

**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): **April 26, 2023**

INTEGRA LIFESCIENCES HOLDINGS CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Delaware (State or Other Jurisdiction of Incorporation or Organization)	0-26224 (Commission File Number)	51-0317849 (IRS Employer Identification No.)
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**1100 Campus Road
Princeton, NJ 08540**

(Address of principal executive offices) (Zip Code)
Registrant's telephone number, including area code: **(609) 275-0500**

Not Applicable

(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 (see General Instruction A.2. below):

- 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:

<u>Title of Each Class</u>	<u>Trading Symbol</u>	<u>Name of Exchange on Which Registered</u>
Common Stock, Par Value \$.01 Per Share	IART	Nasdaq Global Select Market

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 April 26, 2023, Integra LifeSciences Holdings Corporation (the “Company”) issued a press release announcing financial results for the quarter ended March 31, 2023 (the “Press Release”). A copy of the Press Release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference into this Item. In the financial statements portion of the Press Release, the Company has included a reconciliation of GAAP revenues to organic revenues for the quarters ended March 31, 2023 and 2022, GAAP net income to adjusted earnings before interest, taxes, depreciation and amortization (“EBITDA”) for the quarters ended March 31, 2023 and 2022, GAAP net income to adjusted net income for the quarters ended March 31, 2023 and 2022, GAAP earnings per diluted share to adjusted earnings per diluted share for the quarters ended March 31, 2023 and 2022, GAAP total debt to net debt for the quarters ended March 31, 2023 and 2022, and GAAP operating cash flow to free cash flow and adjusted free cash flow conversion used by management for the quarters and twelve months ended March 31, 2023 and 2022.

In the Press Release, the Company provided forward-looking guidance regarding adjusted earnings per diluted share but did not provide a reconciliation to GAAP earnings per share, because certain GAAP expense items are highly variable and management is unable to predict them with reasonable certainty and without unreasonable effort.

The information contained in Item 2.02 of this Current Report on Form 8-K (including the Press Release and selected historical financial information) is being furnished and shall not be deemed “filed” for the 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. The information contained in Item 2.02 of this Current Report on Form 8-K (including the Press Release and selected historical financial information) shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in any such filing.

Discussion of Adjusted Financial Measures

In addition to our GAAP results, we provide certain non-GAAP measures, including organic revenues, adjusted EBITDA, adjusted net income, adjusted earnings per diluted share, net debt, free cash flow and adjusted free cash flow conversion. Organic revenues consist of total revenues excluding the effects of currency exchange rates, revenues from current-period acquisitions and product divestitures and discontinuances. Adjusted EBITDA consists of GAAP net income excluding: (i) depreciation and amortization; (ii) other income (expense); (iii) interest income and expense; (iv) income tax expense (benefit); and (v) those operating expenses also excluded from adjusted net income. The measure of adjusted net income consists of GAAP net income, excluding: (i) structural optimization charges; (ii) divestiture, acquisition and integration-related charges; (iii) EU Medical Device Regulation-related charges; (iv) intangible asset amortization expense; and (v) income tax impact from adjustments. 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 measure of net debt consists of GAAP total debt (excluding deferred financing costs) less cash and cash equivalents. The measure of free cash flow consists of GAAP net cash provided by operating activities 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 organic revenues and the various adjusted EBITDA, adjusted net income, adjusted earnings per diluted share, net debt, free cash flow and adjusted free cash flow conversion 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. Management uses non-GAAP financial measures in the form of organic revenues, adjusted EBITDA, adjusted net income, adjusted earnings per diluted share, free cash flow and adjusted free cash flow conversion when evaluating operating performance because we believe that the inclusion or exclusion of the items described below, for which the amounts and/or timing may vary significantly depending upon the Company's divestiture, acquisition, integration, and restructuring activities, for which the amounts are non-cash in nature, or for which the amounts are not expected to recur at the same magnitude, provides a supplemental measure of our operating results that facilitates comparability of our financial condition and operating performance from period to period, against our business model objectives, and against other companies in our industry. We have chosen to provide this information to investors so they can analyze our operating results in the same way that management does and use this information in their assessment of our core business and the valuation of our Company. In addition, since the Company has historically provided non-

GAAP guidance to the investment community, we believe the continued inclusion of non-GAAP guidance provides consistency in the information made available to investors.

