1% in prior year period
- GAAP EPS \$0.61, up 75.7%
- Non-GAAP EPS* \$0.92, up 16.8%

† Comparisons noted in the bullet points are calculated for the current quarter compared with the same prior year period unless otherwise specified.

* The constant currency revenue; constant currency revenue, organic; non-GAAP gross profit and margin; non-GAAP operating income and margin; non-GAAP net income; non-GAAP EPS; and free cash flow figures (used here and below) are non-GAAP financial measures. A reconciliation of these financial measures to their most directly comparable GAAP financial measures is included under the heading "Non-GAAP Financial Measures" below.

SOUTH JORDAN, Utah, August 1, 2024 -- Merit Medical Systems, Inc. (NASDAQ: MMSI), a leading global manufacturer and marketer of healthcare technology, today announced revenue of \$338.0 million for the quarter ended June 30, 2024, an increase of 5.6% compared to the quarter ended June 30, 2023. Constant currency revenue for the second quarter of 2024 increased 6.6% compared to the prior year period and increased 5.0% compared to the prior year period on a constant currency revenue, organic, basis.

“We delivered better-than-expected revenue and financial results in the second quarter, reflecting continued strong momentum over the first half of fiscal year 2024,” said Fred P. Lampropoulos, Merit’s Chairman and Chief Executive Officer. “Our constant currency, organic, revenue and our constant currency total revenue exceeded the high-end of our expectations in the second quarter and we delivered year-over-year improvements in both our non-GAAP gross and operating margins and our non-GAAP earnings per share. Importantly, our strong growth and profitability performance fueled free cash flow generation of more than \$80 million over the first half of fiscal year 2024. We are also pleased to announce that our application for premarket approval (PMA) of our Wrapsody™ Cell-Impermeable Endoprosthesis device was submitted to the FDA in the second quarter.”

Mr. Lampropoulos continued: “We are confident in our team’s ability to deliver our financial guidance for fiscal year 2024, which we have updated to reflect the stronger-than-expected organic results to-date and the forecasted impacts of the acquisition of EndoGastric Solutions announced on July 1, 2024. We are focused on delivering continued strong execution, stable constant currency growth, improving profitability and solid free cash flow in 2024, as well as continued progress in our Continued Growth Initiatives Program and related financial targets for the three-year period ending December 31, 2026.”

Merit’s revenue by operating segment and product category for the three and six-month periods ended June 30, 2024 and 2023 was as follows (unaudited; in thousands, except for percentages):

	Three Months Ended						
	Reported			Impact of foreign exchange	Constant Currency *		% Change
	June 30,		% Change		June 30,		
	2024	2023			2024		
Cardiovascular							
Peripheral Intervention	\$ 139,247	\$ 125,909	10.6 %	\$ 1,030	\$ 140,277	11.4 %	
Cardiac Intervention	93,863	93,775	0.1 %	1,273	95,136	1.5 %	
Custom Procedural Solutions	50,416	49,384	2.1 %	635	51,051	3.4 %	
OEM	44,289	42,207	4.9 %	60	44,349	5.1 %	
Total	327,815	311,275	5.3 %	2,998	330,813	6.3 %	
Endoscopy							
Endoscopy Devices	10,188	8,781	16.0 %	35	10,223	16.4 %	
Total	\$ 338,003	\$ 320,056	5.6 %	\$ 3,033	\$ 341,036	6.6 %	

	Six Months Ended						
	Reported			Impact of foreign exchange	Constant Currency *		% Change
	June 30,		% Change		June 30,		
	2024	2023			2024		
Cardiovascular							
Peripheral Intervention	\$ 273,873	\$ 239,692	14.3 %	\$ 1,397	\$ 275,270	14.8 %	
Cardiac Intervention	184,551	179,103	3.0 %	2,205	186,756	4.3 %	
Custom Procedural Solutions	99,210	97,085	2.2 %	1,038	100,248	3.3 %	
OEM	83,555	83,371	0.2 %	23	83,578	0.2 %	
Total	641,189	599,251	7.0 %	4,663	645,852	7.8 %	
Endoscopy							
Endoscopy Devices	20,322	18,370	10.6 %	62	20,384	11.0 %	
Total	\$ 661,511	\$ 617,621	7.1 %	\$ 4,725	\$ 666,236	7.9 %	

Merit’s GAAP gross margin for the second quarter of 2024 was 47.7%, compared to GAAP gross margin of 47.7% for the second quarter of 2023. Merit’s non-GAAP gross margin* for the second quarter of 2024 was 51.5%, compared to non-GAAP gross margin* of 51.4% for the second quarter of 2023.

Merit's GAAP net income for the second quarter of 2024 was \$35.7 million, or \$0.61 per share, compared to GAAP net income of \$20.2 million, or \$0.35 per share, for the second quarter of 2023. Merit's non-GAAP net income* for the second quarter of 2024 was \$53.8 million, or \$0.92 per share, compared to non-GAAP net income* of \$45.9 million, or \$0.78 per share, for the second quarter of 2023.

As of June 30, 2024, Merit had cash and cash equivalents of \$636.7 million, total debt obligations of \$822.5 million, and available borrowing capacity of approximately \$680 million, compared to cash and cash equivalents of \$587 million, total debt obligations of \$846.6 million, and available borrowing capacity of approximately \$626 million as of December 31, 2023.

Updated Fiscal Year 2024 Financial Guidance

Based upon the information currently available to Merit's management, for the year ending December 31, 2024, absent material acquisitions, non-recurring transactions or other factors beyond Merit's current expectations, Merit now expects the following:

Revenue and Earnings Guidance*

Financial Measure (\$, millions, except per share figures)	Updated Guidance ⁽¹⁾		Prior Guidance ⁽²⁾	
	Year Ending December 31, 2024	% Change Y/Y	Year Ending December 31, 2024	% Change Y/Y
Net Sales	\$1,335 - \$1,345	6% - 7%	\$1,324 - \$1,340	5% - 7%
Cardiovascular Segment	\$1,281 - \$1,289	5% - 6%	\$1,272 - \$1,285	4% - 5%
Endoscopy Segment	\$54 - \$56	45% - 52%	\$53 - \$56	45% - 51%
Non-GAAP				
Earnings Per Share ⁽³⁾	\$3.27 - \$3.35	15% - 17%	\$3.22 - \$3.31	13% - 16%

*Percentage figures approximated; dollar figures may not foot due to rounding

2024 Net Sales Guidance - % Change from Prior Year (Constant Currency) Reconciliation*

	Updated Guidance ⁽¹⁾		Prior Guidance ⁽²⁾	
	Low	High	Low	High
2024 Net Sales Guidance - % Change from Prior Year (GAAP)	6.2%	7.0%	5.3%	6.6%
Estimated impact of foreign currency exchange rate fluctuations	0.7%	0.7%	0.5%	0.5%
2024 Net Sales Guidance - % Change from Prior Year (Constant Currency)	6.9%	7.7%	5.8%	7.1%

*Percentage figures approximated and may not foot due to rounding

(1) "Updated Guidance" reflects Merit's updated full-year 2024 financial guidance on a standalone basis, plus the forecasted impacts of the acquisition of the assets of EndoGastric Solutions, Inc. ("EGS") from the closing date on July 1, 2024 through December 31, 2024.

(2) "Prior Guidance" previously introduced on April 30, 2024, and reflects Merit's full-year 2024 financial guidance on a standalone basis, and updated on July 1, 2024 to include the forecasted impacts of the acquisition of the assets of EGS from the closing date on July 1, 2024 through December 31, 2024.

(3) Beginning in the second quarter of 2024, consulting expenses associated with initiatives conducted under our Foundations for Growth Program ("FFG Program") are no longer adjusted as part of our non-GAAP measures. As a result, our non-GAAP measures for prior periods have been recast and the associated change in comparison to prior year has been calculated using the adjusted earnings per share. For the year ended December 31, 2023, our non-GAAP financial measures have been updated to no longer adjust \$12.3 million for consulting fees under our FFG Program and the related income tax effect.

Merit does not provide guidance for GAAP reported financial measures (other than revenue) or a reconciliation of forward-looking non-GAAP financial measures to the most directly comparable GAAP reported financial measures (other than revenue) because Merit is unable to predict with reasonable certainty the financial impact of various items which could impact Merit's future financial results, such as expenses related to acquisitions or other extraordinary transactions, non-cash expenses related to amortization or write-off of previously acquired tangible and intangible assets, certain severance expenses, performance-based stock compensation expenses, expenses resulting from non-ordinary course litigation or administrative proceedings and resulting settlements, governmental proceedings, and changes in governmental or industry regulations. These items are uncertain, depend on various factors, and could have a material impact on GAAP reported results for the guidance period. For the same reasons, Merit is unable to address the significance of the unavailable information, which could be material to future results. Specifically, Merit is not, without unreasonable effort, able to reliably predict the impact of these items and Merit believes inclusion of a reconciliation of these forward-looking non-GAAP measures to their GAAP counterparts could be confusing to investors or cause undue reliance.

