

Integra LifeSciences

36th Annual J.P. Morgan Healthcare Conference

January 2018



Safe Harbor Statement

This presentation contains forward-looking statements within the meaning of the federal securities law, including statements regarding the company's unaudited preliminary fourth quarter 2017 financial results. These forward-looking statements are necessarily estimates reflecting the judgment of the company's management as of the date of this presentation and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. 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 "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. No forward-looking statement can be guaranteed and actual results may differ materially from those we project depending upon a number of factors. These factors include, among other things, the following: the company's ability to execute its operating plan effectively; the company's ability to successfully integrate the Codman Neurosurgery business and other acquired businesses; the company's ability to successfully sustain manufacturing operations at full capacity at our Puerto Rico facility and the restoration of infrastructure and other essential services in Puerto Rico; 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 us 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 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, 2016 and information contained in subsequent filings with the Securities and Exchange Commission. These forward-looking statements are made only as of the date hereof, and the company undertakes no obligation to update or revise the forward-looking statements, whether as a result of new information, future events, or otherwise. All forward-looking statements in this document are qualified in their entirety by this cautionary statement.

Non-GAAP Financial Measures

In addition to our GAAP results, we provide organic revenues, adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA"), adjusted net income, adjusted EPS, free cash flow and adjusted free cash flow conversion. Organic revenues consist of total revenues excluding the effects of currency exchange rates, acquired revenues and product discontinuances. Adjusted EBITDA consists of GAAP net income from continuing operations, excluding: (i) depreciation and amortization, (ii) other income (expense), (iii) interest income and expense, (iv) income taxes, (v) and those operating expenses also excluded from adjusted net income. The measure of adjusted net income consists of GAAP net income from continuing operations, excluding: (i) global enterprise resource planning ("ERP") implementation charges; (ii) structural optimization charges; (iii) certain employee severance charges; (iv) acquisition-related charges; (v) convertible debt noncash interest; (vi) intangible asset amortization expense; (vii) discontinued product lines charges; (viii) income tax impact from adjustments; (ix) Hurricane related expenses and other items. The adjusted EPS measure is calculated by dividing adjusted net income attributable to diluted shares by diluted weighted average shares outstanding. The measure of free cash flow consists of GAAP net cash provided by continuing operating activities from continuing operations less purchases of property and equipment. The adjusted free cash flow conversion measure is calculated by dividing free cash flow by adjusted net income.

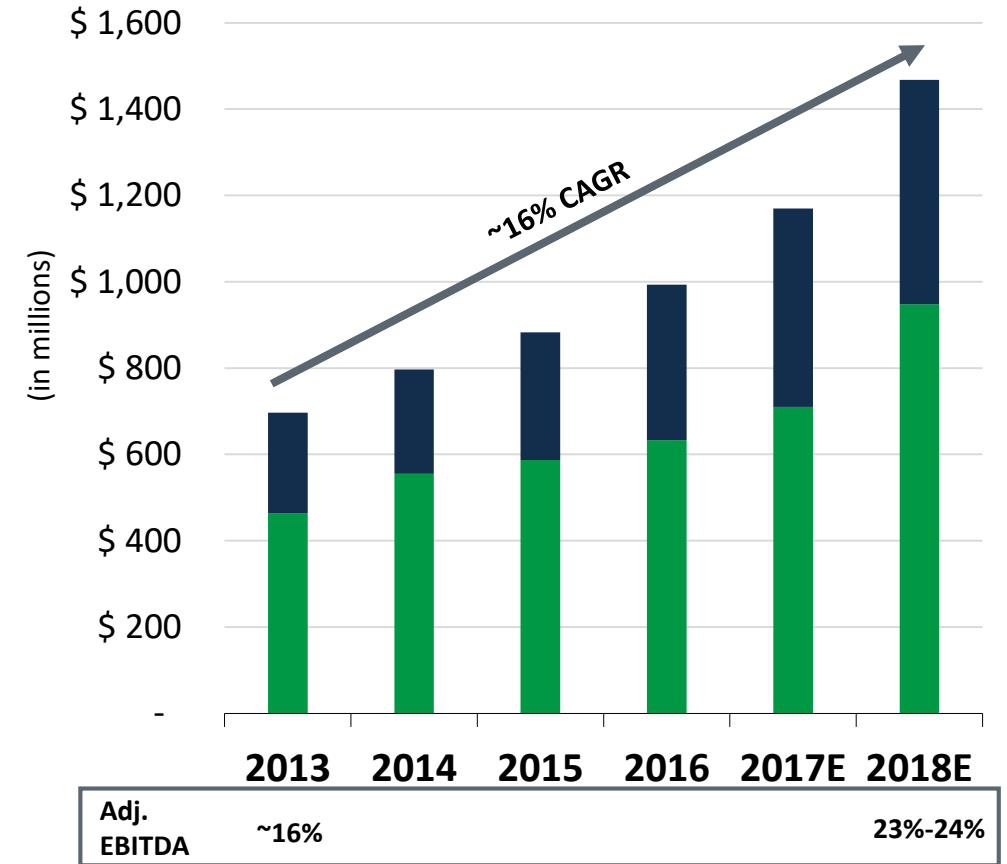
The Company believes that the presentation of the various organic revenue, adjusted EBITDA, adjusted net income, adjusted EPS, free cash flow, and free cash flow conversion measures provide important supplemental information to management and investors regarding financial and business trends relating to the Company's financial condition and results of operations.