Organic revenues, adjusted EBITDA, adjusted net income, adjusted earnings per diluted share, net debt, free cash flow and adjusted free cash flow conversion are significant measures used by management for purposes of:

- supplementing the financial results and forecasts reported to the Company's board of directors;
- evaluating, managing and benchmarking the operating performance of the Company;
- establishing internal operating budgets;
- determining compensation under bonus or other incentive programs;
- enhancing comparability from period to period;
- comparing performance with internal forecasts and targeted business models; and
- evaluating and valuing potential acquisition candidates.

The measure of organic revenues that we report reflects the increase in total revenues for the quarter ended March 31, 2023 adjusted for the effects of currency exchange rates, revenues from acquisitions, revenues from divested products, and product discontinuations on current period revenues. We provide this measure because changes in foreign currency exchange rates can distort our reduction favorably or unfavorably, depending upon the strength of the U.S. dollar in relation to the various foreign currencies in which we generate revenues. We generate significant revenues outside the United States in multiple foreign currencies. We believe this measure provides useful information to determine the success of our international selling organizations in increasing sales of products in their local currencies without regard to fluctuations in currency exchanges rates, which we do not control. Additionally, significant divestitures, acquisitions and discontinued product lines can distort our current period revenues when compared to prior periods.

The measure of adjusted net income reflects GAAP net income adjusted for one or more of the following items, as applicable:

- Structural optimization charges. These charges include employee severance and other costs associated with exit or disposal of facilities, costs related to transferring manufacturing and/or distribution activities to different locations, and rationalization or enhancement of our organization, existing manufacturing, distribution, administrative, functional and commercial infrastructure. Some of these cost-saving and efficiency-driven activities are identified as opportunities in connection with acquisitions that provide the Company with additional capacity or economies of scale. Although recurring in nature, given management's ongoing review of the efficiency of our organization and structure, including manufacturing, distribution and administrative facilities and operations, management excludes these items when evaluating the operating performance of the Company because the frequency and amount of such charges vary significantly based on the timing and magnitude of the Company's rationalization activities and are, in some cases, dependent upon opportunities identified in acquisitions, which also vary in frequency and magnitude.
 - Acquisition, divestiture and integration-related charges. Acquisition, divestiture and integration-related charges include (i) inventory fair value purchase accounting adjustments, (ii) changes in the fair value of contingent consideration after the acquisition date, (iii) costs related to acquisition integration, including systems, operations, retention and severance, (iv) legal, accounting, banking and other outside consultants expenses directly related to acquisitions or divestitures, and (v) gain or loss on sale of business and related costs to complete the divestiture of business. Although recurring, given the ongoing character of our acquisitions and divestitures, these charges are not factored into the evaluation of our performance by management after completion because they are of a temporary nature, they are not related to our core operating performance and the frequency and amount of such charges vary significantly based on the timing and magnitude of our acquisition and divestiture transactions as well as the level of inventory on hand at the time of acquisition.
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- EU Medical Device Regulation charges. These charges represent costs specific to complying with the medical device reporting regulations and other requirements of the European Union's regulation for medical devices. Management excludes this item when evaluating the Company's operating performance because these costs incurred are not reflective of its ongoing operations.
- Intangible asset amortization expense. Management excludes this item when evaluating the Company's operating performance because it is a non-cash expense.
- Income tax impact from adjustments. This items represents adjustments to income tax expense for the amount of additional tax expense that the Company estimates that it would record if it used non-GAAP results instead of GAAP results in the calculation of its tax provision, based on the statutory rate applicable to jurisdictions in which the above non-GAAP adjustments relate.

In the Press Release, the Company provided forward-looking guidance regarding adjusted earnings per diluted share, but did not provide a reconciliation to GAAP earnings per share, because certain GAAP expense items are highly variable and management is unable to predict them with reasonable certainty and without unreasonable effort. Specifically, the financial impact and timing of divestitures, acquisitions, integrations, structural optimization, efforts to comply with the EU Medical Device Regulation, and income tax impact from adjustments are uncertain, depend on various dynamic factors and are not reasonably ascertainable at this time. These expense items could have a material impact on GAAP results.