Merit's financial guidance for the year ending December 31, 2024 is subject to risks and uncertainties identified in this release and Merit's filings with the U.S. Securities and Exchange Commission (the "SEC").

CONFERENCE CALL

Merit will hold its investor conference call today, Thursday, August 1, 2024, at 5:00 p.m. Eastern (4:00 p.m. Central, 3:00 p.m. Mountain, and 2:00 p.m. Pacific). **To access the conference call, please pre-register using the following [link](#). Registrants will receive confirmation with dial-in details.** A live webcast and slide deck will also be available at merit.com.

CONSOLIDATED BALANCE SHEETS
(in thousands)

	June 30, 2024 (Unaudited)	December 31, 2023
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 636,658	\$ 587,036
Trade receivables, net	182,415	177,885
Other receivables	10,612	10,517
Inventories	298,224	303,871
Prepaid expenses and other assets	26,179	24,286
Prepaid income taxes	4,123	4,016
Income tax refund receivables	4,335	859
Total current assets	<u>1,162,546</u>	<u>1,108,470</u>
Property and equipment, net	385,939	383,523
Intangible assets, net	303,422	325,883
Goodwill	381,433	382,240
Deferred income tax assets	7,013	7,288
Operating lease right-of-use assets	69,903	63,047
Other assets	61,583	54,793
Total Assets	<u>\$ 2,371,839</u>	<u>\$ 2,325,244</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Trade payables	\$ 55,573	\$ 65,944
Accrued expenses	117,574	120,447
Current operating lease liabilities	11,743	12,087
Income taxes payable	1,325	5,086
Total current liabilities	<u>186,215</u>	<u>203,564</u>
Long-term debt	801,321	823,013
Deferred income tax liabilities	5,510	5,547
Long-term income taxes payable	347	347
Liabilities related to unrecognized tax benefits	1,912	1,912
Deferred compensation payable	18,588	17,167
Deferred credits	1,553	1,605
Long-term operating lease liabilities	58,036	56,259
Other long-term obligations	15,912	13,830
Total liabilities	<u>1,089,394</u>	<u>1,123,244</u>
Stockholders' Equity		
Common stock	658,724	638,150
Retained earnings	639,150	575,184
Accumulated other comprehensive loss	(15,429)	(11,334)
Total stockholders' equity	<u>1,282,445</u>	<u>1,202,000</u>
Total Liabilities and Stockholders' Equity	<u>\$ 2,371,839</u>	<u>\$ 2,325,244</u>

CONSOLIDATED STATEMENTS OF INCOME
(Unaudited, in thousands except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net sales	\$ 338,003	\$ 320,056	\$ 661,511	\$ 617,621
Cost of sales	176,903	167,274	348,696	326,477
Gross profit	<u>161,100</u>	<u>152,782</u>	<u>312,815</u>	<u>291,144</u>
Operating expenses:				
Selling, general and administrative	94,585	100,927	189,013	191,071
Research and development	20,263	20,129	41,745	41,443
Impairment charges	—	270	—	270
Contingent consideration expense	306	1,094	189	1,615
Acquired in-process research and development	—	1,550	—	1,550
Total operating expenses	<u>115,154</u>	<u>123,970</u>	<u>230,947</u>	<u>235,949</u>
Income from operations	<u>45,946</u>	<u>28,812</u>	<u>81,868</u>	<u>55,195</u>
Other income (expense):				
Interest income	7,561	221	14,837	352
Interest expense	(7,679)	(3,682)	(15,725)	(5,693)
Other income (expense) — net	15	(451)	(789)	546
Total other expense — net	<u>(103)</u>	<u>(3,912)</u>	<u>(1,677)</u>	<u>(4,795)</u>
Income before income taxes	45,843	24,900	80,191	50,400
Income tax expense	<u>10,117</u>	<u>4,655</u>	<u>16,225</u>	<u>9,452</u>
Net income	<u>\$ 35,726</u>	<u>\$ 20,245</u>	<u>\$ 63,966</u>	<u>\$ 40,948</u>
Earnings per common share				
Basic	\$ 0.61	\$ 0.35	\$ 1.10	\$ 0.71
Diluted	\$ 0.61	\$ 0.35	\$ 1.09	\$ 0.70
Weighted average shares outstanding				
Basic	58,139	57,537	58,049	57,445
Diluted	58,740	58,473	58,653	58,329

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited, in thousands)

	Six Months Ended June 30,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 63,966	\$ 40,948
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	47,690	42,316
Write-off of certain intangible assets and other long-term assets	280	328
Amortization of right-of-use operating lease assets	6,063	5,935
Fair value adjustments related to contingent consideration liabilities	189	1,615
Acquired in-process research and development	—	1,550
Stock-based compensation expense	12,245	9,549
Other adjustments	2,981	5,087
Changes in operating assets and liabilities, net of acquisitions and divestitures	(28,692)	(75,497)
Total adjustments	40,756	(9,117)
Net cash, cash equivalents, and restricted cash provided by operating activities	<u>104,722</u>	<u>31,831</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures for property and equipment	(22,309)	(18,556)
Issuance of note receivables	(6,162)	—
Cash paid in acquisitions and investments, net of cash acquired	(8,493)	(138,349)
Other investing, net	(1,574)	(846)
Net cash, cash equivalents, and restricted cash used in investing activities	<u>(38,538)</u>	<u>(157,751)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of common stock	10,931	9,463
Proceeds from (payments on) long-term debt	(24,063)	141,812
Long-term debt issuance costs	—	(5,240)
Contingent payments related to acquisitions	(142)	(3,434)
Payment of taxes related to an exchange of common stock	(1,592)	(1,592)
Net cash, cash equivalents, and restricted cash provided by (used in) financing activities	<u>(14,866)</u>	<u>141,009</u>
Effect of exchange rates on cash	(1,750)	(1,497)
Net increase in cash, cash equivalents and restricted cash	49,568	13,592
CASH, CASH EQUIVALENTS AND RESTRICTED CASH:		
Beginning of period	589,144	60,558
End of period	<u>\$ 638,712</u>	<u>\$ 74,150</u>
RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH TO THE CONSOLIDATED BALANCE SHEETS:		
Cash and cash equivalents	636,658	72,084
Restricted cash reported in prepaid expenses and other current assets	2,054	2,066
Total cash, cash equivalents and restricted cash	<u>\$ 638,712</u>	<u>\$ 74,150</u>

Non-GAAP Financial Measures

Although Merit's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"), Merit's management believes that the non-GAAP financial measures referenced in this release may provide investors with useful information regarding the underlying business trends and performance of Merit's ongoing operations and can be useful for period-over-period comparisons of such operations. Non-GAAP financial measures used in this release include:

- constant currency revenue;
- constant currency revenue, organic;
- non-GAAP gross profit and margin;
- non-GAAP operating income and margin;
- non-GAAP net income;
- non-GAAP earnings per share; and
- free cash flow.

Merit's management team uses these non-GAAP financial measures to evaluate Merit's profitability and efficiency, to compare operating and financial results to prior periods, to evaluate changes in the results of its operating segments, and to measure and allocate financial resources internally. However, Merit's management does not consider such non-GAAP measures in isolation or as an alternative to measures determined in accordance with GAAP.

Readers should consider non-GAAP measures used in this release in addition to, not as a substitute for, financial reporting measures prepared in accordance with GAAP. These non-GAAP financial measures generally exclude some, but not all, items that may affect Merit's net income. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by management about which items are excluded. Merit believes it is useful to exclude such items in the calculation of non-GAAP gross profit and margin, non-GAAP operating income and margin, non-GAAP net income, and non-GAAP earnings per share (in each case, as further illustrated in the reconciliation tables below) because such amounts in any specific period may not directly correlate to the underlying performance of Merit's business operations and can vary significantly between periods as a result of factors such as acquisition or other extraordinary transactions, non-cash expenses related to amortization or write-off of previously acquired tangible and intangible assets, certain severance expenses, expenses resulting from non-ordinary course litigation or administrative proceedings and resulting settlements, governmental proceedings or changes in tax or industry regulations, gains or losses on disposal of certain assets, and debt issuance costs. Merit may incur similar types of expenses in the future, and the non-GAAP financial information included in this release should not be viewed as a statement or indication that these types of expenses will not recur. Additionally, the non-GAAP financial measures used in this release may not be comparable with similarly titled measures of other companies. Merit urges readers to review the reconciliations of its non-GAAP financial measures to their most directly comparable GAAP financial measures included herein, and not to rely on any single financial measure to evaluate Merit's business or results of operations.