Company Overview

Key Statistics

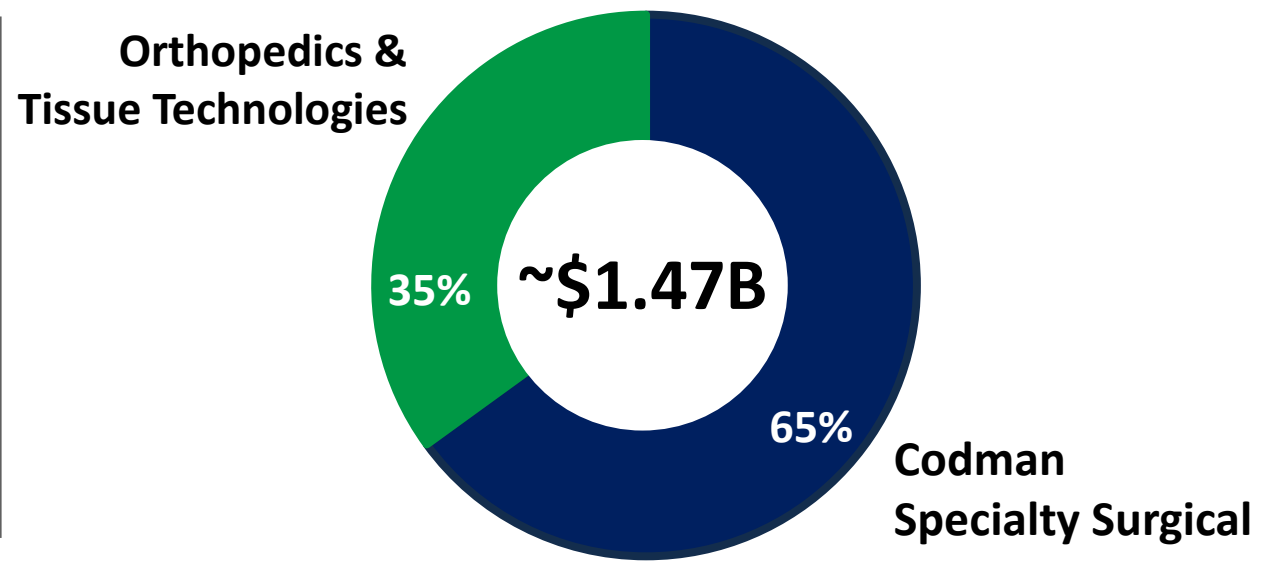
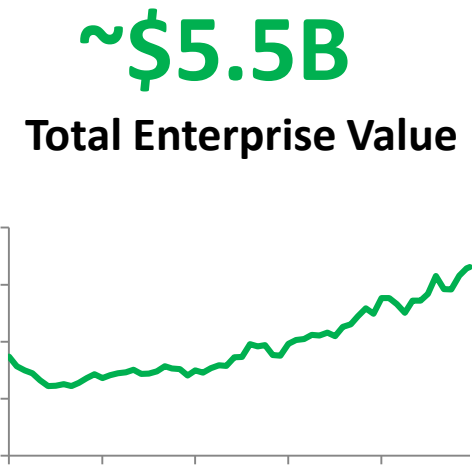
- **Founded:** 1989
- **Headquartered:** Plainsboro, NJ
- **Ticker:** IART (NASDAQ)
- **Total Employees:** 4,400
- **Two Business Segments:**
 - **Codman Specialty Surgical**
 - ✓ Leadership in Global Neurosurgery Market
 - **Orthopedics & Tissue Technologies**
 - ✓ Leadership in Regenerative Technologies
 - ✓ Extremity Orthopedics Growth Opportunity

Revenue & EBITDA



Diversified Medical Technology Company with Expanding Revenue and Margin Profile

Integra 2018 – By the Numbers



2018E Guidance*

- Organic Growth ~5%
- Adj. EBITDA 23% - 24%
- Adj. EPS Growth 22% - 27%

25%+
of Organic
Revenue Growth from
New Product Introductions
(Long Term Target)



Preliminary Fourth Quarter 2017 Financial Results

	Q4 2017 Guidance*	January 8, 2018 Pre Announcement
Reported Revenue^	\$345 - \$355 million	~\$365 million
Organic Revenue Growth^	~4%	~5.5%
Adjusted EPS Growth	\$0.53 - \$0.57	> \$0.57

