

Integra LifeSciences

Bank of America Merrill Lynch Healthcare Conference

May 2018



Safe Harbor Statement

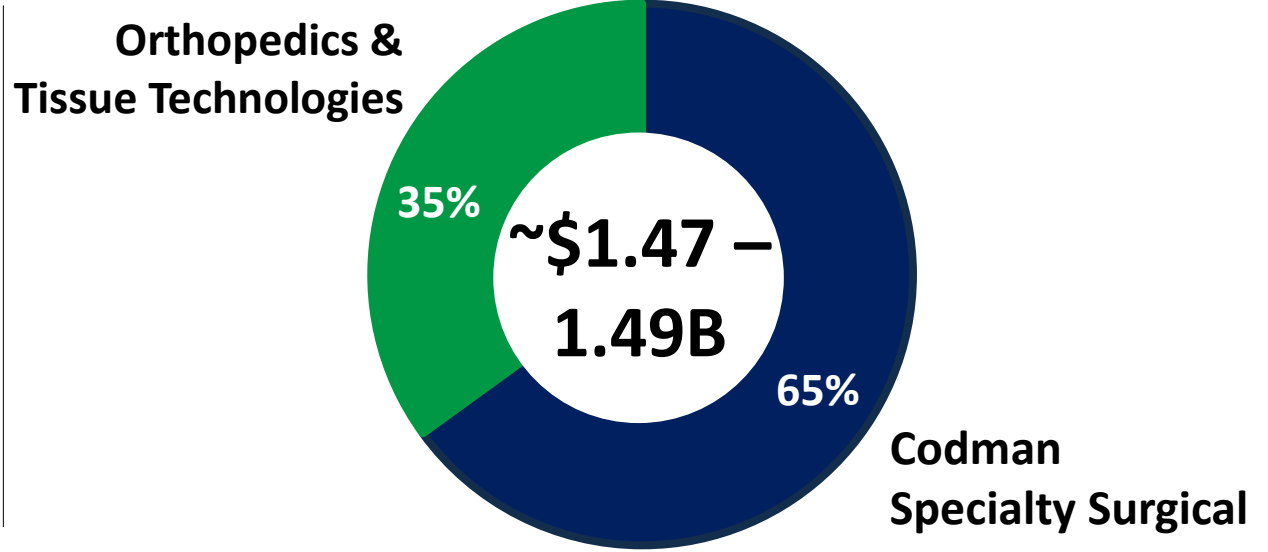
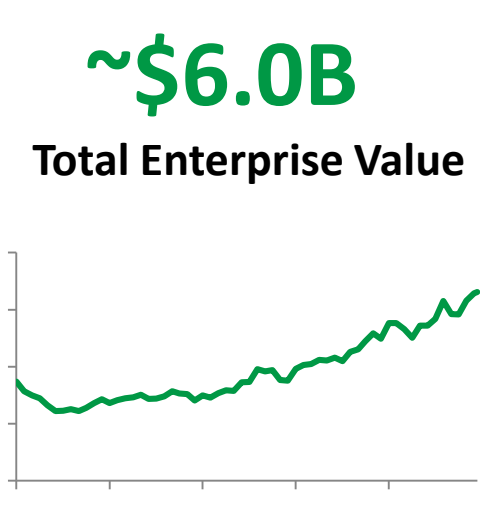
This presentation contains forward-looking statements that are based on management's current expectations and beliefs and are subject to a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those described. All statements, other than statements of historical fact, are statements that could be deemed forward-looking statements. Some of these forward-looking statements may contain words like "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. Forward-looking statements in this document include without limitation statements regarding the integration of the Codman Neurosurgery business, the benefits of the Codman acquisition, including future financial and operating results, Integra's plans, objectives, expectations and intentions as well as statements about estimates of revenues, organic growth, operating margins, capital expenditures, cash and other financial metrics. 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 effects of disruption caused by the Codman acquisition making it more difficult for Integra to execute its operating plan effectively or to maintain relationships with employees, vendors and other business partners; Integra's ability to successfully integrate the Codman Neurosurgery and Derma businesses and other acquired businesses; Integra'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; global macroeconomic and political conditions; the difficulty of predicting the timing or outcome of product development efforts and regulatory agency approvals or actions, if any; physicians' willingness to adopt and third-party payers' willingness to provide reimbursement for Integra's existing, recently launched and planned products; difficulties or delays in manufacturing; the availability and pricing of third party sourced products and materials; sales growth of recently launched products; competition from other products (domestic or foreign); and other risks and uncertainties discussed in Integra's filings with the SEC, including the "Risk Factors" sections of Integra's Annual Report on Form 10-K for the year ended December 31, 2017 and subsequent quarterly reports on Form 10-Q. Integra undertakes no obligation to update any forward-looking statements as a result of new information, future developments or otherwise, except as expressly required by law. 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. 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.

