



VAREX

I M A G I N G



Making the Invisible Visible™



Q2 FY26 Earnings Presentation
May 7, 2026

Forward Looking Statements / Non-GAAP Measures



Forward Looking Statements

This presentation contains "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements concerning unaudited financial results; revenue and earnings guidance; industry or business outlook; product demand environment; expected future financial results or performance; and any statements using the terms "believe," "expect," "anticipate," "can," "should," "would," "could," "estimate," "may," "intend," and "potential," or similar statements are forward-looking statements that involve risks and uncertainties that could cause our actual results and the outcome and timing of certain events to differ materially from those projected or management's current expectations.

While forward-looking statements are based on assumptions and analyses made by management of Varex that it believes to be reasonable under the circumstances, actual results and developments will depend on a number of risks and uncertainties which could cause actual results, performance, and financial condition to differ materially from such expectations. Such risks and uncertainties include: changes in import/export regulatory regimes, tariffs, trade wars, and national policies, including exemptions thereto; reduction in or loss of business of one or more of our limited original equipment manufacturing customers; challenges in accurately predicting product demand and delivery schedules; loss of business to, and an inability to effectively compete with, competitors; pricing pressures and other factors that could result in market erosion or loss of customers; failure to meet customers' needs and demands; global, regional, and country-specific economic instability, shifting political environments, changing tax treatment, tariffs, trade wars, and other risks associated with international manufacturing, operations and sales; the financial results of our equity method investments, including joint ventures that we do not control; inflation and supply chain disruptions resulting in delayed product delivery, and increased costs as a result of reliance on a limited number of suppliers for certain key components; disruption of critical information systems or material breaches in the security of such systems; inability to maintain or defend intellectual property rights, and cost associated with protecting our intellectual property and defending such rights and defending against infringement claims; noncompliance with regulations applicable to marketing, manufacturing, labeling, and distributing our products and delays in obtaining regulatory clearances or approvals; limitations imposed by operating and financial restrictions of our debt financing agreements; and the other risks listed from time to time in our filings with the U.S. Securities and Exchange Commission. Any forward-looking statement made by us in this presentation speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We assume no obligation to update or revise the forward-looking statements in this presentation because of new information, future events, or otherwise.

Non-GAAP Measures

Certain information provided in this presentation includes financial measurements that are not required by, or presented in accordance with, generally accepted accounting principles in the United States (GAAP). These non-GAAP measures, such as non-GAAP gross margin, non-GAAP operating expense, non-GAAP operating margin, and non-GAAP net earnings per diluted share, should not be considered as alternatives to GAAP measures and may be calculated differently from, and therefore may not be comparable to, similarly titled measures used at other companies. For a reconciliation to the most directly comparable GAAP financial measures, please refer to our Q2FY26 earnings release at www.vareximaging.com and the reconciliation contained at the end of this presentation.

Q2 FY26 Results



Revenue
\$216M

Non-GAAP
Gross Margin¹
34%

Non-GAAP
Diluted EPS¹
\$0.21

Cash, Cash Equiv.,
& Mkt. Sec.²
\$88M

- Medical sales up 2% y/y, strong global CT sales
- Industrial sales up 1% y/y, driven by cargo and photon counting
- Gross margin benefited from photon counting sales
- Cash balance lower primarily due to debt refinancing

¹ For a reconciliation to the most directly comparable GAAP financial measure please refer to the reconciliation at the end of this presentation. We annually review our non-GAAP policy to determine whether any changes to the policy should be made. As part of our review, we considered a strategic shift at one of our equity method investees. Because of this, and because we do not control operations of either of our equity method investments, we believe that the results of these businesses no longer provide investors with information helpful to evaluate our ongoing operations. As such, in Q1 FY26 we modified our non-GAAP policy to exclude the gains and losses from our equity method investments. The gains and losses on the company's equity-method investments in privately-held companies are recorded to other expense, net, in the company's Condensed Consolidated Statements of Operations.

² Q2 FY26 Cash & cash equivalents (\$85M) + Marketable securities (\$3M).