* Guidance as of Oct 26, 2017

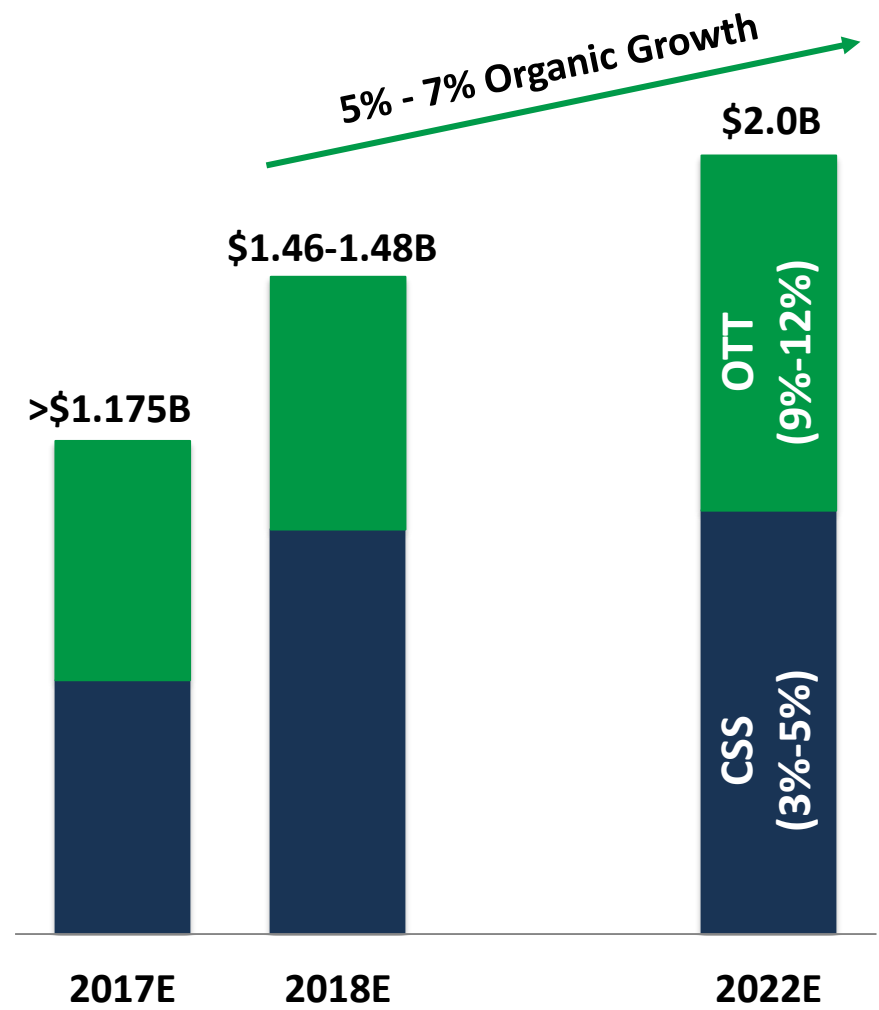
^ Guidance implied based on full-year 2017 guidance and 9 Months of actual results

Final, Audited Fourth Quarter and Full Year 2017 Financial Results to be Reported in Late February 2018

Integra's Five-Year Goals



Above Market Five-Year Revenue Growth














Codman Specialty Surgical	Orthopedics & Tissue Tech
Sustaining Market Leadership & Growth: Global Channel Expansion New Products & Registrations: CUSA, ES Generator, VersaTru, ICP Express	Expanding Into New Markets & Investing in Growth: Channel Expansion & Focus New Products: Tissue Tech, Ankle Medical Education & Training, Clinical Studies
Organic Growth: 3% - 5%	Organic Growth: 9% - 12%

International
High-Single Digit Growth International Market Registrations (Japan, China & EU)

Market Opportunities in Both Business Segments Lead to Sustainable Above-Market Organic Growth

Business & Market Composition

		2016 Business Mix	2018E Business Mix	Business	Select Markets
OTT	U.S. Extremity Orthopedics	11%	7%	 	Ankle Arthroplasty ~16% Growth Shoulder Market ~7% Growth
	Regenerative Skin & Wound	25%	29%	  	Outpatient Wound 10-12% Growth Reconstructive Surgery ~10% Growth
CSS	Neurosurgery	37%	46%	  	Neurosurgery US 3-5% Growth Neurosurgery Asia 6-8%
	Precision Tools & Instruments	27%	18%	 	Specialty Instruments ~3% Growth General Surgery 2-3%
	International Business	23%	30%		Asia 8-12% EMEA 3-5%
Total Revenue		\$992M	\$1.47B	Regenerative Technologies Leveraged	Good Mix of Stable and High Growth Markets