Organic revenues, adjusted EBITDA, adjusted net income, adjusted earnings per diluted share, net debt, free cash flow and adjusted free cash flow conversion are not calculated in accordance with GAAP, and should be considered supplemental to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. Non-GAAP financial measures have limitations in that they do not reflect all of the revenues, costs or benefits associated with the operations of the Company's business as determined in accordance with GAAP. As a result, you should not consider these measures in isolation or as a substitute for analysis of the Company's results as reported under GAAP. The Company expects to continue to acquire businesses and product lines and to incur expenses of a nature similar to many of the non-GAAP adjustments described above, and exclusion of these items from its adjusted financial measures should not be construed as an inference that all of these revenue adjustments or costs are unusual, infrequent or non-recurring. Some of the limitations in relying on the adjusted financial measures are:

- The Company periodically acquires other companies or businesses, and we expect to continue to incur acquisition-related expenses and charges in the future. These costs can directly impact the amount of the Company's available funds or could include costs for aborted deals which may be significant and reduce GAAP net income.
- All of the adjustments to GAAP net income have been tax affected at the Company's actual tax rates. Depending on the nature of the adjustments and the tax treatment of the underlying items, the effective tax rate related to adjusted net income could differ significantly from the effective tax rate related to GAAP net income.

In the financial tables portion of the Press Release, the Company has included a reconciliation of GAAP reported revenues to organic revenues for the quarters ended March 31, 2023 and 2022 and GAAP net income to adjusted EBITDA, GAAP net income to adjusted net income, GAAP earnings per diluted share to adjusted earnings per diluted share, GAAP total debt to net debt, and GAAP operating cash flow to free cash flow and adjusted free cash flow conversion used by management for the quarters and twelve months ended March 31, 2023 and 2022.

Item 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

99.1 [Press Release with attachments, dated April 26, 2023, issued by Integra LifeSciences Holdings Corporation](#)

104 Cover Page Interactive Data File (embedded within the inline XRBL document)

SIGNATURES

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

INTEGRA LIFESCIENCES HOLDINGS CORPORATION

Date: April 26, 2023

By: /s/ Jeffrey Mosebrook

Jeffrey Mosebrook

Title: Senior Vice President, Finance, Principal Financial
Officer and Principal Accounting Officer

News Release

Integra LifeSciences Reports First Quarter 2023 Financial Results

PRINCETON, N.J., April 26, 2023 - [Integra LifeSciences Holdings Corporation](#) (NASDAQ: IART), a leading global medical technology company, today reported financial results for the first quarter ending March 31, 2023.

First Quarter 2023 Highlights

- First quarter revenues of \$380.8 million increased 1.1% on a reported basis and increased 4.6% on an organic basis compared to the prior year.
- First quarter GAAP earnings per diluted share of \$0.29, compared to \$0.39 in the prior year; adjusted earnings per diluted share of \$0.74, compared to \$0.74 in the prior year.
- The Company is reaffirming its full-year 2023 revenue and adjusted earnings per share guidance with a range of \$1,602 million to \$1,620 million and \$3.43 to \$3.51 respectively.
- The company is hosting its Investor Day on May 4, 2023 in New York. A live webcast will be available on the Investors section of the Company's website at investor.integralife.com.

"Our first quarter sales performance continues to demonstrate the strength of our diverse portfolio. We experienced solid growth and demand across many of our product lines and saw positive dynamics in our markets," said Jan De Witte, Integra's president and chief executive officer. "We remain focused on delivering profitable growth while making critical investments to support our long-term strategic objectives and commitments."

First Quarter 2023 Consolidated Performance

Total reported revenues of \$380.8 million increased 1.1% on a reported basis and increased 4.6% on an organic basis compared to the prior year.

The Company reported GAAP gross margin of 61.1%, compared to 62.1% in the first quarter of 2022. Adjusted gross margin was 67.3%, compared to 67.7% in the prior year.

Adjusted EBITDA for the first quarter of 2023 was \$92.3 million, or 24.2% of revenue, compared to \$93.5 million million, or 24.8% of revenue, in the prior year.

The Company reported GAAP net income of \$24.2 million, or \$0.29 per diluted share, in the first quarter of 2023, compared to a GAAP net income of \$32.9 million, or \$0.39 per diluted share, in the prior year.

Adjusted net income for the first quarter of 2023 was \$60.7 million, or \$0.74 per diluted share, compared to \$62.0 million, or \$0.74 per diluted share, in the prior year.