Q2 FY26 Sales Performance¹

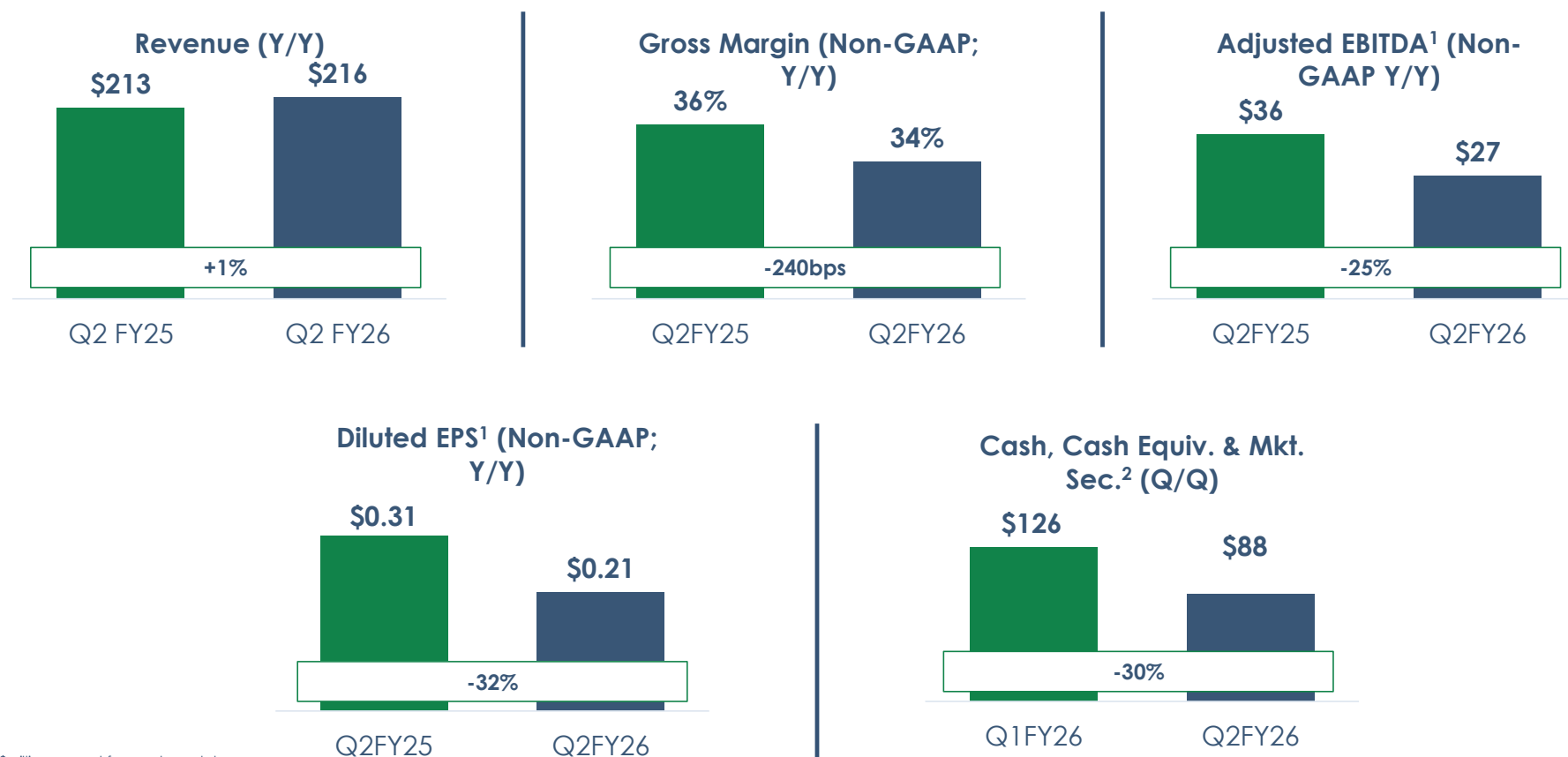


CT	
Fluoroscopy	
Oncology	
Dental	

Mammography	
Radiography & Others	
Industrial	

¹Sales performance is Q2FY26 sales compared to five quarter average trend

Q2 FY26 Performance



Note: \$millions except for per share data

¹ For a reconciliation to the most directly comparable GAAP financial measure please refer to the reconciliation at the end of this supplement. We annually review our non-GAAP policy to determine whether any changes to the policy should be made. As part of our review, we considered a strategic shift at one of our equity method investees. Because of this, and because we do not control operations of either of our equity method investments, we believe that the results of these businesses no longer provide investors with information helpful to evaluate our ongoing operations. As such, in Q1 FY26 we modified our non-GAAP policy to exclude the gains and losses from our equity method investments. The gains and losses on the company's equity-method investments in privately-held companies are recorded to other expense, net, in the company's Condensed Consolidated Statements of Operations.