Codman Specialty Surgical – At a Glance

Leading Global
Portfolio for
Neurosurgery

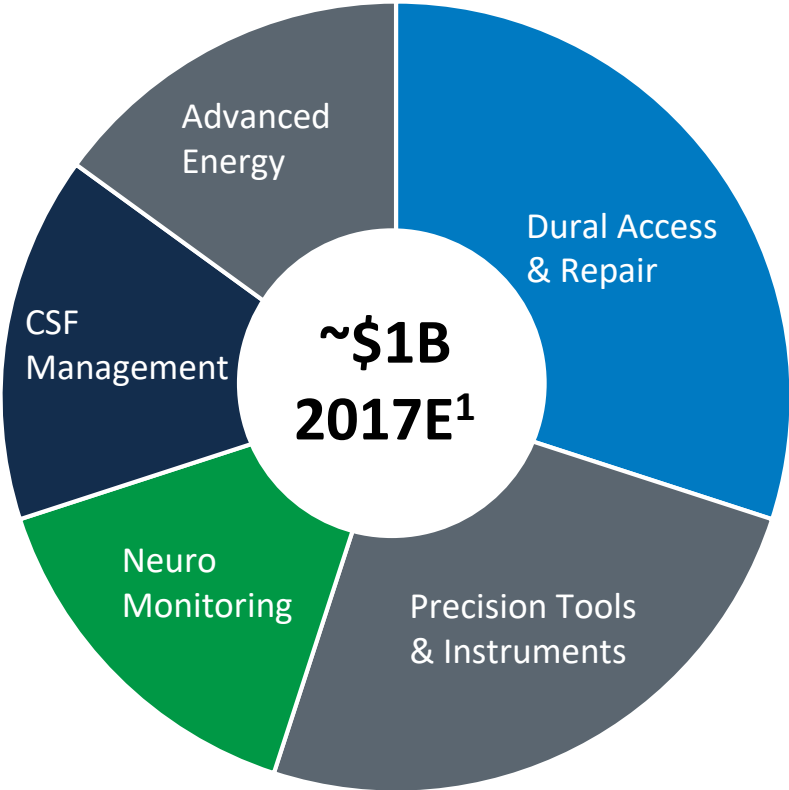


14 #1 Market
Leading Brands

#1 Largest Direct
Neurosurgery Salesforce



+30% US Sales
+50% OUS Sales



\$3.5B

Addressable Market
Opportunities

35%
International Sales



GROWTH DRIVERS

Advanced Energy

ICP

Hydrocephalus

Channel Expansion

New Product Introductions &
Global Registrations

Codman Specialty Surgical Franchise View

Global Franchises	Precision Tools & Instruments ~30%*	Dural Access & Repair ~30%*	Advanced Energy ~15%*	Neuro Monitoring ~10%*	CSF Management ~15%*
	Mayfield	DuraGen	CUSA (Ablation)	EVDs	F-R Shunts
Sub Franchises	CRW	DuraSeal	Electrosurgery	CRAK Kits	Hakim
	Specialty Instruments	DuraFORM-OUS	VersaTru	Licox	Certas Plus
	General Instruments	Perforators		ICP Express	Bactiseal
	Lighting	Strips/Patties		DirectLink	Fixed Shunts

Orthopedics & Tissue Technologies – At a Glance

#1

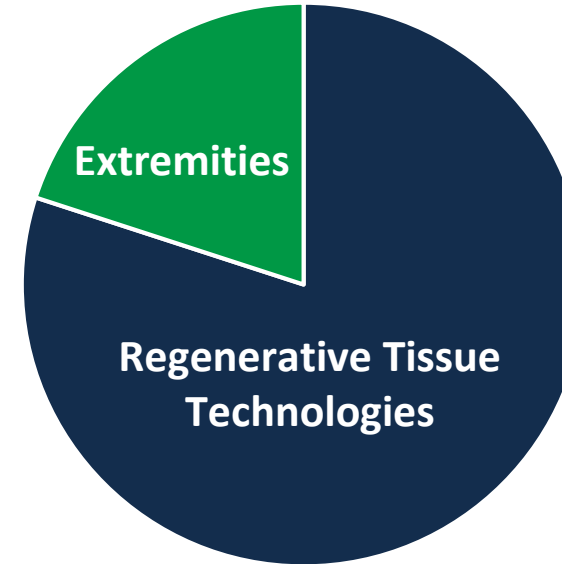
Position in:

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



13%

of Sales in
International
Markets



\$464M

2017E Revenue Guidance



New Product Introductions Line Extensions











\$6B

Addressable
Market
Opportunities

U.S. Channel Investment & Expansion

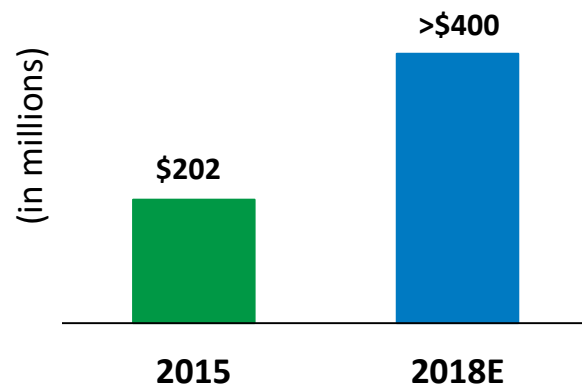
- From 2 to 4 Dedicated Sales Channels
- Addition of Specialists at Key Call Points
- Increased Focus and Access to Drive Double-Digit Growth

2018 U.S. Selling Channels and Key Products

Franchise	<div> Extremity Orthopedics</div>	<div> Wound Reconstruction & Care</div>		<div> Surgical Reconstruction</div>
Channel	Extremity Orthopedics Direct and Distribution	Wound Reconstruction (Acute) Direct	Advanced Wound Care (Outpatient) Direct	Surgical Reconstruction Direct and Distribution
	 ~150 → ~180*	 ~50 → ~100	 ~40 → ~100	 ~40 → ~90*
Products	Cadence Ankle	Bilayer Wound Matrix	Medihoney	SurgiMend
	Salto Ankle	Meshed Bilayer Wound Matrix	PriMatrix	SurgiMend MP
	Lower Extremity	Meshed Derm Reg Template	AmnioExcel	SurgiMend PRS
	Titan Shoulder	Integra Derm Reg Template	Omnigraft	Revize & Revize- X
	Upper Extremity	PriMatrix	Total Contact Casting	Amniotics
	Nerve & Tendon			

International by 2018: Where We're Headed

Revenues Generated Outside the U.S.



