

Integra LifeSciences

38th Annual J.P. Morgan Healthcare Conference

January 15, 2020



Safe Harbor Statement

This presentation contains forward-looking statements that are based on management's current expectations and beliefs and are subject to a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those described. All statements, other than statements of historical fact, are statements that could be deemed forward-looking statements. Some of these forward-looking statements may contain words like "will," "believe," "may," "could," "would," "might," "possible," "should," "expect," "intend," "plan," "anticipate," or "continue," the negative of these words, other terms of similar meaning or they may use future dates. This presentation contains forward-looking statements, including statements regarding the Company's unaudited, preliminary fourth quarter and full-year 2019 financial results, and 2020 financial guidance, within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties, and reflect the Company's judgment as of the date of this presentation. Forward-looking statements in this document also include without limitation statements regarding Integra's future financial and operating results, such as regarding expected revenue growth (both reported and organic), operating margins, capital expenditures, cash and other metrics for 2019 and 2020, franchise performance within business areas, segments and geographies, as well as other statements regarding Integra's plans, objectives, expectations and intentions. Forward-looking statements further include, but are not limited to, statements concerning future financial performance, including projections for revenues, earnings per diluted share and statements concerning the Company's plans with respect to share repurchases. It is important to note that the Company's goals and expectations are not predictions of actual performance. Such forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from predicted or expected results. Such risks and uncertainties include, but are not limited, to the following: the Company's ability to execute its operating plan effectively; the Company's ability to successfully grow the Codman Neurosurgery business and successfully integrate any other acquired businesses; the Company's ability to manufacture and ship sufficient quantities of its products to meet its customers' demands; the ability of third-party suppliers to supply the Company with raw materials and finished products; global macroeconomic and political conditions; the Company's ability to manage its direct sales channels effectively; the Company's ability to maintain relationships with customers of acquired entities and businesses; physicians' willingness to adopt and third-party payors' willingness to provide or maintain reimbursement for the Company's recently launched, planned and existing products; initiatives launched by the Company's competitors; downward pricing pressures from customers; the Company's ability to secure regulatory approval for products in development; the Company's ability to remediate quality systems violations; fluctuations in hospitals' spending for capital equipment; the Company's ability to comply with and obtain approvals for products of human origin and comply with regulations regarding products containing materials derived from animal sources; difficulties in controlling expenses, including costs to procure and manufacture our products; the impact of changes in management or staff levels; the impact of goodwill and intangible asset impairment charges if future operating results of acquired businesses are significantly less than the results anticipated at the time of the acquisitions, the Company's ability to leverage its existing selling organizations and administrative infrastructure; the Company's ability to increase product sales and gross margins, and control non-product costs; the Company's ability to achieve anticipated growth rates, margins and scale and execute its strategy generally; the amount and timing of acquisition and integration-related costs; the geographic distribution of where the Company generates its taxable income; the effect of legislation effecting healthcare reform in the United States and internationally; fluctuations in foreign currency exchange rates; the amount of our bank borrowings outstanding and other factors influencing liquidity; and the economic, competitive, governmental, technological, and other risk factors and uncertainties identified under the heading "Risk Factors" included in Item 1A of Integra's Annual Report on Form 10-K for the year ended December 31, 2018 and information contained in subsequent filings with the Securities and Exchange Commission.

Non-GAAP Financial Measures

In addition to our GAAP results, we provide organic revenues and adjusted earnings per diluted share. Organic revenues consist of total revenues excluding the effects of currency exchange rates, revenues, from current-period acquisitions and product discontinuances. The adjusted earnings per diluted share measure is calculated by dividing adjusted net income attributable to diluted shares by diluted weighted average shares outstanding.

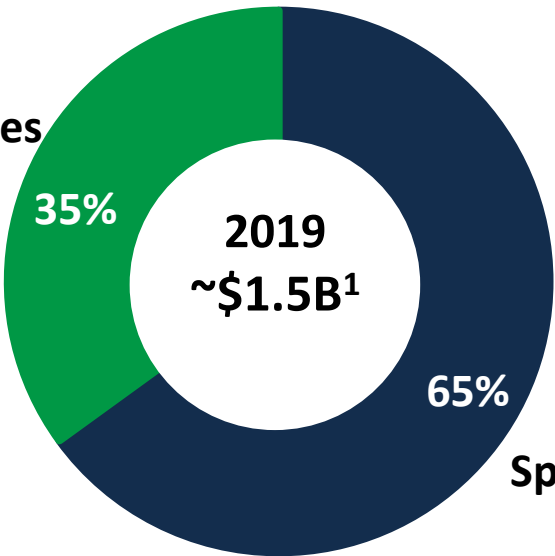
The Company believes that the presentation of organic revenues and adjusted earnings per diluted share measures provides important supplemental information to management and investors regarding financial and business trends relating to the Company's financial condition and results of operations.

