

**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): July 27, 2022

INTEGRA LIFESCIENCES HOLDINGS CORPORATION

(Exact name of Registrant as specified in its charter)

Delaware	0-26224	51-0317849
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

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:

- 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 July 27, 2022, Integra LifeSciences Holdings Corporation (the “Company”) issued a press release announcing financial results for the quarter ended June 30, 2022 (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 June 30, 2022 and 2021, GAAP net income to adjusted earnings before interest, taxes, depreciation and amortization (“EBITDA”) for the quarters ended June 30, 2022 and 2021, GAAP net income to adjusted net income for the quarters ended June 30, 2022 and 2021, GAAP earnings per diluted share to adjusted earnings per diluted share for the quarters ended June 30, 2022 and 2021, 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 June 30, 2022 and 2021.

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 earnings before interest, taxes, depreciation and amortization (“EBITDA”), adjusted net income, adjusted earnings per diluted share, 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 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, 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.

Organic revenues, adjusted EBITDA, adjusted net income, adjusted earnings per diluted share, 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;
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- 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 June 30, 2022 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, which 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.
 - 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. Estimated impact on income tax expense related to the following:
 - (i). 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
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of its tax provision, based on the statutory rate applicable to jurisdictions in which the above non-GAAP adjustments relate.

- (ii). When we calculate the adjusted tax rate, we include a full year estimate for all discrete items. We then apply that full year rate to the year-to-date results and calculate the current quarter's rate to arrive at the year-to-date adjusted tax rate. We believe this removes significant variability in our results and creates a more operationally consistent result for our investors to use for comparability purposes.

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 and efforts to comply with the EU Medical Device Regulation 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, 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 June 30, 2022 and 2021 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, 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 June 30, 2022 and 2021.

Item 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

99.1 [Press Release with attachments, dated July 27, 2022, 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: July 27, 2022

By: /s/ Carrie Anderson

Carrie Anderson

Title: Executive Vice President and Chief Financial Officer

Integra LifeSciences Reports Second Quarter 2022 Financial Results

PRINCETON, N.J., July 27, 2022 - [Integra LifeSciences Holdings Corporation](#) (NASDAQ: IART), a leading global medical technology company, today reported financial results for the second quarter ending June 30, 2022.

Second Quarter 2022 Highlights

- Second quarter revenues of \$398 million increased 2.0% on a reported basis and 4.8% on an organic basis compared to the prior year.
 - Six-month revenues for 2022 were \$774 million and increased 3.3% on a reported basis and 5.2% on an organic basis compared to the prior year.
- Second quarter GAAP earnings per diluted share of \$0.54, compared to \$0.41 in the prior year; adjusted earnings per diluted share of \$0.82, compared to \$0.79 in the prior year.
- The Company entered into an agreement for the sale of its non-core traditional wound care (“TWC”) business.
- The Company is tightening its previous full-year 2022 organic growth guidance of 3.8% to 5.2% to an updated range of 4.0% to 5.2%, reflecting better than expected first half performance. Full-year 2022 reported revenue guidance is updated to a range of \$1,557 million to \$1,575 million representing reported growth of 1.0% to 2.1%, inclusive of the planned sale of the TWC business and an updated foreign currency outlook. Adjusted earnings per share guidance range is updated accordingly to \$3.21 to \$3.29.

“We are pleased with our strong sales performance in the first half of the year. Our balanced portfolio continues to deliver solid, profitable growth in a challenging environment and we are on track to deliver our full-year organic growth expectations,” said Jan De Witte, Integra’s president and chief executive officer. “We are encouraged by the momentum we see in our key markets, while our growth initiatives and operational focus further strengthens our ability to deliver on our long-term financial targets.”

Second Quarter 2022 Consolidated Performance

Total reported revenues of \$397.8 million increased 2.0% on a reported basis and 4.8% on an organic basis compared to the prior year.

The Company reported GAAP gross margin of 62.7%, compared to 61.2% in the second quarter of 2021. Adjusted gross margin was 68.0%, compared to 68.1% in the prior year.

Adjusted EBITDA for the second quarter of 2022 was \$102.8 million, or 25.8% of revenue, compared to \$101.0 million, or 25.9% of revenue, in the prior year.

The Company reported GAAP net income of \$44.8 million, or \$0.54 per diluted share, in the second quarter of 2022, compared to a GAAP net income of \$35.1 million, or \$0.41 per diluted share, in the prior year.