30%
of Total Sales in
International Markets

50%
Increase in
Total International
Headcount

Growth Drivers

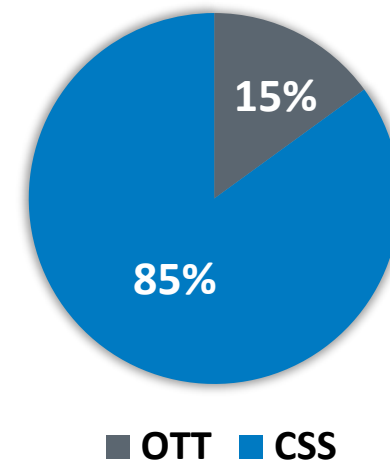
Significant Direct Channel
Expansion

CSS: Dural Repair, Advanced
Energy, CSF Management

OTT: Regenerative Technology,
Orthopedics

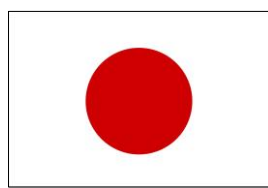
New Products & Registrations

2018E Revenue Mix



~15

New Product
Introductions &
Registrations in
Next 24 Months



>100%

Increase in Revenues from
China and Japan

>70 Employees in
Japan



>70 Employees in
China



Translating Strategy to Action

GOALS



STRATEGY

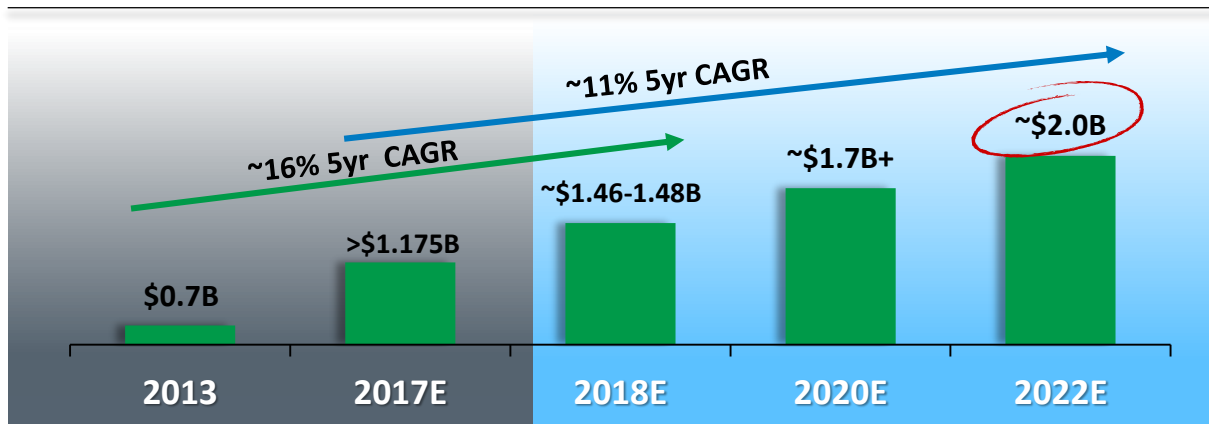


7 Key Actions to Implement the Strategy

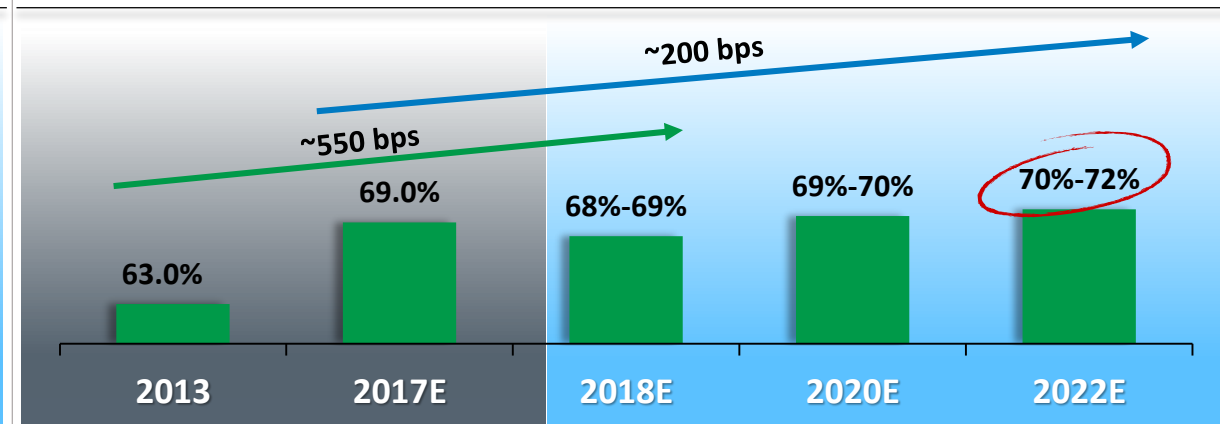
- 2018 Sales Force Expansion Globally; 680 → ~1,100 FTE's
- Integrate Codman and Leverage Growth Synergies and Cost Plans; 2018 EPS of \$0.25 → Increasing Three-fold by 2022
- Grow Regenerative Product Mix to ~45% by 2022, Resulting in Increased Gross Margin
- 650 Basis Points of EBITDA Margin Expansion Associated with Faster Growth of Higher Margin Products and Operational Optimization Plans
- Portfolio Management to Drive Focus, Achieve Market Share Goals
- Deliver at Least 25% of Organic Growth from NPI's, Clinical Indications & OUS Registrations
- Leverage IT Investments to Drive Cost Effectiveness, Agility and Deliver Differentiated Customer Services