Constant Currency Revenue

Merit's constant currency revenue is prepared by converting the current-period reported revenue of subsidiaries whose functional currency is a currency other than the U.S. dollar at the applicable foreign exchange rates in effect during the comparable prior-year period and adjusting for the effects of hedging transactions on reported revenue, which are recorded in the U.S. dollar. The constant currency revenue adjustments of \$3.0 million and \$4.7 million to reported revenue for the three and six-month periods ended June 30, 2024, respectively, were calculated using the applicable average foreign exchange rates for the three and six-month periods ended June 30, 2023.

Constant Currency Revenue, Organic

Merit's constant currency revenue, organic, is defined, with respect to prior fiscal year periods, as GAAP revenue. With respect to current fiscal year periods, constant currency revenue, organic, is defined as constant currency revenue (as defined above), less revenue from certain acquisitions. For the three and six-month periods ended June 30, 2024, Merit's constant currency revenue, organic, excludes revenues attributable to certain assets acquired from AngioDynamics, Inc. ("AngioDynamics") in June 2023.

Non-GAAP Gross Profit and Margin

Non-GAAP gross profit is calculated by reducing GAAP cost of sales by amounts recorded for amortization of intangible assets and inventory mark-up related to acquisitions. Non-GAAP gross margin is calculated by dividing non-GAAP gross profit by reported net sales.

Non-GAAP Operating Income and Margin

Non-GAAP operating income is calculated by adjusting GAAP operating income for certain items which are deemed by Merit's management to be outside of core operations and vary in amount and frequency among periods, such as expenses related to acquisitions or other extraordinary transactions, non-cash expenses related to amortization or write-off of previously acquired tangible and intangible assets, certain severance expenses, performance-based stock compensation expenses, expenses resulting from non-ordinary course litigation or administrative proceedings and resulting settlements, governmental proceedings, and changes in governmental or industry regulations, as well as other items referenced in the tables below. Non-GAAP operating margin is calculated by dividing non-GAAP operating income by reported net sales.

Non-GAAP Net Income

Non-GAAP net income is calculated by adjusting GAAP net income for the items set forth in the definition of non-GAAP operating income above, as well as for expenses related to debt issuance costs and other items set forth in the tables below.

Non-GAAP EPS

Non-GAAP EPS is defined as non-GAAP net income divided by the diluted shares outstanding for the corresponding period.

Free Cash Flow

Free cash flow is defined as cash flow from operations calculated in accordance with GAAP, less capital expenditures for property and equipment calculated in accordance with GAAP, as set forth in the consolidated statement of cash flows.

Non-GAAP Financial Measure Reconciliations

The following tables set forth supplemental financial data and corresponding reconciliations of non-GAAP financial measures to Merit's corresponding financial measures prepared in accordance with GAAP, in each case, for the three and six-month periods ended June 30, 2024 and 2023. The non-GAAP income adjustments referenced in the following tables do not reflect non-performance-based stock compensation expense of approximately \$3.4 million and \$3.2 million for the three-month periods ended June 30, 2024 and 2023, respectively and \$6.5 million and \$5.8 million for the six-month periods ended June 30, 2024 and 2023, respectively.

Reconciliation of GAAP Net Income to Non-GAAP Net Income
(Unaudited, in thousands except per share amounts)

	Three Months Ended June 30, 2024			Per Share Impact
	Pre-Tax	Tax Impact	After-Tax	
GAAP net income	\$ 45,843	\$ (10,117)	\$ 35,726	\$ 0.61
<i>Non-GAAP adjustments:</i>				
Cost of Sales				
Amortization of intangibles	13,126	(3,104)	10,022	0.17
Operating Expenses				
Contingent consideration expense	306	(72)	234	0.00
Amortization of intangibles	1,744	(413)	1,331	0.02
Performance-based share-based compensation (b)	3,532	(563)	2,969	0.05
Corporate restructuring (c)	(54)	13	(41)	(0.00)
Acquisition-related	1,221	(288)	933	0.02
Medical Device Regulation expenses (d)	1,930	(456)	1,474	0.03
Other (e)	55	(12)	43	0.00
Other (Income) Expense				
Amortization of long-term debt issuance costs	1,477	(349)	1,128	0.02
Non-GAAP net income	<u>\$ 69,180</u>	<u>\$ (15,361)</u>	<u>\$ 53,819</u>	<u>\$ 0.92</u>
Diluted shares				58,740

	Three Months Ended June 30, 2023 (a)			Per Share Impact
	Pre-Tax	Tax Impact	After-Tax	
GAAP net income	\$ 24,900	\$ (4,655)	\$ 20,245	\$ 0.35
<i>Non-GAAP adjustments:</i>				
Cost of Sales				
Amortization of intangibles	11,448	(2,753)	8,695	0.15
Inventory mark-up related to acquisitions	260	(62)	198	0.00
Operating Expenses				
Contingent consideration expense	1,094	47	1,141	0.02
Impairment charges	270	—	270	0.00
Amortization of intangibles	1,965	(474)	1,491	0.03
Performance-based share-based compensation (b)	2,377	(340)	2,037	0.03
Corporate restructuring (c)	5,577	(1,338)	4,239	0.07
Acquisition-related	4,856	(1,166)	3,690	0.06
Medical Device Regulation expenses (d)	3,010	(722)	2,288	0.04
Other (e)	1,603	(385)	1,218	0.02
Other (Income) Expense				
Amortization of long-term debt issuance costs	478	(115)	363	0.01
Non-GAAP net income	<u>\$ 57,838</u>	<u>\$ (11,963)</u>	<u>\$ 45,875</u>	<u>\$ 0.78</u>
Diluted shares				58,473

Note: Certain per-share impacts may not sum to totals due to rounding.

Reconciliation of GAAP Net Income to Non-GAAP Net Income
(Unaudited; in thousands except per share amounts)

	Six Months Ended June 30, 2024 (a)			
	Pre-Tax	Tax Impact	After-Tax	Per Share Impact
GAAP net income	\$ 80,191	\$ (16,225)	\$ 63,966	\$ 1.09
<i>Non-GAAP adjustments:</i>				
Cost of Sales				
Amortization of intangibles	25,931	(6,132)	19,799	0.34
Operating Expenses				
Contingent consideration expense	189	(25)	164	0.00
Amortization of intangibles	3,508	(830)	2,678	0.05
Performance-based share-based compensation (b)	5,660	(857)	4,803	0.08
Corporate restructuring (c)	(54)	13	(41)	(0.00)
Acquisition-related	1,259	(297)	962	0.02
Medical Device Regulation expenses (d)	4,137	(977)	3,160	0.05
Other (e)	177	(42)	135	0.00
Other (Income) Expense				
Amortization of long-term debt issuance costs	2,954	(697)	2,257	0.04
Non-GAAP net income	<u>\$ 123,952</u>	<u>\$ (26,069)</u>	<u>\$ 97,883</u>	<u>\$ 1.67</u>
Diluted shares				58,653

	Six Months Ended June 30, 2023 (a)			
	Pre-Tax	Tax Impact	After-Tax	Per Share Impact
GAAP net income	\$ 50,400	\$ (9,452)	\$ 40,948	\$ 0.70
<i>Non-GAAP adjustments:</i>				
Cost of Sales				
Amortization of intangibles	22,064	(5,306)	16,758	0.29
Inventory mark-up related to acquisitions	260	(62)	198	0.00
Operating Expenses				
Contingent consideration expense	1,615	2	1,617	0.03
Impairment charges	270	—	270	0.00
Amortization of intangibles	3,630	(876)	2,754	0.05
Performance-based share-based compensation (b)	3,664	(427)	3,237	0.06
Corporate restructuring (c)	7,203	(1,728)	5,475	0.09
Acquisition-related	5,111	(1,227)	3,884	0.07
Medical Device Regulation expenses (d)	6,668	(1,600)	5,068	0.09
Other (e)	1,637	(393)	1,244	0.02
Other (Income) Expense				
Amortization of long-term debt issuance costs	629	(151)	478	0.01
Non-GAAP net income	<u>\$ 103,151</u>	<u>\$ (21,220)</u>	<u>\$ 81,931</u>	<u>\$ 1.40</u>
Diluted shares				58,329

Note: Certain per-share impacts may not sum to totals due to rounding.