Adjusted net income for the second quarter of 2022 was \$68.3 million, or \$0.82 per diluted share, compared to \$67.4 million, or \$0.79 per diluted share, in the prior year.

Second Quarter 2022 Segment Performance

- **Codman Specialty Surgical (65% of Revenues)**

- Total revenues were \$257.9 million, representing reported growth of 0.4% and organic growth of 4.3% compared to the second quarter of 2021, driven by strength in both Instruments and Neurosurgery. Neurosurgery growth was driven by advanced energy and CSF management.

- **Tissue Technologies (35% of Revenue)**

- Total revenues were \$140.0 million, representing reported growth of 5.1% and organic growth of 5.9% compared to the second quarter of 2021, driven by Private Label customer orders and growth in Wound Reconstruction and Care led by sales in our Integra® Dermal Matrices and SurgiMend®

Strategic Initiatives and Key Developments

- Advancing key products

- Launched the Aurora® Evacuator with Coagulation device in the U.S., designed to be used in conjunction with our Aurora Surgiscope to safely address and evacuate blood in the brain caused by hemorrhagic stroke.
- Launched the Neutus® EVD system, our first external ventricular drain in China. The Neutus EVD system is manufactured in China by Shanghai Haoju Medical Technology Co., Ltd. and commercialized by the Company under an exclusive distribution arrangement. The device is used in the management of cerebrospinal fluid and is highly complementary to our Bactiseal® catheter and advanced intercranial pressure monitoring products.

- Key developments

- Closed a manufacturing facility located in France; transfer of production to the Company's existing Switzerland facility is in process.
- Announced plans to outsource certain transactional back-office finance and customer service activities to enhance customer quality, build scale for future growth, and capture cost efficiencies. The transition is expected to be completed by year end 2022.
- Recognized as a Great Place to Work-Certified™ Organization in China and voted to 2022 Best Places to Work in NJ list.

Balance Sheet, Cash Flow and Capital Allocation

The Company generated cash flow from operations of \$66 million in the quarter. Net debt at the end of the quarter was \$1.12 billion, and the consolidated total leverage ratio was 2.5x.

As of quarter end, the Company had total liquidity of approximately \$1.69 billion, including approximately \$447 million in cash and the remainder available under the revolving credit facility.

Divestiture of the Traditional Wound Care Business

On May 20, 2022, the Company signed a definitive agreement to sell its TWC business, which includes sponges, gauze and conforming bandages and advanced wound care dressings, to Gentell, a leading manufacturer and distributor of advanced wound, skin, and personal care products, for \$28.8 million, consisting of \$27.8 million in cash plus \$1.0 million in milestone payments. Revenues for the TWC business were approximately \$27 million in 2021.

The transaction is expected to close at or around the end of August 2022, subject to the satisfaction of customary closing conditions.

“Our portfolio optimization actions over the past two years have allowed us to increase our focus on Integra’s core portfolio of market-leading products in neurosurgery, surgical instrumentation and regenerative tissue and moves us closer to achieving our long-term organic growth and profitability targets,” said Jan De Witte.

2022 Outlook

For the full year 2022, the Company is tightening its organic growth expectations from a prior range of 3.8% to 5.2% to an updated range of 4.0% to 5.2%. This reflects the strong first half 2022 revenue performance, while also balancing the uncertainty in global markets and continuing supply constraints.

Full year 2022 reported revenue guidance has been revised to a range of \$1,557 million to \$1,575 million, representing reported growth of 1.0% to 2.1%, to reflect the pending sale of the TWC business and an additional 115 basis points of unfavorable foreign currency impact compared to guidance provided in April 2022. Foreign currency is now expected to unfavorably impact full year reported growth by approximately 225 basis points compared to the prior year due to the continuing strength of the USD compared to other currencies in which we transact sales.

Full year 2022 adjusted earnings per diluted share guidance is updated to a range of \$3.21 to \$3.29 reflecting the planned divestiture of the TWC business and an updated foreign currency outlook.

For the third quarter 2022, the Company expects reported revenues in the range of \$383 million to \$391 million, representing reported growth of -1.0 to 1.0% and organic growth of 2.6% to 4.8%. Adjusted earnings per diluted share is expected to be in a range of \$0.78 to \$0.82. Guidance reflects the impacts from the planned divestiture of the TWC business, as well as an updated foreign currency outlook on reported revenue and adjusted earnings per share.