Integra – By the Numbers

>\$6.2B

Total Enterprise Value

Orthopedics & Tissue Technologies (OTT)



Codman Specialty Surgical (CSS)

2020 Guidance¹

~5%

Organic Revenue Growth

Double-Digit

Earnings Per Share Growth

25%+

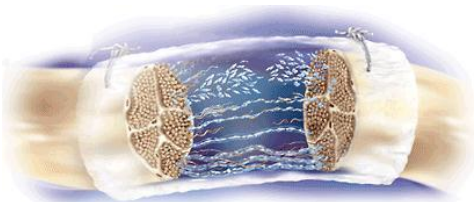
of Organic Revenue Growth from New Product Introductions (Long Term Target)



~4,500
Employees

~40%

Sales from Regenerative Technology Products



~30%



International Sales

(1) 2019 and 2020 preliminary revenue guidance provided Jan. 14, 2020

Integra – Where We Are Going

Leading Market Positions

- Global leadership in Neurosurgery
- Leading positions in plastics and reconstructive surgery including key regenerative and wound care markets such as burns, skin substitutes and nerve repair

Accelerating Organic Growth

- Execution of new product launches and global registrations
- Leverage expanded and more focused global commercial teams






Margin Expansion

- Faster growth in higher margin products
- Product portfolio rationalization and manufacturing optimization plans
- G&A leverage and sales productivity improvements

Financial Strength

- Solid balance sheet with strong Operating and Free Cash Flow
- Capital Allocation Strategy: M&A, Debt Reduction, and Share Buybacks

Business & Market Composition

		Business Mix	Products	Select Markets
CSS	Neurosurgery	46%		Neurosurgery US 3-5% Growth Neurosurgery Asia 6-8% Growth
	Precision Tools & Instruments	19%		Specialty Instruments ~3% Growth General Surgery 2-3% Growth
OTT	Regenerative Skin & Wound	28%		Outpatient Wound 10-12% Growth Reconstructive Surgery ~10% Growth
	U.S. Extremity Orthopedics	7%		Ankle Arthroplasty ~16% Growth Shoulder Market ~7% Growth
International Business		30% ⁽¹⁾		Asia 8-12% Growth EMEA 3-5% Growth

Regenerative Technologies
Leveraged

Good Mix of Stable and
High Growth Markets

(1) Inclusive of international CSS and OTT businesses.

Codman Specialty Surgical – At a Glance

Global Leader in
Neurosurgery



14 #1 Market
Leading Brands

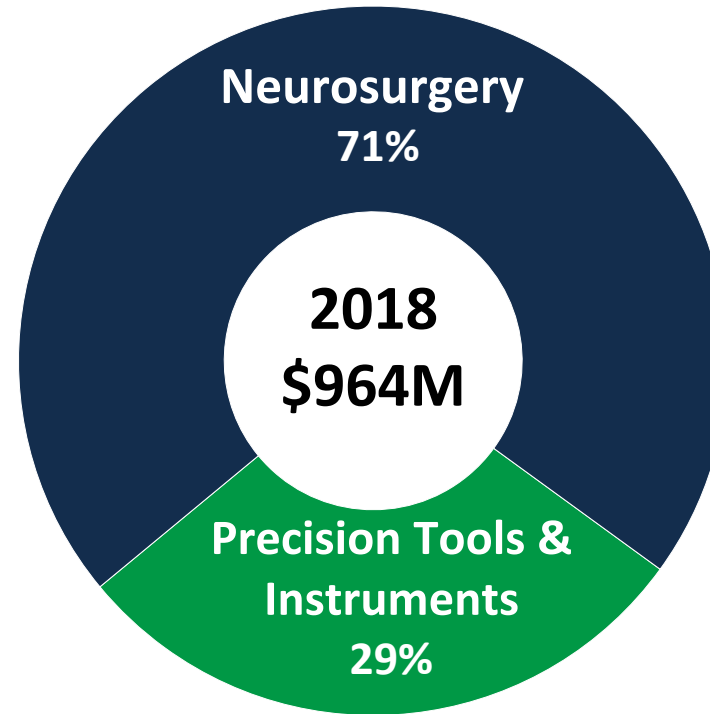


#1 Largest Direct
Neurosurgery Salesforce



Salesforce
Increase Since
2018:

- +30% US
- +50% OUS



Addressable Market
\$3.5B → >\$4.5B
With Strategic M&A

GROWTH DRIVERS

- New Product Introductions Ramp Over Multiple Years
- Accelerating Revenues in International Markets (China / Japan)
- Improved Effectiveness From Fully Integrated Salesforce
- Recent Strategic M&A Expands Total Addressable Market

Meaningful Codman Integration Activities Complete

Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
2017	2018				2019				2020	2021



Closed
Codman



Integrated Commercial
and R&D Functions



Exited TSAs in US, ANZ,
Canada, China



IT Transfer - Swiss Manufacturing to
Integra ERP



Exited TSAs in Western Europe and Japan



Took Control of Day 2 Countries

Product Line Transfers Expected to be Completed by 2021



Orthopedics & Tissue Technologies – At a Glance

#1

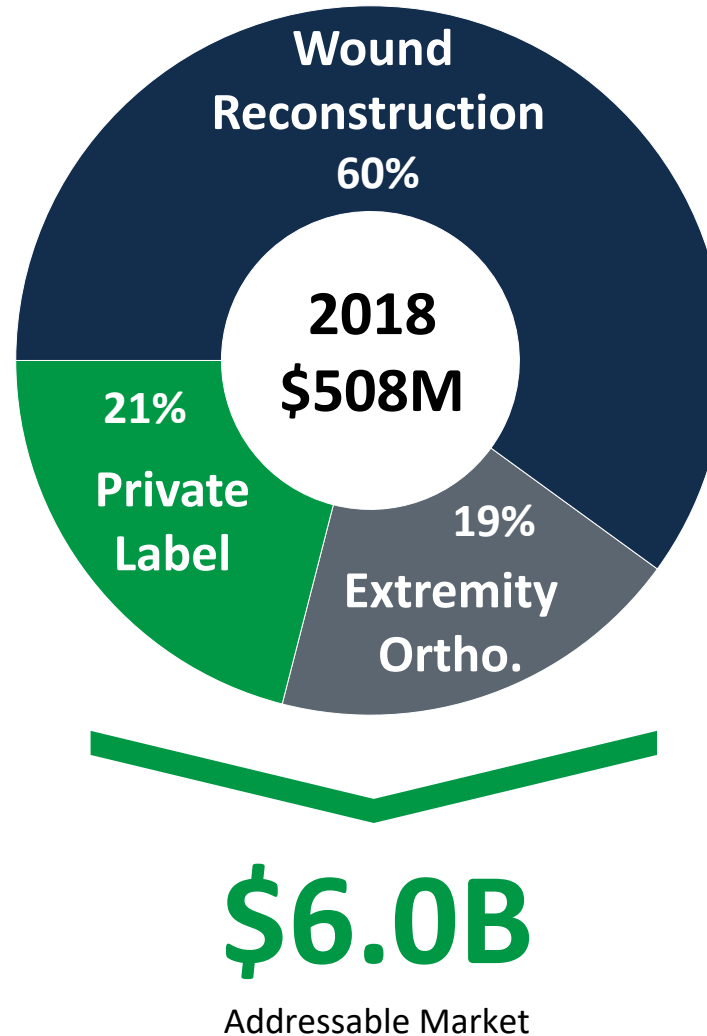
Position in:

- Burns
- Skin Substitutes
- Medical Grade Honey Wound Care
- Total Contact Casting