Reconciliation of Reported Operating Income to Non-GAAP Operating Income
(Unaudited, in thousands except percentages)

	Three Months Ended June 30, 2024		Three Months Ended June 30, 2023 (a)		Six Months Ended June 30, 2024 (a)		Six Months Ended June 30, 2023 (a)	
	Amounts	% Sales	Amounts	% Sales	Amounts	% Sales	Amounts	% Sales
Net Sales as Reported	\$ 338,003		\$ 320,056		\$ 661,511		\$ 617,621	
GAAP Operating Income	45,946	13.6 %	28,812	9.0 %	81,868	12.4 %	55,195	8.9 %
Cost of Sales								
Amortization of intangibles	13,126	3.9 %	11,448	3.6 %	25,931	3.9 %	22,064	3.6 %
Inventory mark-up related to acquisitions	—	—	260	0.1 %	—	—	260	0.0 %
Operating Expenses								
Contingent consideration expense	306	0.1 %	1,094	0.3 %	189	0.0 %	1,615	0.3 %
Impairment charges	—	—	270	0.1 %	—	—	270	0.0 %
Amortization of intangibles	1,744	0.5 %	1,965	0.6 %	3,508	0.5 %	3,630	0.6 %
Performance-based share-based compensation (b)	3,532	1.0 %	2,377	0.7 %	5,660	0.9 %	3,664	0.6 %
Corporate restructuring (c)	(54)	(0.0) %	5,577	1.7 %	(54)	(0.0) %	7,203	1.2 %
Acquisition-related	1,221	0.4 %	4,856	1.5 %	1,259	0.2 %	5,111	0.8 %
Medical Device Regulation expenses (d)	1,930	0.6 %	3,010	0.9 %	4,137	0.6 %	6,668	1.1 %
Other (e)	55	0.0 %	1,603	0.5 %	177	0.0 %	1,637	0.3 %
Non-GAAP Operating Income	\$ 67,806	20.1 %	\$ 61,272	19.1 %	\$ 122,675	18.5 %	\$ 107,317	17.4 %

Note: Certain percentages may not sum to totals due to rounding.

- (a) Beginning in the second quarter of 2024, consulting expenses associated with initiatives conducted under our FFG Program are no longer adjusted as part of our non-GAAP measures. As a result, our non-GAAP measures for prior periods have been recast for comparability. For the three-month period ended June 30, 2023, our non-GAAP financial measures have been updated to no longer adjust \$2.3 million for consulting fees under our FFG Program and the related income tax effect. For the six-month periods ended June 30, 2024 and 2023, our non-GAAP financial measures have been updated to no longer adjust \$1.0 million and \$4.2 million, respectively, for consulting fees under our FFG Program and the related income tax effects. As of December 31, 2023, we completed the final year of our FFG Program.
- (b) Represents performance-based share-based compensation expense, including stock-settled and cash-settled awards.
- (c) Includes \$(0.1) million for both the three and six-month periods ended June 30, 2024 for employee termination benefits associated with activities related to corporate restructuring initiatives. Includes employee termination benefits associated with restructuring activities related to corporate initiatives of \$1.3 million and \$2.9 million for the three and six-month periods ended June 30, 2023, respectively; and includes \$4.3 million for the write-off of other long-term assets associated with the divestiture or exit of certain businesses or product lines for both the three and six-month periods ended June 30, 2023.
- (d) Represents incremental expenses incurred to comply with the E.U. Medical Device Regulation (“MDR”).
- (e) Represents costs to comply with Merit’s corporate integrity agreement with the U.S. Department of Justice (the “DOJ”). The 2023 periods also include acquired in-process research and development charges of \$1.6 million.

Reconciliation of Reported Revenue to Constant Currency Revenue (Non-GAAP), and Constant Currency Revenue, Organic (Non-GAAP)
(Unaudited, in thousands except percentages)

	% Change	Three Months Ended June 30,		% Change	Six Months Ended June 30,	
		2024	2023		2024	2023
Reported Revenue	5.6 %	\$ 338,003	\$ 320,056	7.1 %	\$ 661,511	\$ 617,621
<i>Add: Impact of foreign exchange</i>		3,033	—		4,725	—
Constant Currency Revenue (a)	6.6 %	\$ <u>341,036</u>	\$ <u>320,056</u>	7.9 %	\$ <u>666,236</u>	\$ <u>617,621</u>
<i>Less: Revenue from certain acquisitions</i>		(4,835)	—		(11,563)	—
Constant Currency Revenue, Organic (a)	5.0 %	\$ <u>336,201</u>	\$ <u>320,056</u>	6.0 %	\$ <u>654,673</u>	\$ <u>617,621</u>

(a) A non-GAAP financial measure. For a definition of this and other non-GAAP financial measures, see the section of this release entitled "Non-GAAP Financial Measures."

Reconciliation of Reported Gross Margin to Non-GAAP Gross Margin (Non-GAAP)
(Unaudited, as a percentage of reported revenue)

	Three Months Ended		Six Months Ended	
	2024	2023	2024	2023
Reported Gross Margin	47.7 %	47.7 %	47.3 %	47.1 %
<i>Add back impact of:</i>				
Amortization of intangibles	3.9 %	3.6 %	3.9 %	3.6 %
Inventory mark-up related to acquisitions	— %	0.1 %	— %	0.0 %
Non-GAAP Gross Margin	51.5 %	51.4 %	51.2 %	50.8 %

Note: Certain percentages may not sum to totals due to rounding.

ABOUT MERIT

Founded in 1987, Merit Medical Systems, Inc. is engaged in the development, manufacture, and distribution of proprietary disposable medical devices used in interventional, diagnostic, and therapeutic procedures, particularly in cardiology, radiology, oncology, critical care, and endoscopy. Merit serves client hospitals worldwide with a domestic and international sales force and clinical support team totaling more than 700 individuals. Merit employs approximately 7,000 people worldwide.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This release contains forward-looking statements within the meaning of the Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Act of 1934, as amended. Forward-looking statements include, among others:

- statements that are not purely historical, including, without limitation, statements regarding Merit's forecasted plans, revenues, net sales, gross profit and margin (GAAP and non-GAAP), operating income and margin (GAAP and non-GAAP), net income (GAAP and non-GAAP), earnings per share (GAAP and non-GAAP), free cash flow and other financial measures, future growth and profit expectations or forecasted economic conditions, or the implementation of, and results which may be achieved through, Merit's Continued Growth Initiatives Program or other expense reduction initiatives; and
- statements preceded or followed by, or that include the words, "may," "will," "expects," "plans," "anticipates," "intends," "seeks," "believes," "estimates," "potential," "target," "forecasts," "continue," or other forms of these words or similar words or expressions, or the negative thereof or other comparable terminology.

Forward-looking statements contained in this release are based on management's current expectations and assumptions regarding future events or outcomes, all of which are subject to risks and uncertainties such as those described in Merit's Annual Report on Form 10-K for the year ended December 31, 2023 (the "2023 Annual Report") and other filings with the SEC. While the following list not comprehensive, such risks and uncertainties include inherent risks and uncertainties associated with Merit's integration of products acquired from EGS and its ability to achieve anticipated financial results, product development and other anticipated benefits of the EGS acquisition; uncertainties as to whether Merit will achieve sales, gross and operating margins, net income and earnings per share performance consistent with its forecasts associated with that acquisition; disruptions in Merit's supply chain, manufacturing or sterilization processes; reduced availability of, and price increases associated with, commodity components and other raw materials; adverse changes in freight, shipping and transportation expenses; negative changes in economic and industry conditions in the United States or other countries, including inflation; risks relating to Merit's potential inability to successfully manage growth through acquisitions generally, including the inability to effectively integrate acquired operations or products or commercialize technology developed internally or acquired through completed, proposed or future transactions; risks associated with Merit's ongoing or prospective manufacturing transfers and facility consolidations; fluctuations in interest or foreign currency exchange rates; risks and uncertainties associated with Merit's information technology systems, including the potential for breaches of security and evolving regulations regarding privacy and data protection; governmental scrutiny and regulation of the medical device industry, including governmental inquiries, investigations and proceedings involving Merit; consequences associated with a Corporate Integrity Agreement executed between Merit and the DOJ; difficulties, delays and expenditures relating to development, testing and regulatory approval or clearance of Merit's products, including the pursuit of approvals under the MDR, and risks that such products may not be developed successfully or approved for commercial use; outcomes of ongoing and future clinical trials and market studies relating to Merit's products; litigation and other judicial proceedings affecting Merit; the potential of fines, penalties or other adverse consequences if Merit's employees or agents violate the U.S. Foreign Corrupt Practices Act or other laws or regulations; restrictions on Merit's liquidity or business operations resulting from its debt agreements; infringement of Merit's technology or the assertion that Merit's technology infringes the rights of other parties; product recalls and product liability claims; changes in customer purchasing patterns or the mix of products Merit sells; laws and regulations targeting fraud and abuse in the healthcare industry; potential for significant adverse changes in governing regulations, including reforms to the procedures for approval or clearance of Merit's products by the U.S. Food & Drug Administration or comparable regulatory authorities in other jurisdictions; changes in tax laws and regulations in the United States or other jurisdictions; termination of relationships with Merit's suppliers, or failure of such suppliers to perform; development of new products and technology that could render Merit's existing or future products obsolete; market acceptance of new products; dependance on distributors to commercialize Merit's products in various jurisdictions outside the United States; volatility in the market price of Merit's common stock; modification or limitation of governmental or private insurance reimbursement policies; changes in healthcare policies or markets related to healthcare reform initiatives; failure to comply with applicable environmental laws; changes in key personnel; work stoppage or transportation risks; failure to introduce

products in a timely fashion; price and product competition; fluctuations in and obsolescence of inventory; extreme weather events; geopolitical events; and other factors referenced in the 2023 Annual Report and other materials filed with the SEC.