Integra 2018 – By the Numbers

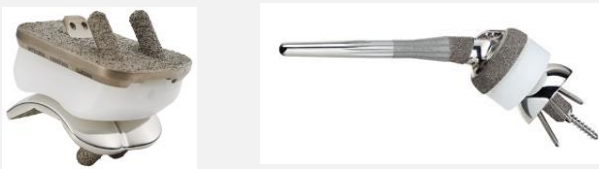


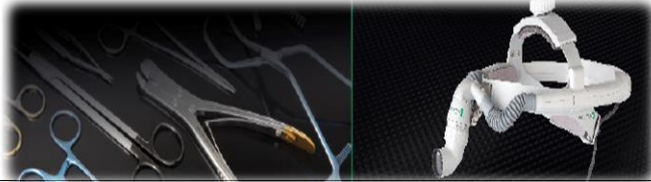



- 2018E Guidance***
- Reported Revenue Growth ~25%
 - Organic Growth ~5%
 - Adj. EBITDA 23% - 24%
 - Adj. EPS Growth >20%

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



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 - \$1.49B	Regenerative Technologies Leveraged	Good Mix of Stable and High Growth Markets

Codman Specialty Surgical – At a Glance

Leading Global
Portfolio for
Neurosurgery

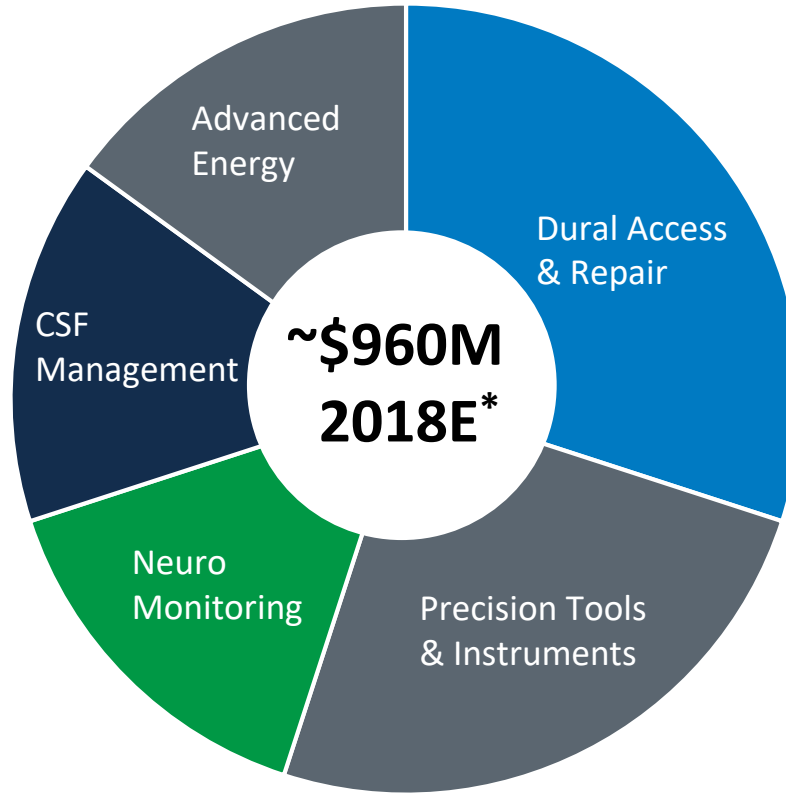


14 #1 Market
Leading Brands

#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

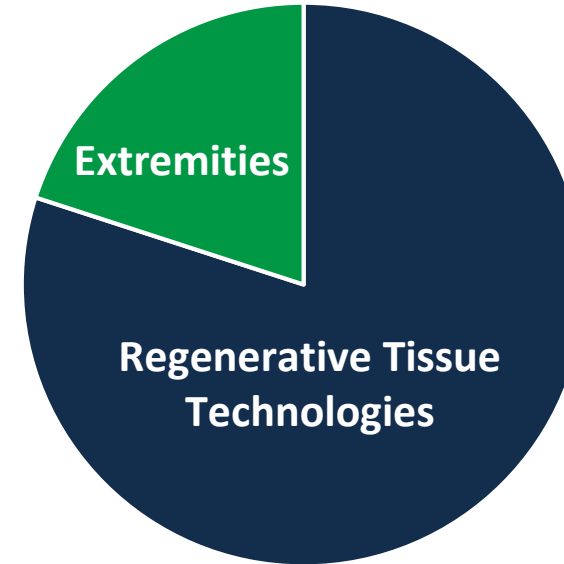
Position in:

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



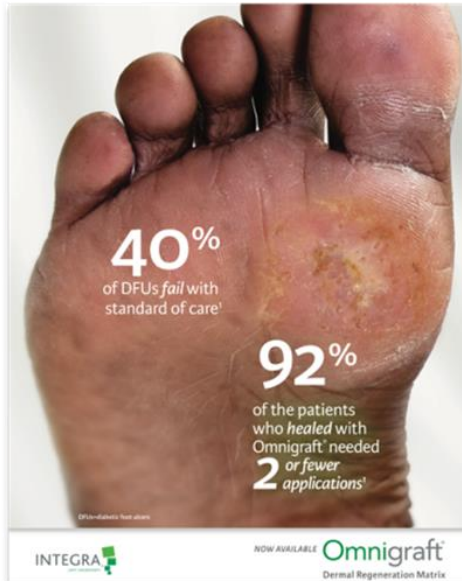
13%

of Sales in
International
Markets



~\$520M

2018E Revenue Guidance*



New Product Introductions Line Extensions







\$6B

Addressable
Market
Opportunities

U.S. Channel Investment & Expansion

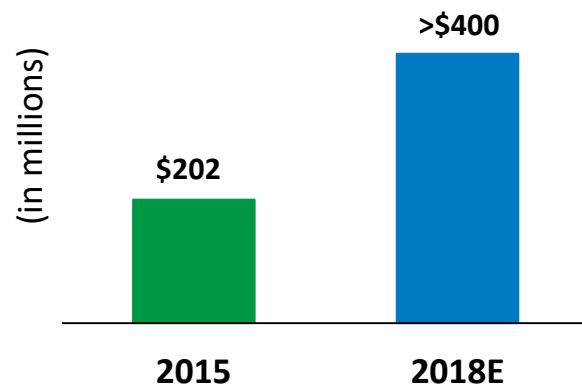
- From 2 to 4 Dedicated Sales Channels
- Addition of Specialists at Key Call Points
- Increased Focus and Access to Drive Double-Digit Growth