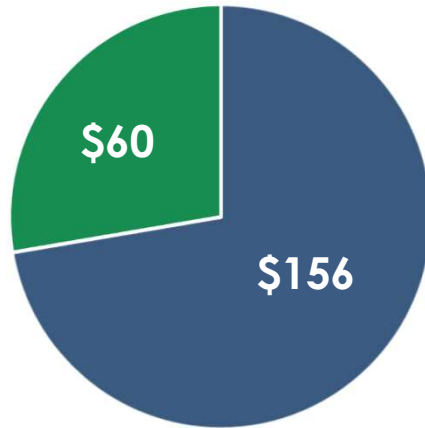
² Comparing cash, cash equivalents & marketable securities sequentially vs. Q1FY26

Q2 FY26 Revenue Details



Segment Mix

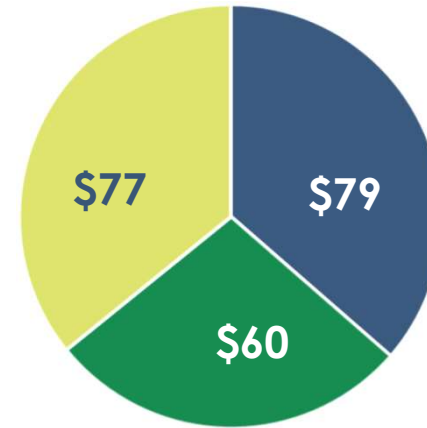
(\$ in millions)



■ Medical ■ Industrial

Geographic Mix

(\$ in millions)



■ Americas ■ EMEA ■ APAC

Revenue (\$M)	Q2 26	Q1 26	Q4 25	Q3 25	Q2 25
Medical	156	145	152	142	154
Industrial	60	65	77	61	59

Revenue (\$M)	Q2 26	Q1 26	Q4 25	Q3 25	Q2 25
Americas	79	75	72	71	69
EMEA	60	65	83	70	72
APAC	77	70	74	62	72

Quarterly Results - GAAP

\$ in Millions, except per share data	Q2 FY26	Q1 FY26	Q2 FY25
Revenue	\$216	\$210	\$213
Gross Margin	34%	33%	36%
Operating Expenses	\$58 27%	\$54 26%	\$55 26%
Operating Income (Loss)	\$14 7%	\$15 7%	\$22 10%
Net Earnings (Loss)	(\$8)	\$2	\$7
EPS, diluted	(\$0.19)	\$0.05	\$0.16
Avg. shares, diluted	42.0	42.3	51.2

5/7/2026



Quarterly Results – Non-GAAP¹

\$ in Millions, except per share data	Q2 FY26	Q1 FY26	Q2 FY25
Revenue	\$216	\$210	\$213
Gross Margin (Non-GAAP)	34%	34%	36%
Operating Expenses (Non-GAAP)	\$54 25%	\$52 25%	\$51 24%
Operating Income (Non-GAAP)	\$19 9%	\$19 9%	\$26 12%
Net Earnings (Non-GAAP)	\$9	\$8	\$15
EPS, diluted (Non-GAAP)	\$0.21	\$0.19	\$0.31
Avg. shares, diluted	42.0	42.3	51.2

¹ Please see slide 14-20 for a reconciliation of non-GAAP financials. Prior quarters can be found on our website at www.vareximaging.com/financial-reports. We annually review our non-GAAP policy to determine whether any changes to the policy should be made. As part of our review, we considered a strategic shift at one of our equity method investees. Because of this, and because we do not control operations of either of our equity method investments, we believe that the results of these businesses no longer provide investors with information helpful to evaluate our ongoing operations. As such, in Q1 FY26 we modified our non-GAAP policy to exclude the gains and losses on our equity method investments. The gains and losses on the company's equity-method investments in privately-held companies are recorded to other expense, net, in the company's Condensed Consolidated Statements of Operations.