All subsequent forward-looking statements attributable to Merit or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Actual results will likely differ, and may differ materially, from anticipated results. Financial estimates are subject to change and are not intended to be relied upon as predictions of future operating results. Those estimates and all other forward-looking statements included in this document are made only as of the date of this document, and except as otherwise required by applicable law, Merit assumes no obligation to update or disclose revisions to estimates and all other forward-looking statements.

TRADEMARKS

Unless noted otherwise, trademarks and registered trademarks used in this release are the property of Merit Medical Systems, Inc., its subsidiaries, or its licensors.

###



Merit Medical to Present 6-Month Outcomes from Randomized Arm of WRAPSODY™ Arteriovenous Access Efficacy (WAVE) Pivotal Study at Two Upcoming Medical Meetings

SOUTH JORDAN, Utah, August 1, 2024 (GLOBE NEWSWIRE) -- Merit Medical Systems, Inc. (NASDAQ: MMSI), a global leader of healthcare technology, today announced plans to release findings from its WAVE study. A pivotal, international, multicenter trial, the WAVE study examines the safety and efficacy of Merit's WRAPSODY Cell-Impermeable Endoprosthesis for treatment of stenosis in the venous outflow circuit.

The WAVE study enrolled 245 patients with stenosis in their arteriovenous fistula (AVF) and 113 patients with evidence of stenosis in their arteriovenous graft (AVG). Patients with an AVF were randomized 1:1 to treatment with WRAPSODY or standard of care with percutaneous transluminal angioplasty (PTA). Safety and performance outcomes of patients with an AVG were compared to historical controls. Patients enrolled in WAVE will be followed for 24 months after their initial intervention. Six-month safety and efficacy findings will be presented at multiple congresses this year.

The first release of results will focus exclusively on patients from the randomized arm of the study (AVF cohort) and is scheduled for scientific presentation at the Cardiovascular and Interventional Radiological Society of Europe (CIRSE) in Lisbon, Portugal. The presentation is scheduled for Saturday, September 14, during the FIRST@CIRSE scientific session held from 11:30 a.m. to 12:30 p.m. (CEST); specific results at 6 months will include target lesion primary patency, access circuit primary patency, and safety events.

"Given the limited options available to help maintain the vascular access in patients requiring hemodialysis, it is critical to provide the clinical community with information on the latest technology designed to help us optimize care for such a vulnerable patient group," said Mahmood K. Razavi, MD, FSIR, FSVM, Medical Director of Clinical Research at St. Joseph Heart and Vascular Center in Orange, California, and Co-Global Principal Investigator of the WAVE study. "I look forward to presenting the first release of the findings at CIRSE."

Following the presentation of 6-month outcomes of the randomized arm of the WAVE study, there will be a Merit-sponsored symposium at CIRSE on Monday, September 16, from 1:00 p.m. to 2:00 p.m. (CEST), with a panel of renowned experts highlighting the latest hemodialysis evidence and clinical strategies. On Tuesday, September 17, from 1:30 p.m. to 2:30 p.m. (CEST), Merit will host a case discussion and hands-on session.

Saravanan Balamuthusamy, MD, FASN, Interventional Nephrologist at PPG Health in Fort Worth, Texas, and a WAVE study investigator, will present core laboratory findings supporting the cell-impermeable design of WRAPSODY at the industry-sponsored Controversies in Dialysis Access (CiDA) Symposium on Saturday, October 5, from 7:00 a.m. to 8:00 a.m. (EDT), in Washington, DC.

“The opportunity to showcase evidence supporting the unique design of WRAPSODY will be an important aspect for broader adoption of its use,” said Dr. Balamuthusamy. “I look forward to presenting this evidence for colleagues who will attend CIDA.”

“The ability to present findings from the WAVE study is an important accomplishment for us. It is a significant step in our steadfast commitment to provide clinically meaningful improvements to physicians striving to better the lives of patients undergoing hemodialysis,” said Fred P. Lampropoulos, Merit’s Chairman and Chief Executive Officer. “We are pleased with the progress achieved in recent months toward our regulatory strategy for WRAPSODY in the United States, and we look forward to engaging with the FDA as it reviews our PMA application for this innovative technology.”

The Merit WRAPSODY Cell-Impermeable Endoprosthesis is not approved, cleared, or available for commercial distribution in the United States and may not be approved, cleared, or available for sale or use in other countries. In the United States, the device is being used under an Investigational Device Exemption (IDE) from the US Food and Drug Administration (FDA). Findings from the WAVE study are expected to expand on results from the first-in-human study (WRAPSODY FIRST) and support the Premarket Approval (PMA) application to the FDA for commercial use in the United States. WRAPSODY previously received the Conformité Européenne (CE) Mark for commercial use in the European Union and is available in Brazil. For additional information on Merit’s WAVE study, please visit <https://clinicaltrials.gov/study/NCT04540302>.

ABOUT MERIT MEDICAL

Founded in 1987, Merit Medical Systems, Inc. is engaged in the development, manufacture, and distribution of proprietary disposable medical devices used in interventional, diagnostic, and therapeutic procedures, particularly in cardiology, radiology, oncology, critical care, and endoscopy. Merit serves client hospitals worldwide with a domestic and international sales force and clinical support team totaling more than 700 individuals. Merit employs approximately 7,000 people worldwide.

TRADEMARKS

Unless noted otherwise, trademarks and registered trademarks used in this release are the property of Merit Medical Systems, Inc., its subsidiaries, or its licensors.

CONTACTS

PR/Media Inquiries
Sarah Comstock
Merit Medical
+1-801-432-2864 | sarah.comstock@merit.com

Investor Inquiries
Mike Piccinino, CFA, IRC
Westwicke - ICR
+1-443-213-0509 | mike.piccinino@westwicke.com

Second Quarter 2024 Results

Merit Medical Investor Call

August 1, 2024

Fred Lampropoulos

Chairman and CEO

Raul Parra

CFO



CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This presentation and any accompanying management commentary 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. Forward-looking statements include, among others:

- statements that are not purely historical, including, without limitation, statements regarding Merit's forecasted plans, revenues, net sales, gross profit and margin (GAAP and non-GAAP), operating income and margin (GAAP and non-GAAP), net income (GAAP and non-GAAP), earnings per share (GAAP and non-GAAP), free cash flow and other financial measures, future growth and profit expectations or forecasted economic conditions, or the implementation of, and results which may be achieved through, Merit's Continued Growth Initiatives Program or other expense reduction initiatives; and
- statements preceded or followed by, or that include the words, "may," "will," "expects," "plans," "anticipates," "intends," "seeks," "believes," "estimates," "potential," "target," "forecasts," "continue," or other forms of these words or similar words or expressions, or the negative thereof or other comparable terminology.