The Company’s guidance for the third quarter and full year organic sales growth excludes acquisitions and divestitures as well as the effects of foreign currency and the year-over-year change in revenue from discontinued products. Organic growth includes ACell as of January 20, 2022 and excludes sales from the pending TWC divestiture as of September 1, 2022.

Conference Call and Presentation Available Online

Integra has scheduled a conference call for 8:30 a.m. ET on Wednesday, July 27, 2022, to discuss second quarter 2022 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.

Access to the live call is available by dialing (800) 289-0720 and using the passcode 2688312. A simultaneous webcast of the call will be available via the Company’s website at www.integralife.com. A webcast replay of the call can be accessed through the [Investor Relations](#) homepage of Integra's website at www.integralife.com. A replay of the call will be available until August 7, 2022 by dialing (888) 203-1112 and using the passcode 2688312.

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®, 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, capital return plans and expectations and plans with respect to strategic initiatives and product development. 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 magnitude and duration of the COVID-19 pandemic and its effects on our employees, customers, patients, suppliers and distributors, including the economic impacts of the various recommendations, orders and protocols issued by governmental agencies and other regulatory bodies; the Company's ability to execute its operating plan effectively; the Company's ability to successfully integrate acquired businesses; the Company's ability to execute the sale of its traditional wound care product line; the Company's ability to achieve sales growth in a timely fashion and execute on its channel reorganization in its Tissue Technologies segment; 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 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, 2021 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 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 free cash flow consists of GAAP net cash provided by operating activities less purchases of property and equipment.

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 quarters and twelve months ended June 30, 2022 and 2021, and the free cash flow and adjusted free cash flow conversion for the quarters and twelve months ended June 30, 2022 and 2021, 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 June 30,	
	2022	2021
Total revenues, net	\$ 397,815	\$ 389,992
Costs and expenses:		
Cost of goods sold	148,404	151,267
Research and development	25,589	20,121
Selling, general and administrative	160,651	162,552
Intangible asset amortization	3,304	4,198
Total costs and expenses	337,948	338,138
Operating income	59,867	51,854
Interest income	1,965	1,764
Interest expense	(12,236)	(13,149)
Gain (loss) from sale of business	—	(679)
Other income, net	1,979	5,034
Income before income taxes	51,575	44,824
Income tax expense	6,787	9,756
Net income	\$ 44,788	\$ 35,068
Net income per share:		
Diluted net income per share	\$0.54	\$0.41
Weighted average common shares outstanding for diluted net income per share	83,622	85,340

The following table presents revenues disaggregated by the major sources for the three months ended June 30, 2022 and 2021 (amounts in thousands):

	Three Months Ended June 30		
	2022	2021	Change
Neurosurgery	200,295	202,600	(1.1)%
Instruments	57,568	54,237	6.1%
Total Codman Specialty Surgical	257,863	256,837	0.4%
Wound Reconstruction and Care	104,894	102,616	2.2%
Private Label	35,058	30,539	14.8%
Total Tissue Technologies	139,952	133,155	5.1%
Total reported revenues	397,815	389,992	2.0%
Impact of changes in currency exchange rates	10,268		
Less contribution of revenues from acquisitions	—	—	
Less contribution of revenues from divested products	(692)	(228)	
Less contribution of revenues from discontinued products	(2,089)	(3,158)	
Total organic revenues ⁽¹⁾	\$ 405,302	\$ 386,606	4.8%

(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 June 30, 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⁾	(6,284)	(108)	(3,925)	(1,059)	—	(1,192)	—
Structural Optimization charges	8,173	4,052	4,048	72	—	—	—
EU Medical Device Regulation charges	10,249	1,186	2,538	6,525	—	—	—
Intangible asset amortization expense	19,378	16,074	—	—	3,304	—	—
Estimated income tax impact from above adjustments and other items	(7,968)	—	—	—	—	—	(7,968)
Depreciation expense	10,216	—	—	—	—	—	—

- 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)

(1) Acquisition, divestiture and integration-related charges are associated with the Codman Neurosurgery, Arkis Biosciences, ACell acquisitions and the divestiture of Extremity Orthopedics and includes banking, legal, consulting, systems, and other income and expenses.