Select Balance Sheet Data

\$ in Millions	Q2 FY26	Q1 FY26	Q2 FY25
Assets			
Cash, Cash Equiv., Mkt. Sec. & CDs*	\$88	\$126	\$226
Accounts Receivable, net	\$148	\$147	\$146
Inventories, net	\$347	\$328	\$285
Total Assets	\$1,089	\$1,098	\$1,358
Liabilities			
Accounts Payable	\$96	\$79	\$71
Total Debt, net	\$348	\$368	\$567
Total Liabilities & Equity	\$1,089	\$1,098	\$1,358

Working Capital Performance	Q2 FY26	Q1 FY26	Q2 FY25
DSO (in days)	62	64	62
DOI	220	214	190
DPO	61	51	47

*Q2 FY26 Cash & cash equivalents (\$85M) + Marketable securities (\$3M); Q1 FY26 Cash & cash equivalents (\$120M) + Marketable securities (\$6M); Q2 FY25 Cash & cash equivalents (\$205M) + Marketable securities (\$21M).



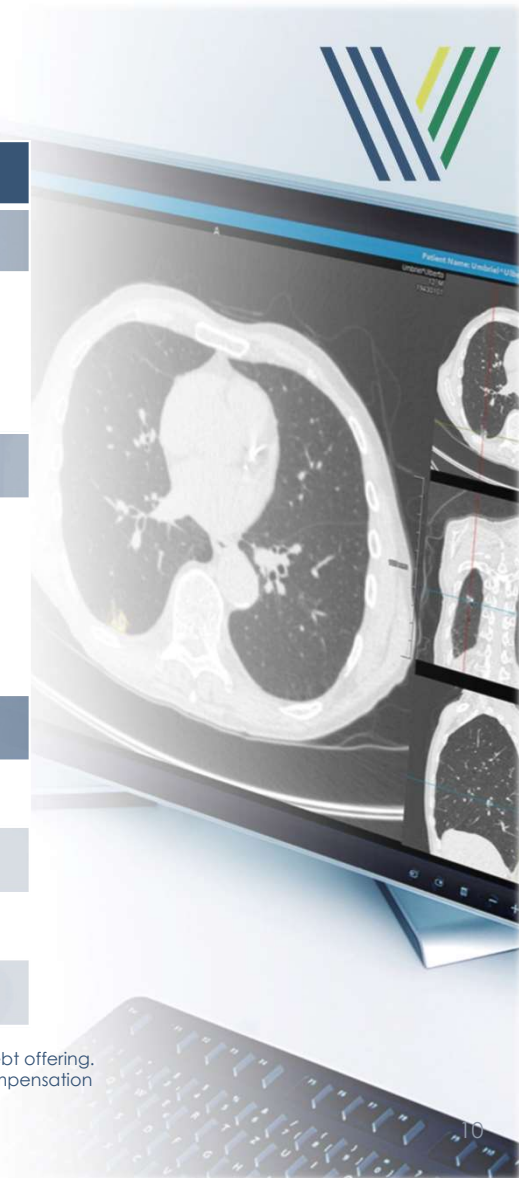
Select Debt and Cash Flow Statement Data

\$ in Millions	Q2 FY26	Q1 FY26	Q2 FY25
Debt			
Gross Debt ¹ (Ratings: Moody's B2 / S&P B+)	\$351	\$370	\$570
Net Debt ²	\$263	\$244	\$219
Adjusted EBITDA³			
Adjusted EBITDA	\$27	\$29	\$36
Adjusted EBITDA (TTM)	\$118	\$127	\$107
Net Debt Leverage (TTM)	2.2x	1.9x	2.1x
Cash Flow Statement Summary			
Cash Flow from Operations	(\$2)	(\$16)	\$17
Capital Expenditures	(\$6)	(\$11)	(\$7)
Cash Interest	(\$12)	(\$15)	-
Cash Taxes	(\$5)	(\$4)	(\$8)

¹Gross Debt includes Total Debt, net of \$351M + unamortized debt issuance cost of \$4M in Q2FY26, \$2M in Q1FY26, & \$3M in Q2FY25.

²Net Debt is defined as gross debt less cash & cash equivalents, and marketable securities. Q2FY25 includes \$125M of restricted cash from the December 2024 Senior Secured debt offering.