Looking Five Years Back and Five Years Forward

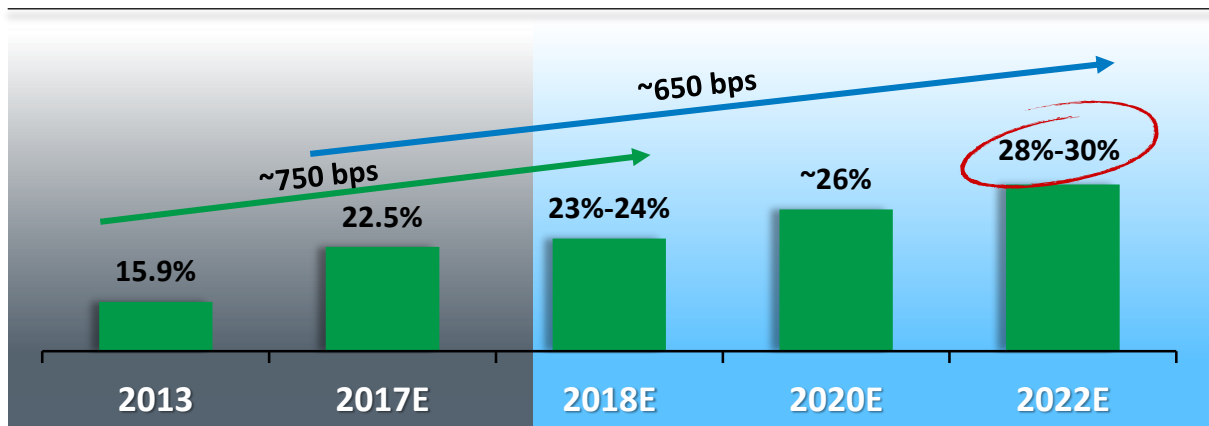
TOTAL REVENUES



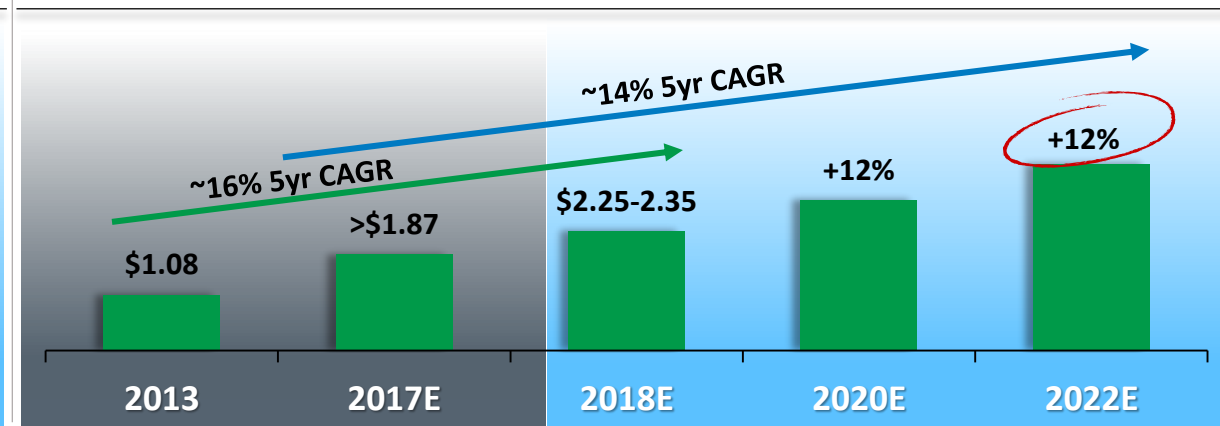
GROSS MARGIN