Focused Expertise Through Four Dedicated Commercial Channels

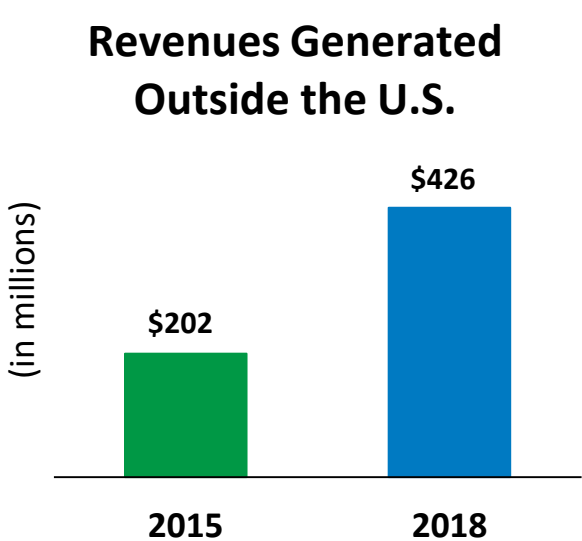
- Wound Reconstruction & Burn
- Outpatient Wound Care
- Plastic and Reconstructive
- Extremity Orthopedics



GROWTH DRIVERS

- Sales Force Focus & Enterprise Capabilities
- 2019 - 2020 Investments to Expand Regenerative Product Capacity
- Inpatient Plastic and Reconstructive Market Leadership
- Outpatient Wound Market Opportunity
- New Product Introductions and Clinical Studies
- Strategic M&A

International – At a Glance

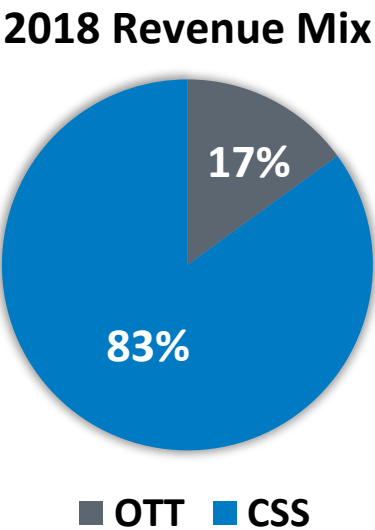


~30%

of Total Sales in International Markets

50%

Increase in Total International Headcount (2018)