First Quarter 2023 Segment Performance

• Codman Specialty Surgical (~65% of Revenues)

- Total revenues were \$248.1 million, representing reported growth of 0.3% and organic growth of 3.5% compared to the first quarter of 2022, driven by strength in CUSA® Clarity capital and disposables and Certas® Plus valves, including high single-digit growth for international, led by Japan and China. The growth momentum was partially offset by the lack of CereLink® monitor revenue in the quarter, following the third quarter 2022 recall, as well as continued supply challenges.

Tissue Technologies (~35% of Revenues)

- Total revenues were \$132.7 million, representing reported growth of 2.6% and organic growth of 6.8% compared to the first quarter of 2022, driven by broad strength in our Wound Reconstruction portfolio, with double digit growth from Integra Skin, MicroMatrix®, Gentrix®, and Cytal® and high single-digit growth from SurgiMend®, partially offset by the continued pressure in Private Label as our partners normalize their inventory levels.

Key Products and Business Highlights

- Strong market demand and procedure volumes near pre-COVID levels
- Expanded the CUSA Clarity portfolio with the launch of the single-sided bone tip in the U.S., Canada, Australia and New Zealand
- Launched MicroMatrix in the Europe
- Progressed return-to-market plans for the CereLink ICP monitor with expectation to re-launch late third quarter
- Advanced PMA projects for SurgiMend and DuraSorb®
 - Submission of PMA supplement for SurgiMend still expected in third quarter
 - SIA integration and DuraSorb PMA clinical trial on track
 - Paused production at the Boston manufacturing site in March while pulling forward quality system upgrades project into the first half of 2023
- Enhanced our leadership and clinical capability with the appointment of Stuart Hart, M.D., as chief medical officer
- Strengthened our balance sheet by amending and extending our credit facility from 2025 to 2028
- Returned value to shareholders by initiating a \$150 million accelerated share repurchase

Balance Sheet, Cash Flow and Capital Allocation

The Company generated cash flow from operations of \$26 million in the quarter. Total balance sheet debt and net debt at the end of the quarter were \$1.45 billion and \$1.15 billion, respectively, and the consolidated total leverage ratio was 2.5x.

As of quarter end, the Company had total liquidity of approximately \$1.61 billion, including \$307 million in cash and the remainder available under the revolving credit facility.

2023 Outlook

For the full year 2023, the Company is reaffirming its February revenue and adjusted EPS expectations of \$1,602 to \$1,620 million and \$3.43 to \$3.51, respectively. The revenue range represents reported growth of 2.9% to 4.0%, with organic growth of 4.0% to 5.2%.

For the second quarter 2023, the Company expects reported revenues in the range of \$396 million to \$400 million, representing reported growth of -0.5% to 0.5% and organic growth of 1.5% to 2.5%. Adjusted earnings per diluted

share are expected to be in the range of \$0.75 to \$0.79, including the impact of the acceleration of the Boston quality system upgrades from the second half of the year into the second quarter.

The Company's guidance for the second quarter and full-year organic sales growth excludes acquisitions and divestitures, the effects of foreign currency and the year-over-year change in revenue from discontinued products. Organic growth excludes sales from the TWC divestiture as of September 1, 2022, and sales from the acquisition of SIA through December 1, 2023. Adjusted earnings per share guidance reflects the impact of the divestiture of the TWC business, the SIA acquisition and the impact of foreign currency.

Conference Call and Presentation Available Online

Integra has scheduled a conference call for 8:30 a.m. ET on Wednesday, April 26, 2023, to discuss first quarter 2023 financial results and forward-looking financial guidance. The conference call will be hosted by Integra's senior management team and will be open to all listeners. Additional forward-looking information may be discussed in a question-and-answer session following the call. Integra's management team will reference a presentation during the conference call, which can be found on the Investor section of the website at investor.integralife.com.

A live webcast will be available on the Investors section of the Company's website at investor.integralife.com. For those planning to participate in the call, register [here](#) to receive dial-in details and an individual pin. While not required, it is recommended to join 10 minutes prior to the event's start. A webcast replay of the conference call will be available on the [Investors section of the Company's website](#) following the call.