Forward-looking statements contained in this presentation are based on management's current expectations and assumptions regarding future events or outcomes, all of which are subject to risks and uncertainties such as those described in Merit's Annual Report on Form 10-K for the year ended December 31, 2023 (the "2023 Annual Report") and other filings with the SEC. While the following list is not comprehensive, such risks and uncertainties include inherent risks and uncertainties associated with Merit's integration of products acquired from EndoGastric Solutions, Inc. ("EGS") and its ability to achieve anticipated financial results, product development and other anticipated benefits of the EGS acquisition; uncertainties as to whether Merit will achieve sales, gross and operating margins, net income and earnings per share performance consistent with its forecasts associated with that acquisition; disruptions in Merit's supply chain, manufacturing or sterilization processes; reduced availability of, and price increases associated with, commodity components and other raw materials; adverse changes in freight, shipping and transportation expenses; negative changes in economic and industry conditions in the United States or other countries, including inflation; risks relating to Merit's potential inability to successfully manage growth through acquisitions generally, including the inability to effectively integrate acquired operations or products or commercialize technology developed internally or acquired through completed, proposed or future transactions; risks associated with Merit's ongoing or prospective manufacturing transfers and facility consolidations; fluctuations in interest or foreign currency exchange rates; risks and uncertainties associated with Merit's information technology systems, including the potential for breaches of security and evolving regulations regarding privacy and data protection; governmental scrutiny and regulation of the medical device industry, including governmental inquiries, investigations and proceedings involving Merit; consequences associated with a Corporate Integrity Agreement executed between Merit and the DOJ; difficulties, delays and expenditures relating to development, testing and regulatory approval or clearance of Merit's products, including the pursuit of approvals under the MDR, and risks that such products may not be developed successfully or approved for commercial use; outcomes of ongoing and future clinical trials and market studies relating to Merit's products; litigation and other judicial proceedings affecting Merit; the potential of fines, penalties or other adverse consequences if Merit's employees or agents violate the U.S. Foreign Corrupt Practices Act or other laws or regulations; restrictions on Merit's liquidity or business operations resulting from its debt agreements; infringement of Merit's technology or the assertion that Merit's technology infringes the rights of other parties; product recalls and product liability claims; changes in customer purchasing patterns or the mix of products Merit sells; laws and regulations targeting fraud and abuse in the healthcare industry; potential for significant adverse changes in governing regulations, including reforms to the procedures for approval or clearance of Merit's products by the U.S. Food & Drug Administration or comparable regulatory authorities in other jurisdictions; changes in tax laws and regulations in the United States or other jurisdictions; termination of relationships with Merit's suppliers, or failure of such suppliers to perform; development of new products and technology that could render Merit's existing or future products obsolete; market acceptance of new products; dependence on distributors to commercialize Merit's products in various jurisdictions outside the United States; volatility in the market price of Merit's common stock; modification or limitation of governmental or private insurance reimbursement policies; changes in healthcare policies or markets related to healthcare reform initiatives; failure to comply with applicable environmental laws; changes in key personnel; work stoppage or transportation risks; failure to introduce products in a timely fashion; price and product competition; fluctuations in and obsolescence of inventory; extreme weather events; geopolitical events; and other factors referenced in the 2023 Annual Report and other materials filed with the SEC.

All subsequent forward-looking statements attributable to Merit or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Actual results will likely differ, and may differ materially, from anticipated results. Financial estimates are subject to change and are not intended to be relied upon as predictions of future operating results. Those estimates and all other forward-looking statements included in this document are made only as of the date of this document, and except as otherwise required by applicable law, Merit assumes no obligation to update or disclose revisions to estimates and all other forward-looking statements.



NON-GAAP FINANCIAL MEASURES

Although Merit's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"), Merit's management believes that certain non-GAAP financial measures provide investors with useful information regarding the underlying business trends and performance of Merit's ongoing operations and can be useful for period-over-period comparisons of such operations. Certain financial measures included in this presentation, or which may be referenced in management's discussion of Merit's historical and future operations and financial results, have not been calculated in accordance with GAAP, and, therefore, are referenced as non-GAAP financial measures. Readers should consider non-GAAP measures used in this presentation in addition to, not as a substitute for, financial reporting measures prepared in accordance with GAAP. These non-GAAP financial measures generally exclude some, but not all, items that may affect Merit's net income. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by management about which items are excluded. Additionally, non-GAAP financial measures used in this presentation may not be comparable with similarly titled measures of other companies. Merit urges readers to review the reconciliations of its non-GAAP financial measures to the comparable GAAP financial measures, and not to rely on any single financial measure to evaluate Merit's business or results of operations. Please refer to "Notes to Non-GAAP Financial Measures" at the end of these materials for more information.

TRADEMARKS

Unless noted otherwise, trademarks and registered trademarks used in this release are the property of Merit Medical Systems, Inc., its subsidiaries, or its licensors.



Financial Summary: GAAP

In millions, except per share amounts and percentages

	Q2 2024	Q2 2023	% Change	YTD 2024	YTD 2023	% Change
Revenue	\$338.0M	\$320.1M	5.6%	\$661.5M	\$617.6M	7.1%
Gross Margin	47.7%	47.7%	(0.2)%	47.3%	47.1%	0.3%
Operating Margin	13.6%	9.0%	51.0%	12.4%	8.9%	38.5%
Net Income	\$35.7M	\$20.2M	76.5%	\$64.0M	\$40.9M	56.2%
Earnings per Share	\$0.61	\$0.35	75.7%	\$1.09	\$0.70	55.3%

Note: Amounts in this presentation are rounded while percentages are calculated from the underlying amounts.



Financial Summary: Non-GAAP*

In millions, except per share amounts and percentages

	Q2 2024	Q2 2023	% Change	YTD 2024	YTD 2023	% Change
Revenue	\$336.2M†	\$320.1M†	5.0%	\$654.7M†	\$617.6M†	6.0%
Gross Margin	51.5%	51.4%	0.3%	51.2%	50.8%	0.9%
Operating Margin	20.1%	19.1%	4.8%	18.5%	17.4%	6.7%
Net Income	\$53.8M	\$45.9M	17.3%	\$97.9M	\$81.9M	19.5%
Earnings per Share	\$0.92	\$0.78	16.8%	\$1.67	\$1.40	18.8%

Note: Amounts in this presentation are rounded while percentages are calculated from the underlying amounts.

* See "Notes to Non-GAAP Financial Measures" below for additional information regarding non-GAAP measures used in this presentation.

† A non-GAAP financial measure, representing constant currency revenue, organic.



Revenue Breakdown – Q2

In thousands, except percentages

Region	Q2 2024	Q2 2023	\$ Change	% Change	CC % Change*
U.S.	\$194,664	\$179,582	\$15,082	8.4%	8.5%
APAC	66,806	68,713	(1,907)	(2.8)%	0.5%
EMEA	62,322	59,623	2,699	4.5%	5.2%
Rest of World	14,211	12,138	2,073	17.1%	18.4%
Total International	143,339	140,474	2,865	2.0%	4.0%
Total	\$338,003	\$320,056	\$17,947	5.6%	6.6%

* A non-GAAP financial measure, representing revenue growth on a constant currency ("CC") basis. See "Notes to Non-GAAP Financial Measures" below for additional information regarding non-GAAP measures used in this presentation.



Revenue Breakdown - YTD

In thousands, except percentages

Region	YTD 2024	YTD 2023	\$ Change	% Change	CC % Change*
U.S.	\$380,758	\$350,942	\$29,816	8.5%	8.8%
APAC	129,671	126,249	3,422	2.7%	6.7%
EMEA	123,328	117,676	5,652	4.8%	3.9%
Rest of World	27,754	22,754	5,000	22.0%	20.6%
Total International	280,753	266,679	14,074	5.3%	6.6%
Total	\$661,511	\$617,621	\$43,890	7.1%	7.9%

* A non-GAAP financial measure, representing revenue growth on a constant currency ("CC") basis. See "Notes to Non-GAAP Financial Measures" below for additional information regarding non-GAAP measures used in this presentation.



Financial Metrics

In millions

Metric	Q2 2024	Q2 2023	YTD 2024	YTD 2023
Depreciation & Amortization	\$24.1M	\$21.8M	\$47.7M	\$42.3M
Stock Comp (performance-based)	3.5M	2.4M	5.7M	3.7M
Stock Comp (not performance-based)	3.4M	3.2M	6.5M	5.8M
Operating Cash Flow	68.5M	17.3M	104.7M	31.8M
Capital Expenditures-Property and Equipment	10.6M	5.8M	22.3M	18.6M



Updated 2024 Financial Guidance

Financial Measure <i>(\$ millions, except per share figures)</i>	Updated Guidance ⁽¹⁾		Prior Guidance ⁽²⁾	
	Year Ending December 31, 2024	% Change Y/Y	Year Ending December 31, 2024	% Change Y/Y
Net Sales	\$1,335 - \$1,345	6% - 7%	\$1,324 - \$1,340	5% - 7%
Cardiovascular Segment	\$1,281 - \$1,289	5% - 6%	\$1,272 - \$1,285	4% - 5%
Endoscopy Segment	\$54 - \$56	45% - 52%	\$53 - \$56	45% - 51%
Non-GAAP				
Earnings Per Share ⁽³⁾	\$3.27 - \$3.35	15% - 17%	\$3.22 - \$3.31	13% - 16%

	Updated Guidance ⁽¹⁾		Prior Guidance ⁽²⁾	
	Low	High	Low	High
2024 Net Sales Guidance - % Change from Prior Year (GAAP)	6.2%	7.0%	5.3%	6.6%
Estimated impact of foreign currency exchange rate fluctuations	0.7%	0.7%	0.5%	0.5%
2024 Net Sales Guidance - % Change from Prior Year (Constant Currency)	6.9%	7.7%	5.8%	7.1%

(1) "Updated Guidance" reflects Merit's updated full-year 2024 financial guidance on a standalone basis, plus the forecasted impacts of the acquisition of EndoGastric Solutions, Inc. ("EGS") from the closing date on July 1, 2024 through December 31, 2024.