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

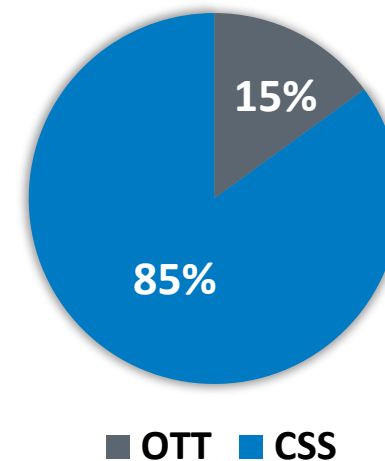
Significant Direct Channel
Expansion

CSS: Dural Repair, Advanced
Energy, CSF Management

OTT: Regenerative Technology,
Orthopedics

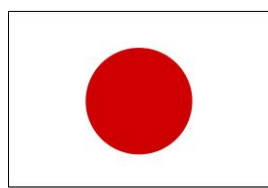
New Products & Registrations

2018E Revenue Mix



~15

New Product
Introductions &
Registrations in
Next 24 Months



>100%

Increase in Revenues from
China and Japan

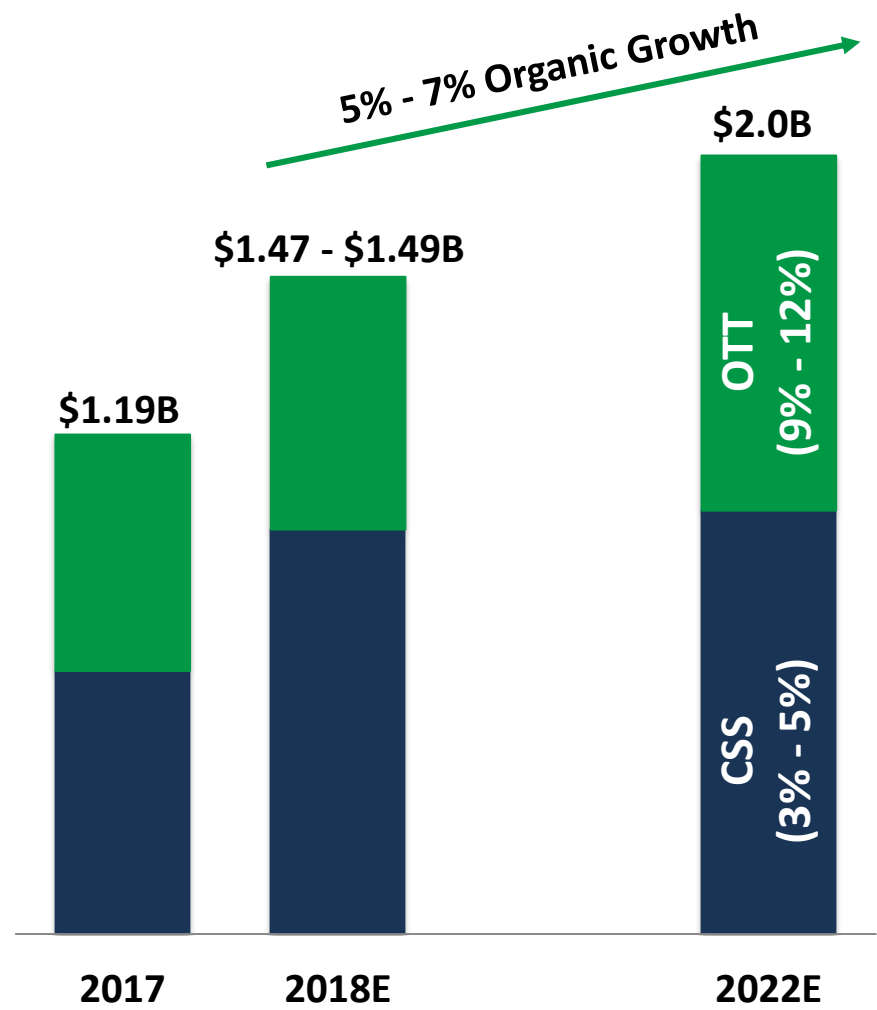
>70 Employees in
Japan



>70 Employees in
China



Above Market Five-Year Revenue Growth

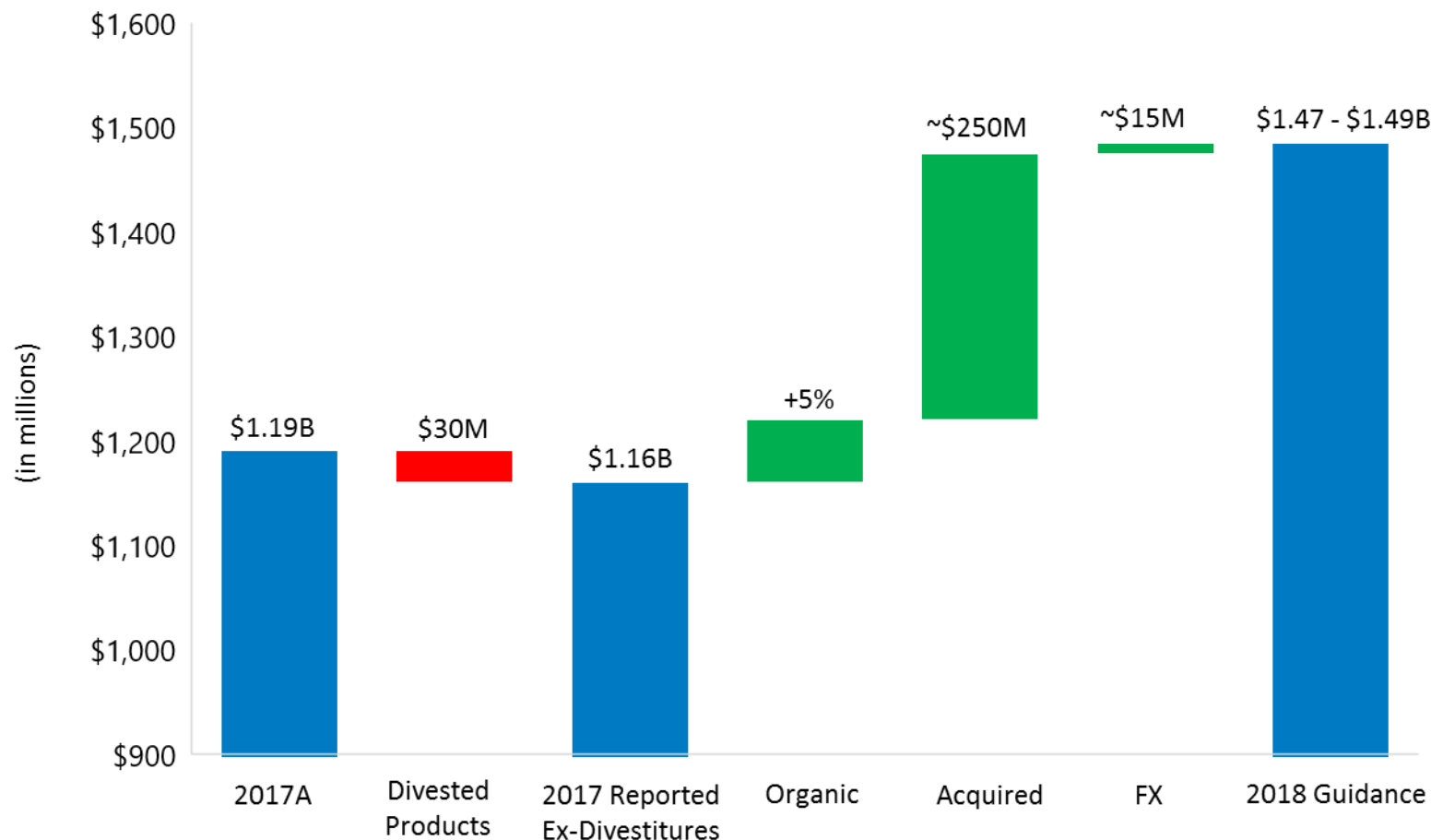


Codman Specialty Surgical	Orthopedics & Tissue Tech
Sustaining Market Leadership & Growth: Global Channel Expansion New Products & Registrations: CUSA, ES Generator, VersaTru, ICP Express	Expanding Into New Markets & Investing in Growth: Channel Expansion & Focus New Products: Tissue Tech, Ankle Medical 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

Components of 2018 Revenue Guidance



Full-Year 2018

- Organic growth of ~5% (No Change)
- Acquired revenues of ~\$250M (No Change)
- Foreign currency expected to have a positive impact of ~\$15M (up from \$10M)

Growth in 2018

2018 Organic Growth:

~5%

2018 Reported Growth:

~25%