About Integra

Integra LifeSciences is a global leader in regenerative tissue technologies and neurosurgical solutions dedicated to limiting uncertainty for clinicians so they can focus on providing the best patient care. Integra offers a comprehensive portfolio of high quality, leadership brands that include AmnioExcel®, Aurora®, Bactiseal®, BioD™, CerebroFlo®, CereLink® Certas® Plus, Codman®, CUSA®, Cytal®, DuraGen®, DuraSeal®, DuraSorb®, Gentrix®, ICP Express®, Integra®, Licox®, MAYFIELD®, MediHoney®, MicroFrance®, MicroMatrix®, NeuraGen®, NeuraWrap™, PriMatrix®, SurgiMend®, TCC-EZ® and VersaTru®. For the latest news and information about Integra and its products, please visit www.integralife.com.

Forward-Looking Statements

This news release contains forward-looking statements 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 release. 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," "forecast," "guidance," "plan," "anticipate," "target," or "continue," the negative of these words, other terms of similar meaning or they may use future dates. Forward-looking statements contained in this news release include, but are not limited to, statements concerning future financial performance, including projections for revenues, expected revenue growth (both reported and organic), GAAP and adjusted net income, GAAP and adjusted earnings per diluted share, non-GAAP adjustments such as divestiture, acquisition and integration-related charges, intangible asset amortization, structural optimization charges, EU Medical Device Regulation-related charges, and income tax expense (benefit) related to non-GAAP adjustments and other items, expectations and plans with respect to strategic initiatives and product development and Integra's ability to execute on its capital return plans. 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 ongoing and possible future effects of global challenges, including macroeconomic uncertainties, inflation, supply chain disruptions, trade regulation and tariffs, other economic disruptions and U.S. and global recession concerns, on the Company's customers and on the Company's business, financial condition, results of operations and cash flows; the Company's ability to execute its operating plan effectively; the Company's ability to successfully integrate acquired businesses; the Company's ability to achieve sales growth in a timely fashion; 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; the scope, duration and effect of additional U.S. and international governmental,

regulatory, fiscal, monetary and public health responses to the COVID-19 pandemic and any future public health crises; global macroeconomic and political conditions, including the war in Ukraine; the Company's ability to manage its direct sales channels effectively; the sales performance of third-party distributors on whom the Company relies to generate revenue for certain products and geographic regions; the Company's ability to access and 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 divestiture, acquisition and integration-related costs; the geographic distribution of where the Company generates its taxable income; new U.S. and foreign government laws and regulations, and changes in existing laws, regulations and enforcement guidance, which affect areas of our operations including, but not limited to, those affecting the health care industry, including the EU Medical Devices Regulation; 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, 2022 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.

Discussion of Adjusted Financial Measures

In addition to our GAAP results, we provide certain non-GAAP measures, including organic revenues, adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA"), adjusted net income, adjusted earnings per diluted share, free cash flow, adjusted free cash flow conversion, and net debt. Organic revenues consist of total revenues excluding the effects of currency exchange rates, revenues from current-period acquisitions and product divestitures and discontinuances. Adjusted EBITDA consists of GAAP net income excluding: (i) depreciation and amortization; (ii) other income (expense); (iii) interest income and expense; (iv) income tax expense (benefit); and (v) those operating expenses also excluded from adjusted net income. The measure of adjusted net income consists of GAAP net income, excluding: (i) structural optimization charges; (ii) divestiture, acquisition and integration-related charges; (iii) EU Medical Device Regulation-related charges; (iv) intangible asset amortization expense; and (v) income tax impact from adjustments. 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 measure of free cash flow consists of GAAP net cash provided by operating activities 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 measure of net debt consists of GAAP total debt (excluding deferred financing costs) less cash and cash equivalents.

Reconciliations of GAAP revenues to organic revenues and GAAP adjusted net income to adjusted EBITDA, and adjusted net income, and GAAP earnings per diluted share to adjusted earnings per diluted share all for the quarter ended March 31, 2023 and 2022, and the free cash flow and adjusted free cash flow conversion for the quarter ended March 31, 2023 and 2022, appear in the financial tables in this release.

The Company believes that the presentation of organic revenues and the other non-GAAP 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. For further information regarding why Integra believes that these non-GAAP financial measures provide useful information to investors, the specific manner in which management uses these measures, and some of the limitations associated with the use of these measures, please

refer to the Company's Current Report on Form 8-K regarding this earnings press release filed today with the Securities and Exchange Commission. This Current Report on Form 8-K is available on the SEC's website at www.sec.gov or on our website at www.integralife.com.