(2) "Prior Guidance" previously introduced on April 30, 2024, and reflects Merit's full-year 2024 financial guidance on a standalone basis, and updated on July 1, 2024 to include the forecasted impacts of the acquisition of the assets of EGS from the closing date on July 1, 2024 through December 31, 2024.

(3) Beginning in the second quarter of 2024, consulting expenses associated with initiatives conducted under our Foundations for Growth Program ("FFG Program") are no longer adjusted as part of our non-GAAP measures. As a result, our non-GAAP measures for prior periods have been recast and the associated change in comparison to prior year has been calculated using the adjusted earnings per share. For the year ended December 31, 2023, our non-GAAP financial measures have been updated to no longer adjust \$12.3 million for consulting fees under our FFG Program and the related income tax effect.

Merit does not provide guidance for GAAP reported financial measures (other than revenue) or a reconciliation of forward-looking non-GAAP financial measures to the most directly comparable GAAP reported financial measures (other than revenue) because Merit is unable to predict with reasonable certainty the financial impact of items such as expenses related to acquisitions or other extraordinary transactions, non-cash expenses related to amortization or write-off of previously acquired tangible and intangible assets, certain severance expenses, performance-based stock compensation expenses, expenses resulting from non-ordinary course litigation or administrative proceedings and resulting settlements, governmental proceedings, and changes in governmental or industry regulations. These items are uncertain, depend on various factors, and could have a material impact on GAAP reported results for the guidance period. For the same reasons, Merit is unable to address the significance of the unavailable information, which could be material to future results. Specifically, Merit is not, without unreasonable effort, able to reliably predict the impact of these items and Merit believes inclusion of a reconciliation of these forward-looking non-GAAP measures to their GAAP counterparts could be confusing to investors or cause undue reliance.

Merit's financial guidance for the year ending December 31, 2024, is subject to risks and uncertainties identified in this presentation and Merit's filings with the SEC.



Appendix



Notes to Non-GAAP Financial Measures

For additional details, please see the accompanying press release and forward-looking statement disclosure.

These presentation materials and associated commentary from Merit's management, as well as the press release issued today, use non-GAAP financial measures, including:

- constant currency revenue;
- constant currency revenue, organic;
- non-GAAP gross profit and margin;
- non-GAAP operating income and margin;
- non-GAAP net income;
- non-GAAP earnings per share; and
- free cash flow.

Merit's management team uses these non-GAAP financial measures to evaluate Merit's profitability and efficiency, to compare operating and financial results to prior periods, to evaluate changes in the results of its operating segments, and to measure and allocate financial resources internally. However, Merit's management does not consider such non-GAAP measures in isolation or as an alternative to measures determined in accordance with GAAP.

Readers should consider non-GAAP measures used in this presentation in addition to, not as a substitute for, financial reporting measures prepared in accordance with GAAP. These non-GAAP financial measures generally exclude some, but not all, items that may affect Merit's net income. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by management about which items are excluded. Merit believes it is useful to exclude such items in the calculation of non-GAAP gross profit and margin, non-GAAP operating income and margin, non-GAAP net income, and non-GAAP earnings per share (in each case, as further illustrated in the reconciliation tables below) because such amounts in any specific period may not directly correlate to the underlying performance of Merit's business operations and can vary significantly between periods as a result of factors such as acquisition or other extraordinary transactions, non-cash expenses related to amortization or write-off of previously acquired tangible and intangible assets, severance expenses, expenses resulting from non-ordinary course litigation or administrative proceedings and resulting settlements, governmental proceedings or changes in tax or industry regulations, gains or losses on disposal of certain assets, and debt issuance costs. Merit may incur similar types of expenses in the future, and the non-GAAP financial information included in this presentation should not be viewed as a statement or indication that these types of expenses will not recur. Additionally, the non-GAAP financial measures used in this presentation may not be comparable with similarly titled measures of other companies. Merit urges investors and potential investors to review the reconciliations of its non-GAAP financial measures to their most directly comparable GAAP financial measures included herein, and not to rely on any single financial measure to evaluate Merit's business or results of operations.



Notes to Non-GAAP Financial Measures (cont.)

Constant Currency Revenue

Merit's constant currency revenue is prepared by converting the current-period reported revenue of subsidiaries whose functional currency is a currency other than the U.S. dollar at the applicable foreign exchange rates in effect during the comparable prior-year period and adjusting for the effects of hedging transactions on reported revenue, which are recorded in the U.S. dollar. The constant currency revenue adjustments of \$3.0 million and \$4.7 million to reported revenue for the three and six-month periods ended June 30, 2024, respectively, were calculated using the applicable average foreign exchange rates for the three and six-month periods ended June 30, 2023.

Constant Currency Revenue, Organic

Merit's constant currency revenue, organic, is defined, with respect to prior fiscal year periods, as GAAP revenue. With respect to current fiscal year periods, constant currency revenue, organic, is defined as constant currency revenue (as defined above), less revenue from certain acquisitions. For the three and six-month periods ended June 30, 2024, Merit's constant currency revenue, organic, excludes revenues attributable to certain assets acquired from AngioDynamics, Inc. ("AngioDynamics") in June 2023.

Non-GAAP Gross Profit and Margin

Non-GAAP gross profit is calculated by reducing GAAP cost of sales by amounts recorded for amortization of intangible assets and inventory mark-up related to acquisitions. Non-GAAP gross margin is calculated by dividing non-GAAP gross profit by reported net sales.

Non-GAAP Operating Income and Margin

Non-GAAP operating income is calculated by adjusting GAAP operating income for certain items which are deemed by Merit's management to be outside of core operations and vary in amount and frequency among periods, such as expenses related to acquisitions or other extraordinary transactions, non-cash expenses related to amortization or write-off of previously acquired tangible and intangible assets, certain severance expenses, performance-based stock compensation expenses, expenses resulting from non-ordinary course litigation or administrative proceedings and resulting settlements, governmental proceedings or changes in industry regulations, as well as other items referenced in the tables below. Non-GAAP operating margin is calculated by dividing non-GAAP operating income by reported net sales.



Notes to Non-GAAP Financial Measures (cont.)

Non-GAAP Net Income

Non-GAAP net income is calculated by adjusting GAAP net income for the items set forth in the definition of non-GAAP operating income above, as well as for expenses related to debt issuance costs and other items set forth in the tables below.

Non-GAAP EPS

Non-GAAP EPS is defined as non-GAAP net income divided by the diluted shares outstanding for the corresponding period.

Free Cash Flow

Free cash flow is defined as cash flow from operations calculated in accordance with GAAP, less capital expenditures for property and equipment calculated in accordance with GAAP, as set forth in the consolidated statement of cash flows.

Other Non-GAAP Financial Measure Reconciliation

The following tables set forth supplemental financial data and corresponding reconciliations of non-GAAP financial measures to Merit's corresponding financial measures prepared in accordance with GAAP, in each case, for the three and six-month periods ended June 30, 2024 and 2023. The non-GAAP income adjustments referenced in the following tables do not reflect non-performance-based stock compensation expense of \$3.4 million and \$3.2 million for the three-month periods ended June 30, 2024 and 2023, respectively and \$6.5 million and \$5.8 million for the six-month periods ended June 30, 2024 and 2023, respectively.