³Adjusted EBITDA is defined as non-GAAP net earnings plus non-GAAP interest expense, non-GAAP taxes, non-GAAP depreciation, non-GAAP amortization and share-based compensation



Guidance



Q3 FY26

Revenue	Non-GAAP EPS, diluted
\$210 - \$225M	\$0.15 - \$0.30

Assumptions
<p>Gross Margin: 33% – 34%</p> <p>Operating Expense: ~\$54M</p> <p>Interest & Other Expense, net: (\$6M)–(\$7M)</p> <p>Tax rate: ~23%</p> <p>Share count, diluted: ~42M shares</p>

Fiscal Year 2026

Revenue	Non-GAAP EPS, diluted
\$860 - \$880M	\$0.80 - \$1.00

Assumptions
<p>Gross Margin: 33% – 34%</p> <p>Operating Expense: ~\$213M</p> <p>Interest & Other Expense, net: (\$31M)–(\$32M)</p> <p>Tax rate: ~20%</p> <p>Share count, diluted: ~42M shares</p>

2H FY26 Drivers

- Continued strength in CT
- Industrial photon counting momentum
- Progress in cargo systems commissioning
- Lower interest and other expense

Q3 FY26 and Fiscal Year 2026 guidance excludes the effect of IEEPA tariff refunds



VAREX

I M A G I N G



Making the Invisible Visible™

Q & A



VAREX

I M A G I N G

Making the Invisible Visible™

Non – GAAP Reconciliation

Reconciliation between GAAP and Non-GAAP Financial Measures (Unaudited)



(In millions)	Three Months Ended		Six Months Ended	
	April 3, 2026	April 4, 2025	April 3, 2026	April 4, 2025
GROSS PROFIT RECONCILIATION				
Revenues, net	\$ 216.0	\$ 212.9	\$ 425.6	\$ 412.7
Gross profit	72.6	76.7	142.4	145.2
Amortization of intangible assets	0.6	0.6	1.2	1.1
Non-GAAP gross profit	\$ 73.2	\$ 77.3	\$ 143.6	\$ 146.3
Gross margin %	33.6 %	36.0 %	33.5 %	35.2 %
Non-GAAP gross margin %	33.9 %	36.3 %	33.7 %	35.4 %

Reconciliation between GAAP and Non-GAAP Financial Measures (Unaudited)



(In millions)	Three Months Ended		Six Months Ended	
	April 3, 2026	April 4, 2025	April 3, 2026	April 4, 2025
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSE RECONCILIATION				
Selling, general, and administrative	\$ 36.0	\$ 32.6	\$ 68.7	\$ 66.4
Amortization of intangible assets	0.5	0.4	0.9	0.8
Restructuring charges	—	1.0	0.2	1.7
Non-ordinary course litigation	3.8	2.2	6.1	3.4
Other non-operational gain	—	(0.4)	—	—
Non-GAAP selling, general, and administrative expense	\$ 31.7	\$ 29.4	\$ 61.5	\$ 60.5
OPERATING EXPENSE RECONCILIATION				
Total operating expenses	\$ 58.2	\$ 54.6	\$ 112.6	\$ 111.9
Amortization of intangible assets	0.5	0.4	0.9	0.8
Restructuring charges	—	1.0	0.2	1.7
Non-ordinary course litigation	3.8	2.2	6.1	3.4
Other non-operational gain	—	(0.4)	—	—
Non-GAAP operating expense	\$ 53.9	\$ 51.4	\$ 105.4	\$ 106.0

Reconciliation between GAAP and Non-GAAP Financial Measures (Unaudited)



(In millions)	Three Months Ended		Six Months Ended	
	April 3, 2026	April 4, 2025	April 3, 2026	April 4, 2025
OPERATING INCOME RECONCILIATION				
Operating income	\$ 14.4	\$ 22.1	\$ 29.8	\$ 33.3
Amortization of intangible assets (includes amortization impacts to cost of revenues)	1.1	1.0	2.1	1.9
Restructuring charges (includes restructuring impact to cost of revenues)	—	1.0	0.2	1.7
Non-ordinary course litigation	3.8	2.2	6.1	3.4
Other non-operational gain (includes other non-operational impacts to cost of revenues)	—	(0.4)	—	—
Total operating income adjustments	4.9	3.8	8.4	7.0
Non-GAAP operating income	\$ 19.3	\$ 25.9	\$ 38.2	\$ 40.3
Operating margin %	6.7 %	10.4 %	7.0 %	8.1 %
Non-GAAP operating margin %	8.9 %	12.2 %	9.0 %	9.8 %