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INTEGRA LIFESCIENCES HOLDINGS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

(In thousands, except per share amounts)

	Three Months Ended March 31,	
	2023	2022
Total revenues, net	380,846	\$ 376,638
Costs and expenses:		
Cost of goods sold	147,975	142,569
Research and development	26,724	24,085
Selling, general and administrative	166,657	159,926
Intangible asset amortization	3,108	3,894
Total costs and expenses	344,464	330,474
Operating income	36,382	46,164
Interest income	4,107	1,377
Interest expense	(12,100)	(11,655)
Gain from sale of business	—	—
Other income, net	1,389	3,429
Income before income taxes	29,778	39,315
Income tax expense	5,552	6,414
Net income	\$ 24,226	\$ 32,901
Net income per share:		
Diluted net income per share	\$0.29	\$0.39
Weighted average common shares outstanding for diluted net income per share	82,322	84,276

The following table presents revenues disaggregated by the major sources for the three months ended March 31, 2023 and 2022 (amounts in thousands):

	Three Months Ended March 31,		Change
	2023	2022	
Neurosurgery	192,870	194,675	(0.9)%
Instruments	55,266	52,633	5.0%
Total Codman Specialty Surgical	248,136	247,308	0.3%
Wound Reconstruction and Care	100,939	94,630	6.7%
Private Label	31,771	34,700	(8.4)%
Total Tissue Technologies	132,710	129,330	2.6%
Total reported revenues	380,846	376,638	1.1%
Impact of changes in currency exchange rates	7,036	—	
Less contribution of revenues from acquisitions	(1,820)	—	
Less contribution of revenues from divested products	(208)	(7,014)	
Less contribution of revenues from discontinued products	(1,543)	(2,296)	
Total organic revenues ⁽¹⁾	\$ 384,311	\$ 367,328	4.6%

(1) Organic revenues have been adjusted to exclude foreign currency (current period), acquisitions and to account for divested and discontinued products.

Items included in GAAP net income and location where each item is recorded are as follows:

(In thousands)

Three Months Ended March 31, 2023

Item	Total Amount	COGS(a)	SG&A(b)	R&D(c)	Amort (d)	OI&E(e)	Tax(f)
Acquisition, divestiture and integration-related charges ⁽¹⁾	8,776	1,481	7,795	—	—	(500)	—
Structural Optimization charges	4,335	3,121	1,204	9	—	—	—
EU Medical Device Regulation charges	11,404	1,464	5,731	4,209	—	—	—
Intangible asset amortization expense	20,632	17,524	—	—	3,108	—	—
Estimated income tax impact from above adjustments and other items	(8,650)	—	—	—	—	—	(8,650)
Depreciation expense	10,224	—	—	—	—	—	—

- a) COGS - Cost of goods sold
- b) SG&A - Selling, general and administrative
- c) R&D - Research & development
- d) Amort. - Intangible asset amortization
- e) OI&E - Other income & expense
- f) Tax - Income tax expense (benefit)

Items included in GAAP net income and location where each item is recorded are as follows:

(In thousands)

Three Months Ended March 31, 2022

Item	Total Amount	COGS(a)	SG&A(b)	R&D(c)	Amort.(d)	OI&E(e)	Tax(f)
Acquisition, divestiture and integration-related charges(1)	574	854	2,077	(1,065)	—	(1,292)	—
Structural Optimization charges	6,320	2,932	3,294	94	—	—	—
EU Medical Device Regulation charges	9,513	744	3,531	5,238	—	—	—
Intangible asset amortization expense	20,094	16,200	—	—	3,894	—	—
Estimated income tax impact from above adjustments and other items	(7,422)	—	—	—	—	—	(7,422)
Depreciation expense	9,591	—	—	—	—	—	—

- a) COGS - Cost of goods sold
- b) SG&A - Selling, general and administrative
- c) R&D - Research & development
- d) Amort. - Intangible asset amortization
- e) OI&E - Other income & expense
- f) Tax - Income tax expense (benefit)

RECONCILIATION OF NON-GAAP ADJUSTMENTS - GAAP NET INCOME TO ADJUSTED EBITDA
(UNAUDITED)

(In thousands)

	Three Months Ended March 31,	
	2023	2022
GAAP net income	24,226	32,901
Non-GAAP adjustments:		
Depreciation and intangible asset amortization expense	30,855	29,685
Other (income) expense, net	(889)	(2,136)
Interest expense, net	7,993	10,278
Income tax expense	5,552	6,414
Structural optimization charges	4,335	6,320
EU Medical Device Regulation charges	11,404	9,513
Acquisition, divestiture and integration-related charges ⁽¹⁾	8,776	574
Total of non-GAAP adjustments	68,026	60,648
Adjusted EBITDA	\$ 92,252	\$ 93,548