EBITDA MARGIN



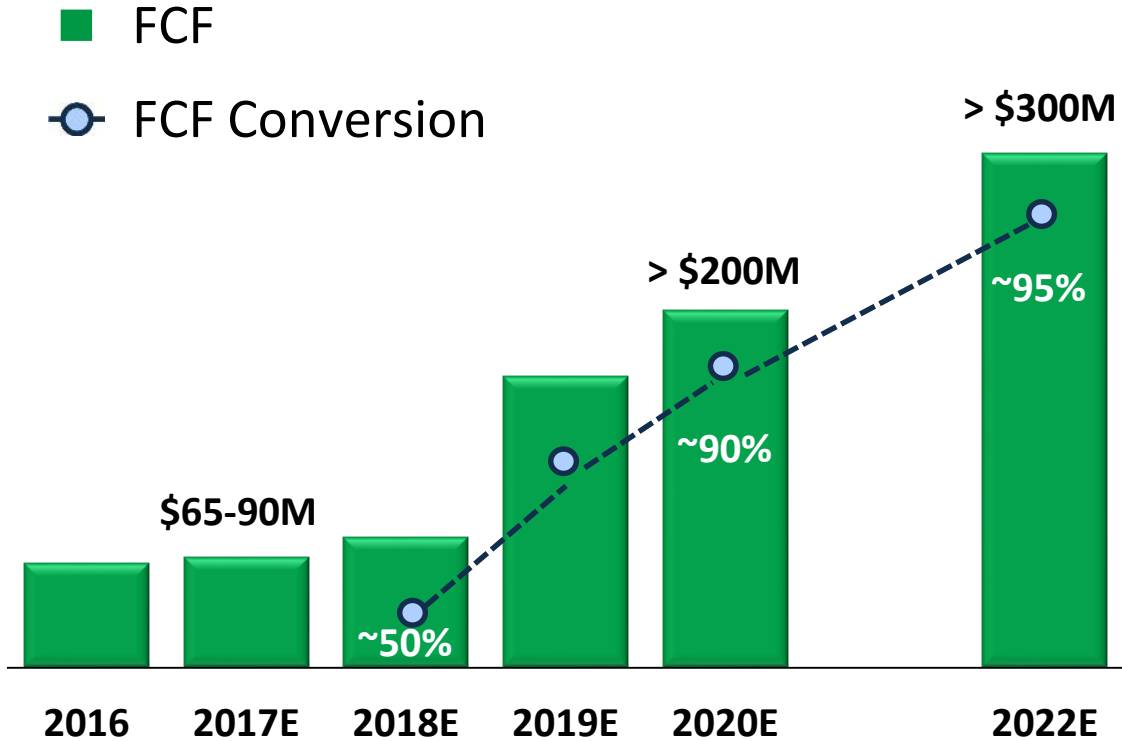
EARNINGS PER SHARE



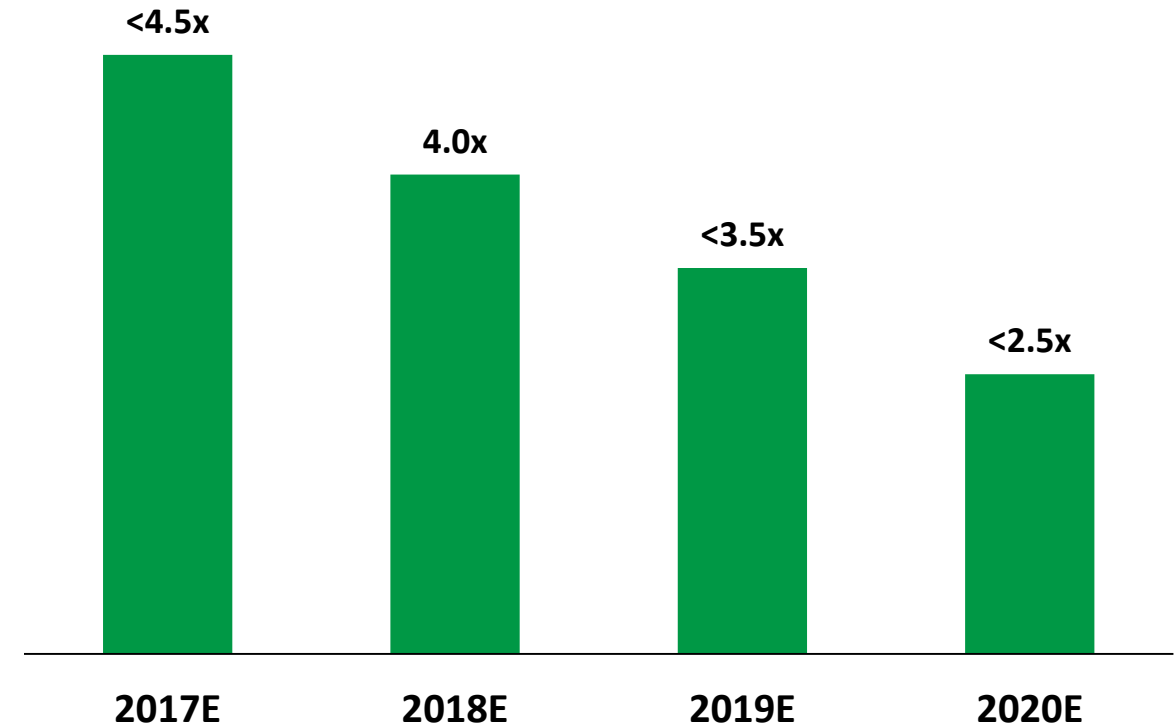
Well Positioned to Achieve New Five-Year Financial Targets