Reconciliation between GAAP and Non-GAAP Financial Measures (Unaudited)



	Three Months Ended		Six Months Ended	
	April 3, 2026	April 4, 2025	April 3, 2026	April 4, 2025
(In millions, except per share amounts)				
(LOSS) INCOME BEFORE TAXES RECONCILIATION				
(Loss) income before taxes	\$ (6.4)	\$ 10.8	\$ (2.6)	\$ 13.3
Total operating income adjustments	4.9	3.8	8.4	7.0
Loss from equity-method investments	1.3	1.9	4.5	3.6
Other non-operational costs	9.4	0.3	10.0	0.4
Total income before taxes adjustments	15.6	6.0	22.9	11.0
Non-GAAP income before taxes	\$ 9.2	\$ 16.8	\$ 20.3	\$ 24.3
INCOME TAX EXPENSE RECONCILIATION				
Income tax expense	\$ 1.6	\$ 3.7	\$ 3.0	\$ 6.3
Tax effect on non-GAAP adjustments	1.2	1.6	(0.4)	1.2
Non-GAAP income tax expense	\$ 0.4	\$ 2.1	\$ 3.4	\$ 5.1
NET (LOSS) INCOME AND DILUTED NET (LOSS) INCOME PER SHARE RECONCILIATION				
Net (loss) income attributable to Varex	\$ (8.1)	\$ 6.9	\$ (5.8)	\$ 6.6
Total income before taxes adjustments	15.6	6.0	22.9	11.0
Effective tax rate on non-GAAP adjustments %	(7.7)%	(26.7) %	1.7 %	(10.9) %
Tax effect on non-GAAP adjustments	1.2	1.6	(0.4)	1.2
Non-GAAP net income	8.7	14.5	16.7	18.8
Interest expense on Convertible Notes, net of tax	—	1.6	—	—
Non-GAAP net income adjusted for interest add-back	8.7	16.1	16.7	18.8
Diluted net (loss) income per share	(0.19)	0.17	(0.14)	0.16
Non-GAAP diluted net income per share	\$ 0.21	\$ 0.31	\$ 0.40	\$ 0.45



Reconciliation between GAAP and Non-GAAP Financial Measures (Unaudited)

(In millions)	Three Months Ended		Six Months Ended	
	April 3, 2026	April 4, 2025	April 3, 2026	April 4, 2025
ADJUSTED EBITDA RECONCILIATION				
Net (loss) income attributable to Varex	\$ (8.1)	\$ 6.9	\$ (5.8)	\$ 6.6
Interest expense	7.8	10.2	15.7	18.1
Income tax expense	1.6	3.7	3.0	6.3
Depreciation	5.7	5.6	11.4	11.8
Amortization	1.1	1.0	2.2	1.9
Share-based compensation	4.0	3.8	7.8	7.9
Restructuring charges	—	1.0	0.2	1.7
Non-ordinary course litigation	3.8	2.2	6.1	3.4
Loss from equity-method investments	1.3	1.9		
Other non-operational costs (gain)	9.4	(0.1)	10.0	0.4
Adjusted EBITDA	\$ 26.6	\$ 36.2	\$ 55.1	\$ 61.7



Reconciliation of 2025 Non-GAAP Financial Information As Previously Reported to 2025 Non-GAAP Financial Results as per Updated Policy - Excluding gains and losses from equity-method investments(Unaudited)

INCOME BEFORE TAXES RECONCILIATION

(In millions)

	Q1 2025	Q2 2025	Q3 2025	Q4 2025	FY 2025
Non-GAAP income before taxes (as reported)	\$ 5.8	\$ 14.9	\$ 10.0	\$ 17.8	\$ 48.5
Loss (income) from equity-method investments	1.7	1.9	(1.4)	0.1	2.3
Non-GAAP income before taxes (as adjusted)	\$ 7.5	\$ 16.8	\$ 8.6	\$ 17.9	\$ 50.8