RECONCILIATION OF NON-GAAP ADJUSTMENTS - GAAP NET INCOME TO MEASURES OF ADJUSTED NET INCOME AND ADJUSTED
EARNINGS PER SHARE
(UNAUDITED)

(In thousands, except per share amounts)

	Three Months Ended March 31,	
	2023	2022
GAAP net income	24,226	32,901
Non-GAAP adjustments:		
Structural optimization charges	4,335	6,320
Acquisition, divestiture and integration-related charges ⁽¹⁾	8,776	574
EU Medical Device Regulation charges	11,404	9,513
Intangible asset amortization expense	20,632	20,094
Estimated income tax impact from adjustments and other items	(8,651)	(7,422)
Total of non-GAAP adjustments	36,496	29,079
Adjusted net income	\$ 60,722	\$ 61,980
Adjusted diluted net income per share	\$ 0.74	\$ 0.74
Weighted average common shares outstanding for diluted net income per share	82,322	84,276

CONDENSED BALANCE SHEET DATA
(UNAUDITED)

(In thousands)

	March 31, 2023	December 31, 2022
Cash and cash equivalents	\$ 307,367	\$ 456,661
Trade accounts receivable, net	253,995	263,465
Inventories, net	351,275	324,583
Current and long-term borrowing under senior credit facility	769,143	771,274
Borrowings under securitization facility	102,500	104,700
Long-term convertible securities	568,069	567,341
	\$ 1,674,938	\$ 1,804,403
Stockholders' equity		

CONDENSED STATEMENT OF CASH FLOWS
(UNAUDITED)

(In thousands)

	Three Months Ended March 31,	
	2023	2022
Net cash provided by operating activities	\$ 26,156	\$ 44,344
Net cash used in investing activities	(13,704)	(14,067)
Net cash used by financing activities	(162,683)	(133,465)
Effect of exchange rate changes on cash and cash equivalents	937	(3,168)
Net decrease in cash and cash equivalents	\$ (149,294)	\$ (106,356)

RECONCILIATION OF NON-GAAP ADJUSTMENTS - GAAP OPERATING CASH FLOW TO
MEASURES OF FREE CASH FLOW AND ADJUSTED FREE CASH FLOW CONVERSION
(UNAUDITED)

(In thousands)

	Three Months Ended March 31,	
	2023	2022
Net cash provided by operating activities	\$ 26,156	\$ 44,344
Purchases of property and equipment	(13,704)	(9,325)
Free cash flow	12,452	35,019
Adjusted net income ⁽¹⁾	\$ 60,722	\$ 61,980
Adjusted free cash flow conversion	20.5 %	56.5 %
	Twelve Months Ended March 31,	
	2023	2022
Net cash provided by operating activities	246,284	\$ 287,681
Purchases of property and equipment	(46,722)	(50,672)
Free cash flow	199,562	237,009
Adjusted net income ⁽¹⁾	279,586	\$ 274,649
Adjusted free cash flow conversion	71.4 %	86.3 %

(1) Adjusted net income for quarters ended March 31, 2023 and 2022 are reconciled above. Adjusted net income for remaining quarters in the trailing twelve months calculation have been previously reconciled and are publicly available in the Quarterly Earnings Call Presentations on our website at investor.integralife.com under Events & Presentations.

The Company calculates adjusted free cash flow conversion by dividing its free cash flow by adjusted net income. The Company believes this measure is useful in evaluating the significance of the cash special charges in its adjusted earnings measures.

RECONCILIATION OF NON-GAAP ADJUSTMENTS - NET DEBT CALCULATION
(UNAUDITED)

(In thousands)

	March 31, 2023	December 31, 2022
Short-term borrowings under senior credit facility	\$ —	\$ 38,125
Long-term borrowings under senior credit facility	769,143	733,149
Long-term borrowings under securitization facility	102,500	104,700
Long-term convertible securities	568,069	567,341
Deferred financing costs netted in the above	12,788	11,385
Cash & Cash Equivalents	(307,367)	(456,661)
Net Debt	\$ 1,145,133	\$ 998,039