Reconciliation of GAAP Net Income to Non-GAAP Net Income (Unaudited; in thousands except per share amounts)

	Three Months Ended June 30, 2024				Three Months Ended June 30, 2023 (a)			
	Pre-Tax	Tax Impact	After-Tax	Per Share Impact	Pre-Tax	Tax Impact	After-Tax	Per Share Impact
GAAP net income	\$ 45,843	\$ (10,117)	\$ 35,726	\$ 0.61	\$ 24,900	\$ (4,655)	\$ 20,245	\$ 0.35
<i>Non-GAAP adjustments:</i>								
Cost of Sales								
Amortization of intangibles	13,126	(3,104)	10,022	0.17	11,448	(2,753)	8,695	0.15
Inventory mark-up related to acquisitions	—	—	—	—	260	(62)	198	0.00
Operating Expenses								
Contingent consideration expense	306	(72)	234	0.00	1,094	47	1,141	0.02
Impairment charges	—	—	—	—	270	—	270	0.00
Amortization of intangibles	1,744	(413)	1,331	0.02	1,965	(474)	1,491	0.03
Performance-based share-based compensation (b)	3,532	(563)	2,969	0.05	2,377	(340)	2,037	0.03
Corporate restructuring (c)	(54)	13	(41)	(0.00)	5,577	(1,338)	4,239	0.07
Acquisition-related	1,221	(288)	933	0.02	4,856	(1,166)	3,690	0.06
Medical Device Regulation expenses (d)	1,930	(456)	1,474	0.03	3,010	(722)	2,288	0.04
Other (e)	55	(12)	43	0.00	1,603	(385)	1,218	0.02
Other (Income) Expense								
Amortization of long-term debt issuance costs	1,477	(349)	1,128	0.02	478	(115)	363	0.01
Non-GAAP net income	\$ 69,180	\$ (15,361)	\$ 53,819	\$ 0.92	\$ 57,838	\$ (11,963)	\$ 45,875	\$ 0.78
Diluted shares				58,740				58,473

Note: Certain per-share impacts may not sum to totals due to rounding.



Reconciliation of GAAP Net Income to Non-GAAP Net Income (Unaudited; in thousands except per share amounts)

	Six Months Ended June 30, 2024 (a)				Six Months Ended June 30, 2023 (a)			
	Pre-Tax	Tax Impact	After-Tax	Per Share Impact	Pre-Tax	Tax Impact	After-Tax	Per Share Impact
GAAP net income	\$ 80,191	\$ (16,225)	\$ 63,966	\$ 1.09	\$ 50,400	\$ (9,452)	\$ 40,948	\$ 0.70
<i>Non-GAAP adjustments:</i>								
<i>Cost of Sales</i>								
Amortization of intangibles	25,931	(6,132)	19,799	0.34	22,064	(5,306)	16,758	0.29
Inventory mark-up related to acquisitions	—	—	—	—	260	(62)	198	0.00
<i>Operating Expenses</i>								
Contingent consideration expense	189	(25)	164	0.00	1,615	2	1,617	0.03
Impairment charges	—	—	—	—	270	—	270	0.00
Amortization of intangibles	3,508	(830)	2,678	0.05	3,630	(876)	2,754	0.05
Performance-based share-based compensation (b)	5,660	(857)	4,803	0.08	3,664	(427)	3,237	0.06
Corporate restructuring (c)	(54)	13	(41)	(0.00)	7,203	(1,728)	5,475	0.09
Acquisition-related	1,259	(297)	962	0.02	5,111	(1,227)	3,884	0.07
Medical Device Regulation expenses (d)	4,137	(977)	3,160	0.05	6,668	(1,600)	5,068	0.09
Other (c)	177	(42)	135	0.00	1,637	(393)	1,244	0.02
<i>Other (Income) Expense</i>								
Amortization of long-term debt issuance costs	2,954	(697)	2,257	0.04	629	(151)	478	0.01
Non-GAAP net income	\$ 123,952	\$ (26,069)	\$ 97,883	\$ 1.67	\$ 103,151	\$ (21,220)	\$ 81,931	\$ 1.40
Diluted shares				58,653				58,329

Note: Certain per-share impacts may not sum to totals due to rounding.



Reconciliation of GAAP Operating Income to Non-GAAP Operating Income (Unaudited; in thousands except percentages)

	Three Months Ended June 30, 2024		Three Months Ended June 30, 2023 (a)		Six Months Ended June 30, 2024 (a)		Six Months Ended June 30, 2023 (a)	
	Amounts	% Sales	Amounts	% Sales	Amounts	% Sales	Amounts	% Sales
Net Sales as Reported	\$ 338,003		\$ 320,056		\$ 661,511		\$ 617,621	
GAAP Operating Income	45,946	13.6 %	28,812	9.0 %	81,868	12.4 %	55,195	8.9 %
Cost of Sales								
Amortization of intangibles	13,126	3.9 %	11,448	3.6 %	25,931	3.9 %	22,064	3.6 %
Inventory mark-up related to acquisitions	—	—	260	0.1 %	—	—	260	0.0 %
Operating Expenses								
Contingent consideration expense	306	0.1 %	1,094	0.3 %	189	0.0 %	1,615	0.3 %
Impairment charges	—	—	270	0.1 %	—	—	270	0.0 %
Amortization of intangibles	1,744	0.5 %	1,965	0.6 %	3,508	0.5 %	3,630	0.6 %
Performance-based share-based compensation (b)	3,532	1.0 %	2,377	0.7 %	5,660	0.9 %	3,664	0.6 %
Corporate restructuring (c)	(54)	(0.0) %	5,577	1.7 %	(54)	(0.0) %	7,203	1.2 %
Acquisition-related	1,221	0.4 %	4,856	1.5 %	1,259	0.2 %	5,111	0.8 %
Medical Device Regulation expenses (d)	1,930	0.6 %	3,010	0.9 %	4,137	0.6 %	6,668	1.1 %
Other (e)	55	0.0 %	1,603	0.5 %	177	0.0 %	1,637	0.3 %
Non-GAAP Operating Income	\$ 67,806	20.1 %	\$ 61,272	19.1 %	\$ 122,675	18.5 %	\$ 107,317	17.4 %

Note: Certain percentages may not sum to totals due to rounding.



Footnotes to Reconciliations of GAAP Net Income to Non-GAAP Net Income and GAAP Operating Income to Non-GAAP Operating Income

- a) Beginning in the second quarter of 2024, consulting expenses associated with initiatives conducted under our FFG Program are no longer adjusted as part of our non-GAAP measures. As a result, our non-GAAP measures for prior periods have been recast for comparability. For the three-month period ended June 30, 2023, our non-GAAP financial measures have been updated to no longer adjust \$2.3 million for consulting fees under our FFG Program and the related income tax effect. For the six-month periods ended June 30, 2024 and 2023, our non-GAAP financial measures have been updated to no longer adjust \$1.0 million and \$4.2 million, respectively, for consulting fees under our FFG Program and the related income tax effects. As of December 31, 2023, we completed the final year of our FFG Program.
- b) Represents performance-based share-based compensation expense, including stock-settled and cash-settled awards.
- c) Includes \$(0.1) million for both the three and six-month periods ended June 30, 2024 for employee termination benefits associated with activities related to corporate restructuring initiatives. Includes employee termination benefits associated with restructuring activities related to corporate initiatives of \$1.3 million and \$2.9 million for the three and six-month periods ended June 30, 2023, respectively; and includes \$4.3 million for the write-off of other long-term assets associated with the divestiture or exit of certain businesses or product lines for both the three and six-month periods ended June 30, 2023.
- d) Represents incremental expenses incurred to comply with the E.U. Medical Device Regulation (“MDR”).
- e) Represents costs to comply with Merit’s corporate integrity agreement with the U.S. Department of Justice (the “DOJ”). The 2023 periods also include acquired in-process research and development charges of \$1.6 million.



Reconciliation of Reported Revenue to Constant Currency Revenue (Non-GAAP), and Constant Currency Revenue, Organic (Non-GAAP)
(Unaudited; in thousands except percentages)

	% Change	Three Months Ended		% Change	Six Months Ended	
		June 30,			June 30,	
		2024	2023		2024	2023
Reported Revenue	5.6 %	\$ 338,003	\$ 320,056	7.1 %	\$ 661,511	\$ 617,621
Add: Impact of foreign exchange		3,033	—		4,725	—
Constant Currency Revenue (a)	6.6 %	\$ 341,036	\$ 320,056	7.9 %	\$ 666,236	\$ 617,621
Less: Revenue from certain acquisitions		(4,835)	—		(11,563)	—
Constant Currency Revenue, Organic (a)	5.0 %	\$ 336,201	\$ 320,056	6.0 %	\$ 654,673	\$ 617,621

(a) A non-GAAP financial measure. For a definition of this and other non-GAAP financial measures, see the section of this presentation entitled "Notes to Non-GAAP Financial Measures."



Reconciliation of GAAP Gross Margin to Non-GAAP Gross Margin (Unaudited; as a percentage of reported revenue)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Reported Gross Margin	47.7 %	47.7 %	47.3 %	47.1 %
<i>Add back impact of:</i>				
Amortization of intangibles	3.9 %	3.6 %	3.9 %	3.6 %
Inventory mark-up related to acquisitions	— %	0.1 %	— %	0.0 %
Non-GAAP Gross Margin	51.5 %	51.4 %	51.2 %	50.8 %

Note: Certain percentages may not sum to totals due to rounding.