**Full-Year Revenue Guidance of \$1.47 - \$1.49 Billion, ~5% Organic
Second Quarter 2018 Revenue Guidance Range of \$365 to \$370 Million**

Current Capital Structure

March 31, 2018 Capitalization	
(In millions)	
Cash and Equivalents	\$189
Revolver (\$1,000)	\$660
Term Loans	\$1,185
Total Debt	\$1,845
Net Debt	\$1,656
Net Debt Bank Leverage Ratio ⁴	4.0x

Pro Forma Capitalization	
(In millions)	
Cash and Equivalents ¹	\$189
Revolver (\$1,300) ^{2,3}	\$591
Term Loan	\$900
Total Debt	\$1,491
Net Debt	\$1,302
Net Debt Bank Leverage Ratio ⁴	3.1x

1 As of March 31, 2018

2 Credit facility terms: Revolver capacity raised to \$1.3 billion with Term Loan of \$900 million

3 Net proceeds from equity offering of ~\$354 million used to repay debt under revolving credit facility

4 Based on LTM Bank Compliance Adj. EBITDA as of March 31, 2018

Amended Credit Facility and Equity Raise Reduce Leverage Ratio to 3.1x

Key Focus Areas for 2018

Execute on 2018 Financial Targets

- Organic revenue growth of ~5%
- Adjusted EBITDA margin expansion of 75 to 100 basis points
- Adjusted EPS growth of greater than 20%
- Raising full-year revenue and EPS guidance (April 25, 2018)

Codman Specialty Surgical

- Execute Codman integration and begin to exit TSA's
- Product development pipeline and new product registrations
- Leverage expanded global sales team and minimize territory disruptions