Free Cash Flow & Projected Leverage

Free Cash Flow



Net Debt / Bank Adjusted EBITDA¹

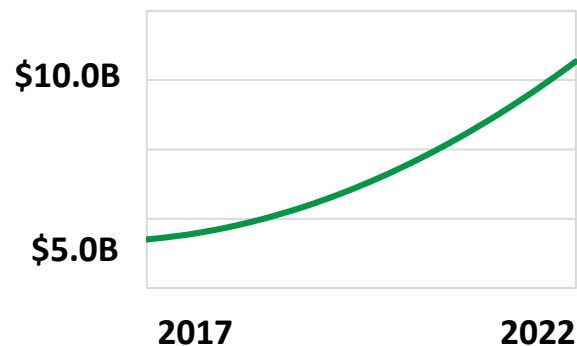


Significant Cash Flow Improvements Driving Meaningful Reduction in Leverage

Integra Over the 5-Year Horizon

Enterprise Value

\$5.5B → \$10.0B



2018 → 2022

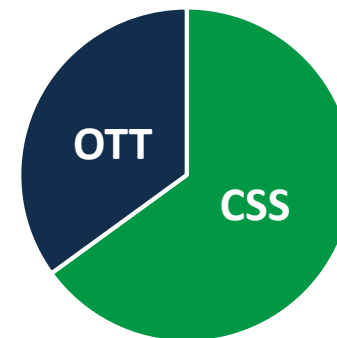
Organic Growth
5% - 7%

GM 2018
68% - 69%

GM 2022
70% - 72%

Total Revenue

2017E **2018E** **2022E**
>\$1.17B → ~\$1.47B → ~\$2.0B

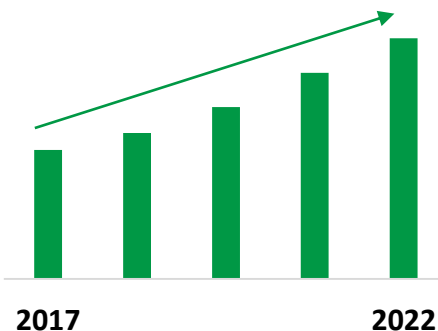


~25%

**of Organic Revenue Growth from
NPI's, Clinical Studies & OUS
Registrations**

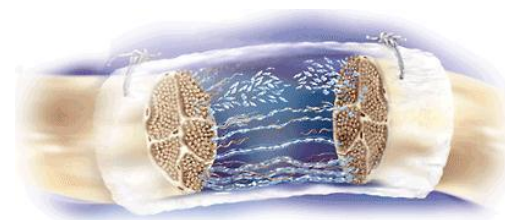


>650 Basis Points
**of EBITDA Margin
Expansion Opportunity**



~40% → ~45%

**Sales from Regenerative
Technology Products
> 75% GM**



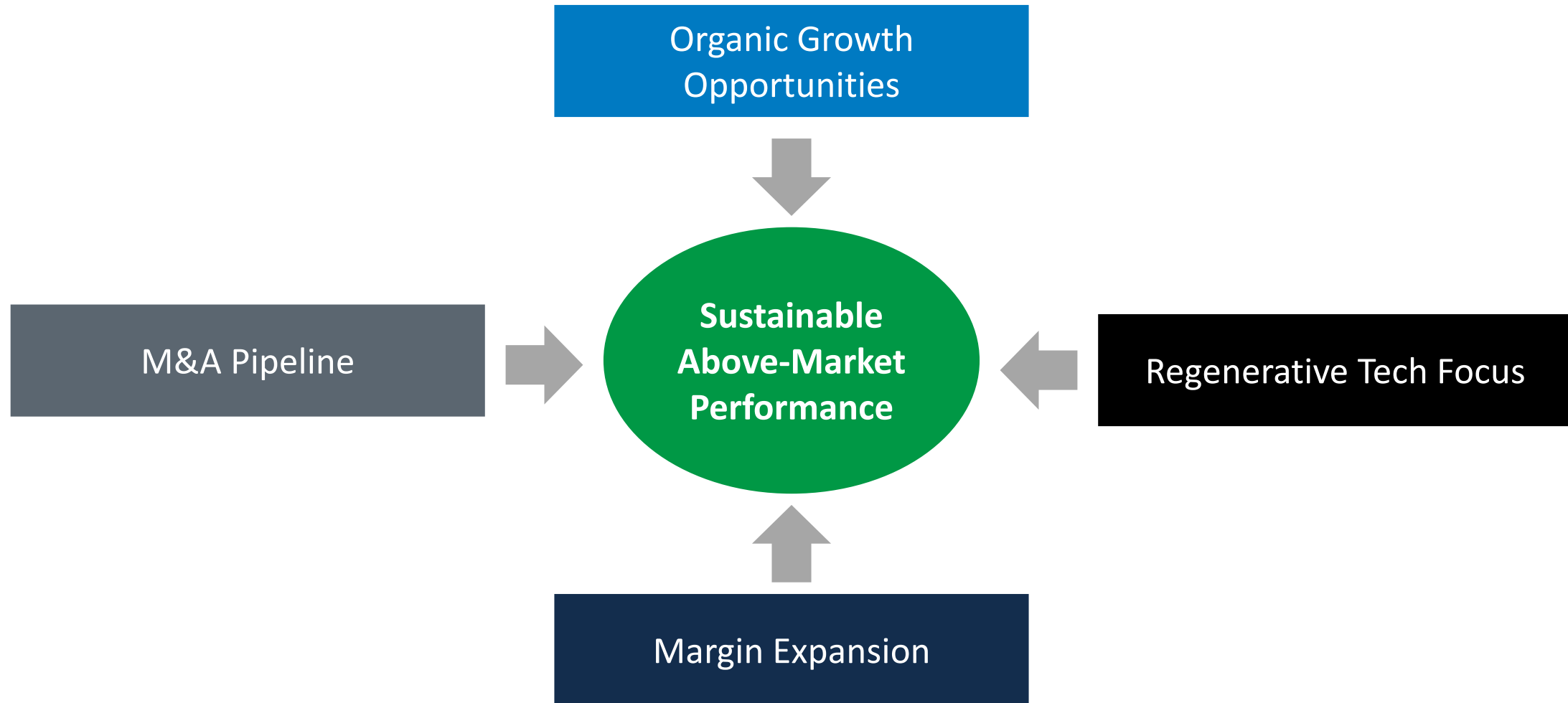
International Sales

23% → +35%



**Significant Growth
Opportunity**

What Makes INTEGRA Different



Significant Growth Opportunities & Margin Expansion Drive Long-Term, Above-Market Performance