INCOME TAX EXPENSE RECONCILIATION

(In millions)

	Q1 2025	Q2 2025	Q3 2025	Q4 2025	FY 2025
Non-GAAP income tax expense (as reported)	\$ 2.7	\$ 3.2	\$ 2.4	\$ 2.5	\$ 10.8
Tax effect on non-GAAP adjustment	(0.3)	1.1	(0.9)	(0.4)	(0.5)
Non-GAAP income tax expense (as adjusted)	\$ 3.0	\$ 2.1	\$ 3.3	\$ 2.9	\$ 11.3

NET INCOME (LOSS) AND DILUTED NET INCOME (LOSS) PER SHARE RECONCILIATION

(In millions, except per share amounts)

	Q1 2025	Q2 2025	Q3 2025	Q4 2025	FY 2025
Non-GAAP net income (as reported)	\$ 2.9	\$ 11.5	\$ 7.6	\$ 15.3	\$ 37.3
Loss (income) from equity-method investments	1.7	1.9	(1.4)	0.1	2.3
Tax effect on non-GAAP adjustment	(0.3)	1.1	(0.9)	(0.4)	(0.5)
Non-GAAP net income (as adjusted)	\$ 4.3	\$ 14.5	\$ 5.3	\$ 15.0	\$ 39.1
Non-GAAP net income adjusted for interest add-back (as reported)	\$ 2.9	\$ 13.1	\$ 7.6	\$ 15.3	\$ 37.3
Loss (income) from equity-method investments	1.7	1.9	(1.4)	0.1	2.3
Tax effect on non-GAAP adjustment	(0.3)	1.1	(0.9)	(0.4)	(0.5)
Non-GAAP net income adjusted for interest add-back (as adjusted)	\$ 4.3	\$ 16.1	\$ 5.3	\$ 15.0	\$ 39.1
Diluted shares	41.1	51.2	41.5	41.8	41.4
Diluted EPS (as reported)	\$ 0.07	\$ 0.26	\$ 0.18	\$ 0.37	\$ 0.90
Diluted EPS (as adjusted)	\$ 0.10	\$ 0.31	\$ 0.13	\$ 0.36	\$ 0.94

ADJUSTED EBITDA RECONCILIATION

(In millions)

	Q1 2025	Q2 2025	Q3 2025	Q4 2025	FY 2025
Adjusted EBITDA (as reported)	\$ 23.8	\$ 34.3	\$ 28.9	\$ 34.9	\$ 121.9
Loss (income) from equity-method investments	1.7	1.9	(1.4)	0.1	2.3
Adjusted EBITDA (as adjusted)	\$ 25.5	\$ 36.2	\$ 27.5	\$ 35.0	\$ 124.2

Discussion of Non-GAAP Financial Measures



This presentation includes non-GAAP financial measures derived from the company's Condensed Consolidated Statements of Operations. These measures are not presented in accordance with, nor are they a substitute for U.S. generally accepted accounting principles, or GAAP. These measures include: non-GAAP gross profit; non-GAAP gross margin; non-GAAP operating expense; non-GAAP operating earnings; non-GAAP operating earnings margin; non-GAAP earnings before taxes; non-GAAP net earnings; non-GAAP net earnings per diluted share, non-GAAP dilutive shares; and non-GAAP EBITDA. The company is providing a reconciliation above of each non-GAAP financial measure used in this earnings release to the most directly comparable GAAP financial measure. The company is unable to provide without unreasonable effort a reconciliation of non-GAAP guidance measures to the corresponding GAAP measures on a forward-looking basis due to the potential significant variability and limited visibility of the excluded items discussed.

The company utilizes a number of different financial measures, both GAAP and non-GAAP, in analyzing and assessing the overall performance of its business, in making operating decisions, and forecasting and planning for future periods. The company considers the use of the non-GAAP measures to be helpful in assessing the performance of the ongoing operation of its business by excluding unusual and one-time costs. The company believes that disclosing non-GAAP financial measures provides useful supplemental data that allows for greater transparency in the review of its financial and operational performance. The company also believes that disclosing non-GAAP financial measures provides useful information to investors and others in understanding and evaluating its operating results and future prospects in the same manner as management and in comparing financial results across accounting periods and to those of peer companies.