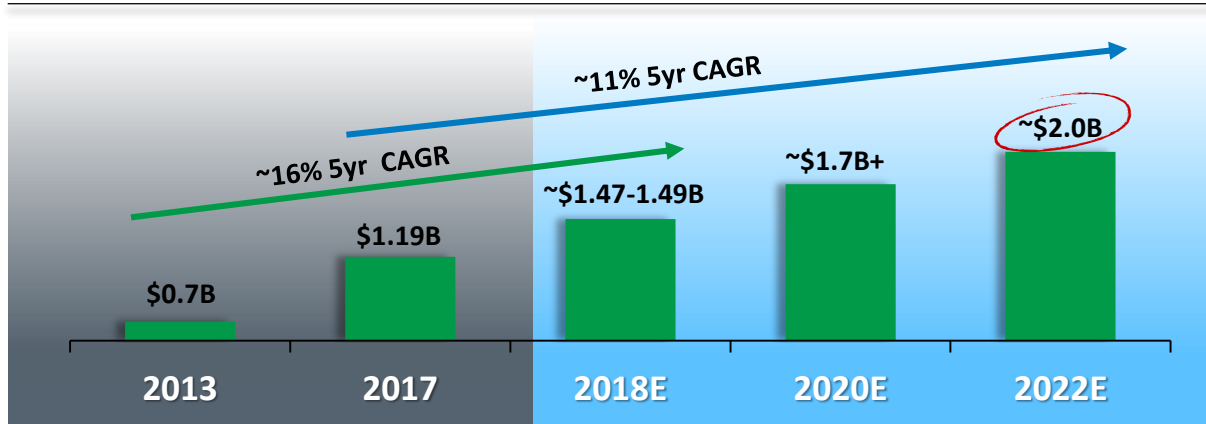
Orthopedics & Tissue Technologies

- Leverage new channel expansion and increase focus to drive growth
- Execute on New Product Introductions in global markets
- Regenerative investments in R&D, Clinical and Regulatory

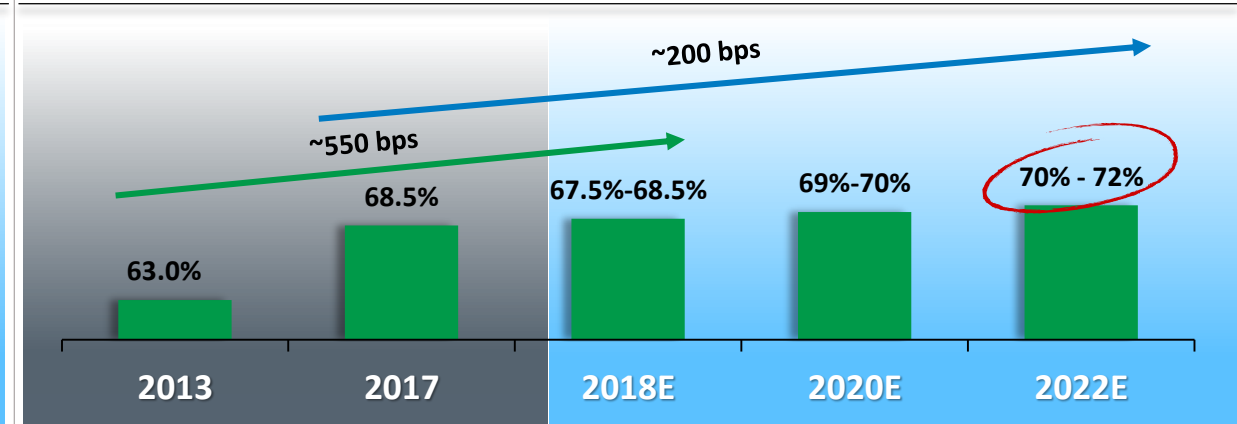
After a strong first quarter, positioned to accelerate organic growth in 2018