~15

New Product Introductions & Registrations in 2018 and 2019

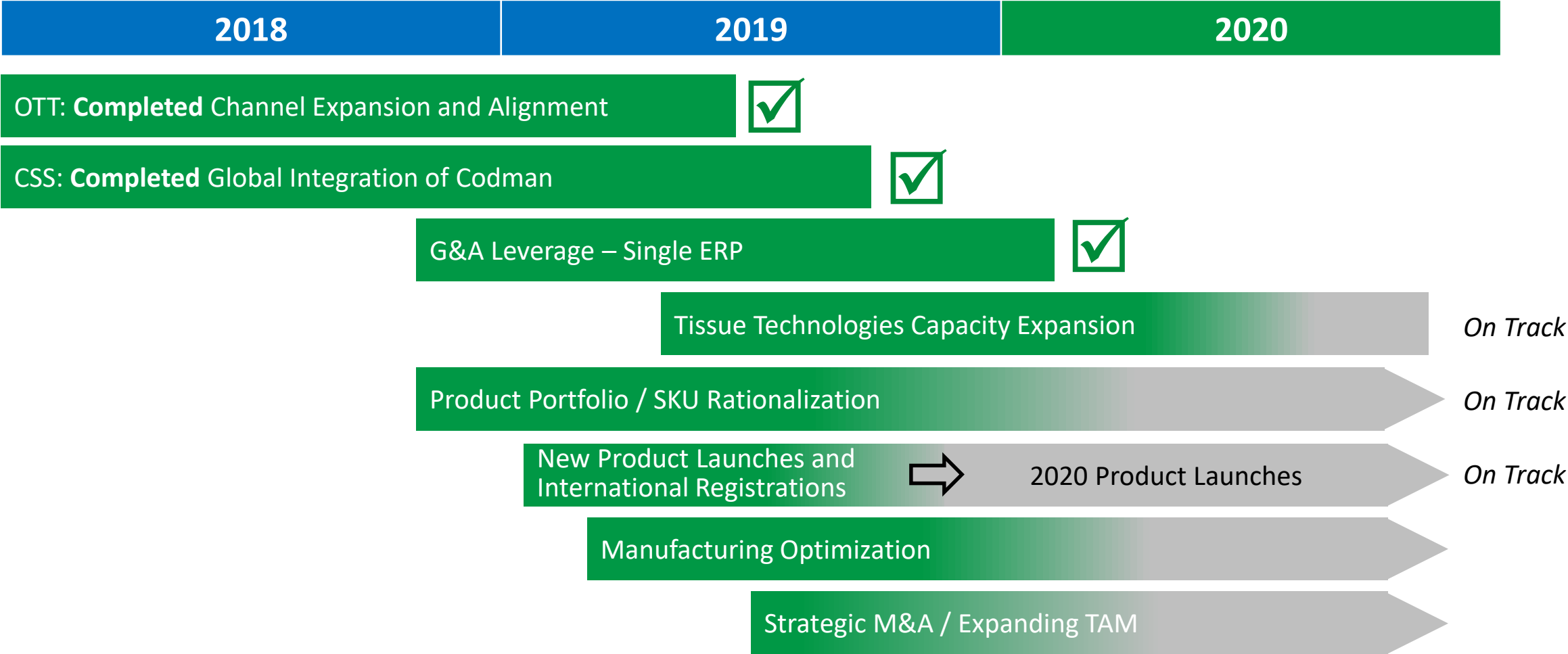


Double Digit Revenue CAGR from Both Japan and China
With >70 Employees in Each Country

GROWTH DRIVERS

- Direct Channel Expansion
- New Products & Registrations
- Exited TSA's and took control of Day 2 countries

Execution of Strategic Initiatives



Completed Global Transformation Across Both Segments to Enable Faster Revenue & Profit Growth

New Product Launches

CSS



**Certas™ Plus
Programmable Valve -
Small**



**Certas™ Plus
Electronic Tool Kit**



**CUSA® Clarity
Tough Tissue
Technology**



**Integra® Duo LED
Surgical Headlight**



**ElectroSurgery
Generator & Irrigator**



DuraGen® - Japan



**CereLink™ ICP
Monitoring System**

2020 Launch

OTT



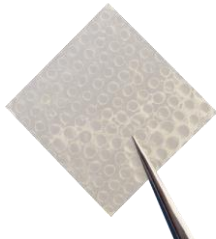
**Integra® XT Revision
TAR System**



**Integra® Titan™ Reverse
Shoulder System-S
(Small Post Baseplate)**



**Integra® Panta® 2 TTC
Arthrodesis Nail System**



AmnioExcel® Plus



**Reimbursement Studies
AmnioExcel® Plus & PriMatrix®**

Estimated Completion 2020

New Products Expected to Drive Organic Growth in 2020 and Beyond

Strategic Acquisitions to Strengthen Leadership in Neuro



Expanding Neurocritical Care Portfolio

- Only solution for catheter occlusion on the market
- Strong complement to our Bactiseal, anti-microbial EVD catheter



Adding Minimally Invasive Surgical Platform

- Minimally-invasive, single-use system for neuro procedures
- Replaces big capital in OR, interfaces with existing equipment
- Adds MIS competence, new platform technology

Expands Addressable Market by >\$1.0 Billion, Drives Organic Revenue Growth and Margin Expansion

Preliminary 2019 Revenue Results & 2020 Outlook

Preliminary Fourth Quarter and Full-Year 2019 Revenue Results

- At or near the low end of the previously communicated guidance range of \$395 to \$400 million
- Organic revenue growth of slightly less than 5%

Preliminary 2020 Financial Guidance

- Full-year 2020, reported revenue in the range of \$1,550 million to \$1,570 million
- Organic revenue growth of approximately 5% and reported growth of approximately 3%
- Double-digit earnings per share growth

Share Repurchase Program

- The Company plans to implement a share repurchase program that was previously approved by the Board of Directors, with an authorization of up to \$225 million

Final, Audited Fourth Quarter and Full-Year 2019 Results to be Reported in Late February 2020

Integra's Long Term Goals and Growth Drivers



Growth Drivers

- Codman Integration Complete and Commercial Focus Improved
- Strong Product Pipeline & Recently Launched Products Drive Future Organic Growth
- Accelerating Revenues in International Markets (China/Japan)
- Leveraging Tissue Technology Investment in Supply, Channel and Clinical Outcomes
- Margin Expansion via G&A Leverage, Portfolio & Manufacturing Optimization
- Acquisitions to Build Scale and Differentiation