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

(In thousands)

Three Months Ended June 30, 2021

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⁾	10,777	7,716	4,161	(609)	—	(491)	—
Structural Optimization charges	4,710	1,642	1,386	1,683	—	—	—
EU Medical Device Regulation charges	3,415	1,365	1,017	1,033	—	—	—
Intangible Asset Amortization Expense	20,344	—	—	—	20,344	—	—
Estimated income tax impact from above adjustments and other items	(6,879)	—	—	—	—	—	(6,879)
Depreciation expense	9,411	—	—	—	—	—	—

- 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)

(1) Acquisition, divestiture and integration-related charges are associated with the Codman Neurosurgery, Arkis Biosciences, Rebound Therapeutics and ACell acquisitions and the divestiture of Extremity Orthopedics and includes banking, legal, consulting, systems, and other income and expenses.

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

(In thousands)

	Three Months Ended June 30,	
	2022	2021
GAAP net income	44,788	35,068
Non-GAAP adjustments:		
Depreciation and intangible asset amortization expense	29,594	29,755
Other (income) expense, net	(787)	(3,864)
Interest expense, net	10,271	11,385
Income tax expense	6,787	9,756
Structural optimization charges	8,173	4,710
EU Medical Device Regulation charges	10,249	3,415
Acquisition, divestiture and integration-related charges ⁽¹⁾	(6,284)	10,777
Total of non-GAAP adjustments	58,003	65,934
Adjusted EBITDA	\$ 102,791	\$ 101,002

(1) Acquisition, divestiture and integration-related charges are associated with the Codman Neurosurgery, Arkis Biosciences, Rebound Therapeutics and ACell acquisitions and the divestiture of Extremity Orthopedics and includes banking, legal, consulting, systems, and other income and expenses.

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 June 30,	
	2022	2021
GAAP net income	44,788	35,068
Non-GAAP adjustments:		
Structural optimization charges	8,173	4,710
Acquisition, divestiture and integration-related charges ⁽¹⁾	(6,284)	10,777
EU Medical Device Regulation charges	10,249	3,415
Intangible asset amortization expense	19,378	20,344
Estimated income tax impact from adjustments and other items	(7,968)	(6,879)
Total of non-GAAP adjustments	23,548	32,367
Adjusted net income	\$ 68,336	\$ 67,435
Adjusted diluted net income per share	\$ 0.82	\$ 0.79
Weighted average common shares outstanding for diluted net income per share	83,622	85,340

(1) Acquisition, divestiture and integration-related charges are associated with the Codman Neurosurgery, Arkis Biosciences, Rebound Therapeutics and ACell acquisitions and the divestiture of Extremity Orthopedics and includes banking, legal, consulting, systems, and other income and expenses.

CONDENSED BALANCE SHEET DATA
(UNAUDITED)

(In thousands)

	June 30, 2022	December 31, 2021
Cash and cash equivalents	\$ 447,152	\$ 513,448
Trade accounts receivable, net	237,361	231,831
Inventories, net	320,208	317,386
Current and long-term borrowing under senior credit facility	870,279	869,257
Borrowings under securitization facility	112,500	112,500
Long-term convertible securities	565,883	564,426
	\$ 1,660,917	\$ 1,684,804
Stockholders' equity		

CONDENSED STATEMENT OF CASH FLOWS
(UNAUDITED)

(In thousands)

	Six Months Ended June 30, 2022	2021
Net cash provided by operating activities	\$ 110,822	\$ 160,371
Net cash used in investing activities	(18,565)	(125,483)
Net cash used by financing activities	(146,612)	(100,490)
Effect of exchange rate changes on cash and cash equivalents	(11,941)	(7,150)
Net decrease in cash and cash equivalents	\$ (66,296)	\$ (72,752)

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 June 30,	
	2022	2021
Net cash provided by operating activities	\$ 66,484	\$ 91,287
Purchases of property and equipment	\$ (9,405)	\$ (6,634)
Free cash flow	57,079	84,653
Adjusted net income ⁽¹⁾	\$ 68,335	\$ 67,435
Adjusted free cash flow conversion	83.5 %	125.5 %
	Twelve Months Ended June 30,	
	2022	2021
Net cash provided by operating activities	\$ 262,887	\$ 310,279
Purchases of property and equipment	(53,444)	(28,463)
Free cash flow	209,443	281,816
Adjusted net income ⁽¹⁾	\$ 275,548	\$ 265,426
Adjusted free cash flow conversion	76.0 %	106.2 %

(1) Adjusted net income for quarters ended June 30, 2022 and 2021 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.