Looking Five Years Back and Five Years Forward

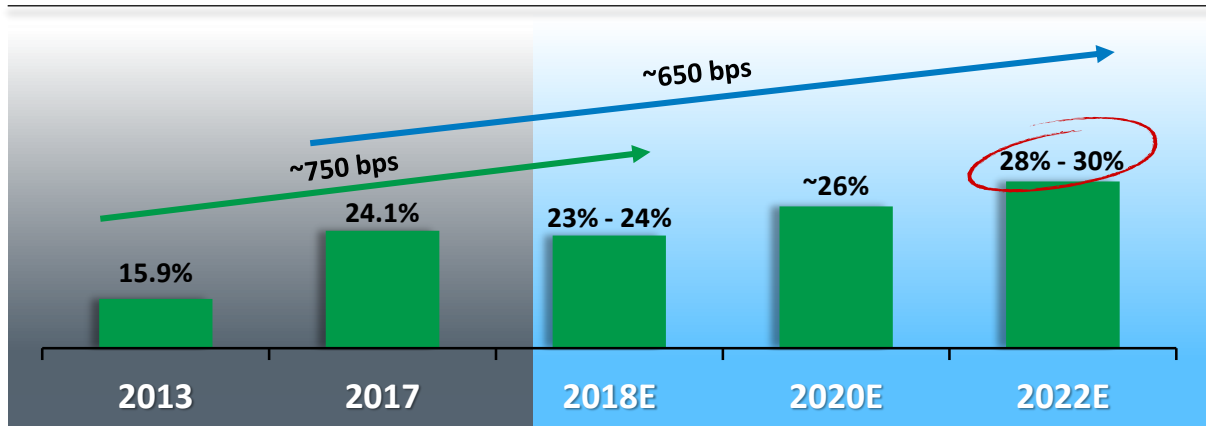
TOTAL REVENUES



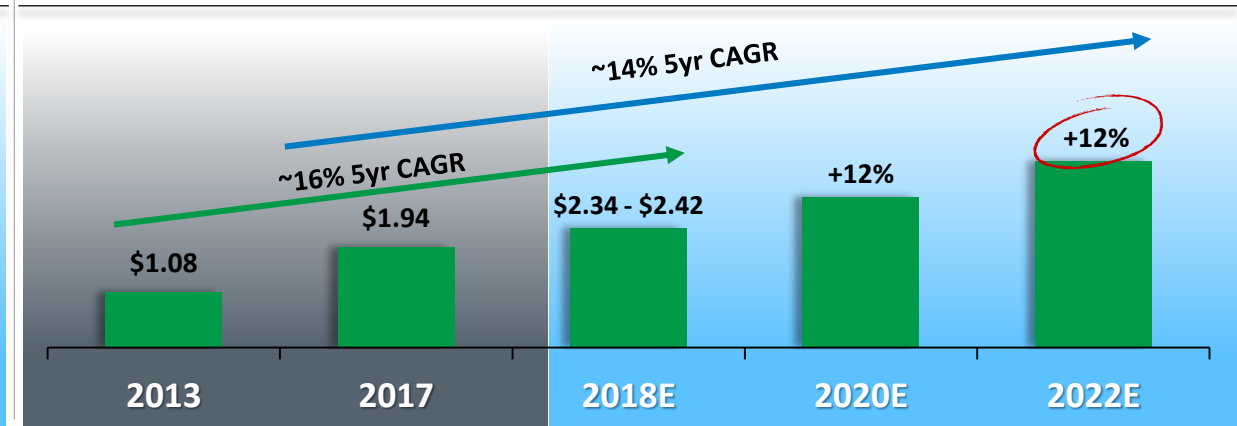
GROSS MARGIN



EBITDA MARGIN



EARNINGS PER SHARE

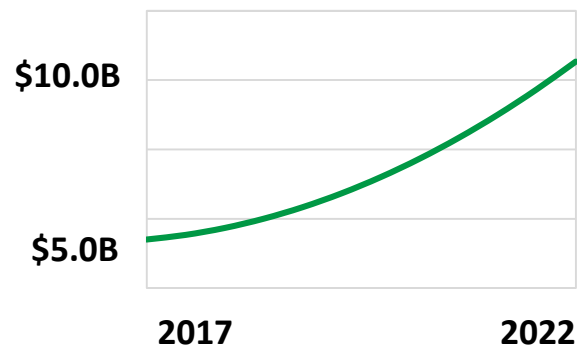


Well Positioned to Achieve New Five-Year Financial Targets

Integra Over the 5-Year Horizon

Enterprise Value

\$6.0B → \$10.0B



2018E → 2022E

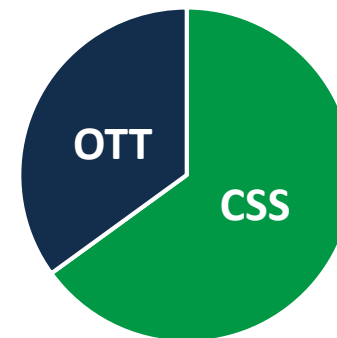
Organic Growth
5% - 7%

GM 2018
67.5% - 68.5%

GM 2022
70% - 72%

Total Revenue