Non-GAAP measures include the following items:

Amortization of intangible assets: The company does not acquire businesses and assets on a predictable cycle. The amount of purchase price allocated to intangible assets and the term of amortization can vary significantly and are unique to each acquisition or asset purchase. The company believes that excluding amortization of intangible assets allows the users of its financial statements to better review and understand the historic and current results of its operations, and also facilitates comparisons to peer companies.

Purchase price accounting charges to cost of revenues: The company may incur charges to cost of revenues as a result of acquisitions. The company believes that excluding these charges allows the users of its financial statements to better understand the historic and current cost of its products, its gross margin, and also facilitates comparisons to peer companies.

Restructuring charges: The company incurs restructuring charges that result from events which arise from unforeseen circumstances and/or often occur outside of the ordinary course of its on-going business. Although these events are reflected in its GAAP financials, these unique transactions may limit the comparability of its on-going operations with prior and future periods.

Acquisition and integration related costs: The company incurs expenses or benefits with respect to certain items associated with its acquisitions, such as transaction costs, changes in fair value of acquisition related hedges, changes in the fair value of contingent consideration liabilities, gain or expense on settlement of pre-existing relationships, etc. The company excludes such expenses or benefits as they are related to acquisitions and have no direct correlation to the operation of its on-going business. The company also incurs expenses or benefits with respect to certain items associated with its acquisitions, such as integration costs relating to acquisition costs incurred prior to closing and up to 12 months after the closing date of the acquisition.

Impairment of goodwill: The company may incur impairment charges that result from events which arise from unforeseen circumstances and/or often occur outside of the ordinary course of its on-going business and such charges may limit the comparability of its on-going operations with prior and future periods.

Non-ordinary course litigation: The company may incur charges that result from non-ordinary course litigation matters such as certain intellectual property disputes and joint venture litigation. Litigation matters that are part of the ordinary course of the company's business, such as product liability claims, employment related matters and commercial contract disputes, are not excluded.

Other non-operational costs: Certain items may be non-recurring, unusual, infrequent and directly related to an event that is distinct and non-reflective of the company's ongoing business operations. These may include such items as legal settlements, inventory write-downs for discontinued products, cost of facilities no longer in use, extinguishment of debt and hedge costs, environmental settlements, governmental settlements including tax settlements, and other items of similar nature.

Non-operational tax adjustments: Certain tax items may be non-recurring, unusual, infrequent and directly related to an event that is distinct and non-reflective of the company's normal business operations. These may include such items as the retroactive impact of significant changes in tax laws, including changes to statutory tax rates and one-time tax charges.

Tax effects of operating earnings adjustments: The company applies its non-GAAP adjustments to the GAAP pretax income to calculate the non-GAAP effective tax rate. This application of its non-GAAP effective tax rate excludes any discrete items, as defined in the guidance for accounting for income taxes in interim periods, or any other non-operational tax adjustments.

Dilution offset from convertible notes hedge transaction: In connection with the issuance of the company's Convertible Senior Unsecured Notes (the Convertible Notes) in June 2020, the company entered into convertible note hedge transactions (the Hedge Transactions) to reduce the potential dilutive effect on common shares upon the potential conversion of the Convertible Notes. GAAP diluted shares outstanding includes the incremental dilutive shares from the company's Convertible Notes. Under GAAP, the anti-dilutive impact of the Convertible Note Hedge Transactions is not reflected in GAAP diluted shares outstanding. In periods in which the average stock price per share exceeds \$20.81 and the company has GAAP net income, the non-GAAP diluted share count includes the anti-dilutive impact of the company's Hedge Transactions, which reduces the potential dilution that otherwise would occur upon conversion of the company's Convertible Notes. The company believes non-GAAP diluted shares is a useful non-GAAP metric because it provides insight into the offsetting economic effect of the Hedge Transactions against potential conversion of the Convertible Notes.

Gains and losses on equity-method investments: The company's net income (loss) is impacted by gains and losses associated with its equity-method investments included in Other expense, net on the Condensed Consolidated Statements of Operations. These gains and losses may arise from unforeseen circumstances and/or often occur outside of the ordinary course of the company's on-going business. By excluding these gains and losses, investors can better evaluate its operating performance period-over-period.

5/7/2026



VAREX
IMAGING

Making the Invisible Visible™