2017 **2018E** **2022E**
\$1.19B → ~\$1.48B → ~\$2.0B

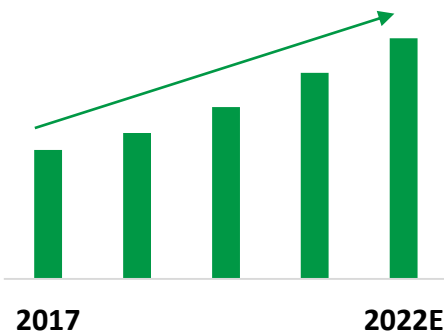


~25%

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

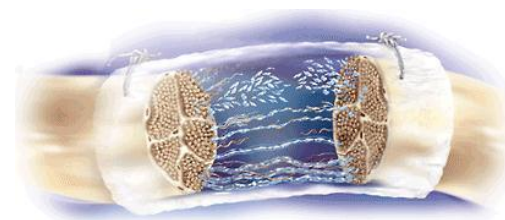


>650 Basis Points
of EBITDA Margin
Expansion Opportunity



~40% → ~45%

Sales from Regenerative
Technology Products
> 75% GM



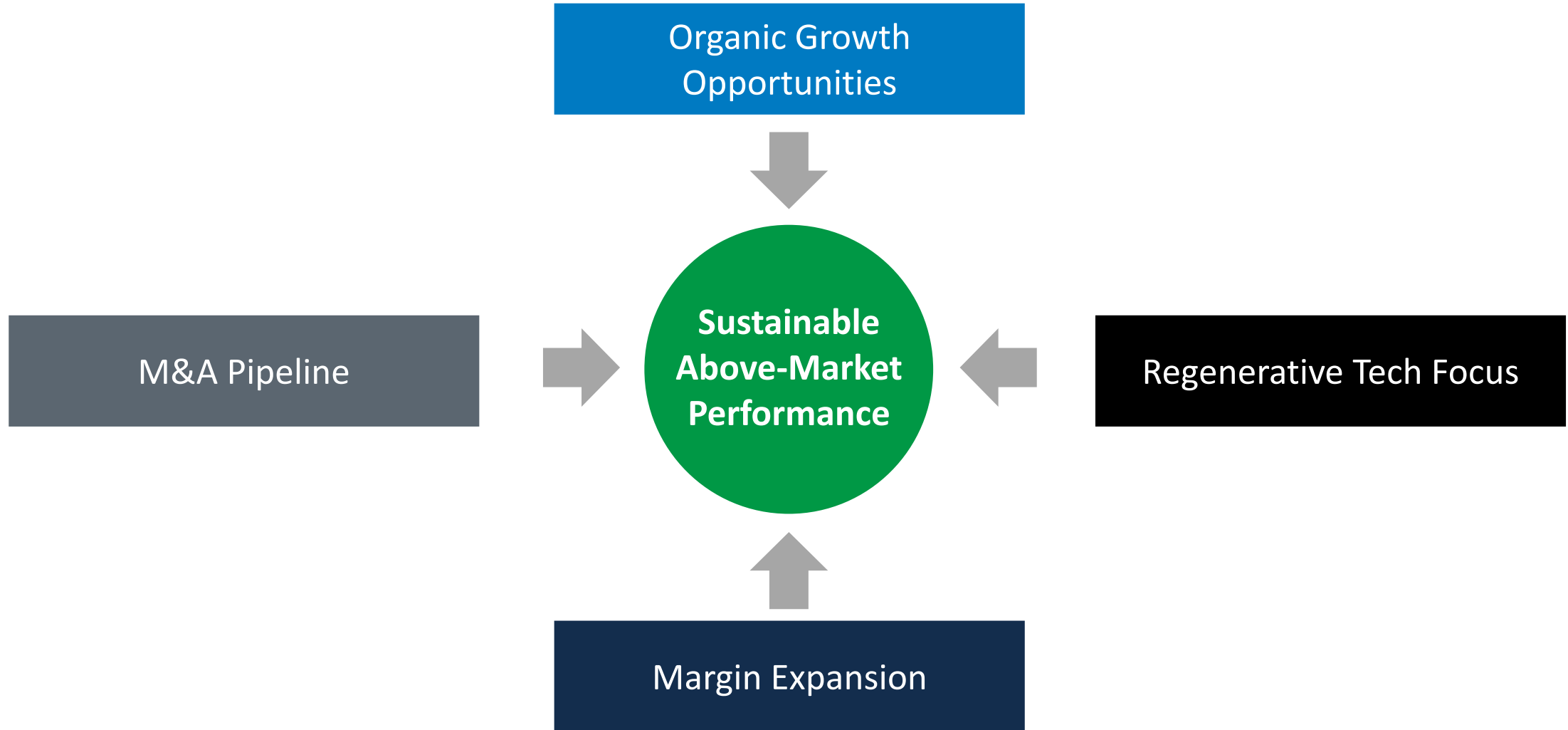
International Sales

30% → +35%



Significant Growth
Opportunity

What Makes INTEGRA Different



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