



Acquisition of ACell, Inc.

December 16, 2020

Legal Information

- **Safe Harbor Statement**

This presentation 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," "plan," "anticipate," 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 the expected impact of COVID-19 on the Company; the Company's liquidity and financial position; 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. Statements of past performance, efforts, or results about which assumptions or inferences may be made can also be forward-looking statements and are not indicative of future performance or results. Forward-looking statements are based on estimates and assumptions made by management of the company and are believed to be reasonable, though they are inherently uncertain, difficult to predict, and may be outside of the company's control. 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: risks and uncertainties associated with the COVID-19 pandemic; the Company's ability to execute the acquisition and integration of ACell, Inc.; the Company's ability to execute the sale of its extremities orthopedics business to Smith+Nephew; global macroeconomic and political conditions; the Company's ability to manage its direct sales channels effectively; the Company's ability to maintain relationships with customers of acquired entities and businesses; 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 achieve anticipated growth rates, margins and scale and execute its strategy generally; 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, 2019 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.

- **Non-GAAP Financial Measures**

In addition to GAAP measures, we routinely utilize certain non-GAAP measures, including, but not limited to, organic revenues, adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA"), and adjusted earnings per diluted share. 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 filed today with the Securities and Exchange Commission ("SEC") regarding the acquisition of ACell, Inc., which is available on the SEC's website at www.sec.gov or on our website at www.integralife.com.

Acquisition Overview & Strategic Rationale

ACell Business Description

- Private company headquartered in Columbia, MD, with manufacturing in MD and Lafayette, IN
- Regenerative medical products based on MatriStem UBM™ (Urinary Bladder Matrix), a technology derived from porcine urinary bladder extracellular matrix
- Products used in management of complex wounds and as soft tissue reinforcement in certain surgical applications

Strategic Rationale

- Differentiated porcine matrix expands regenerative capabilities
- Complementary products enhance our portfolio of regenerative solutions for the management of complex wounds and surgical reconstruction
- Attractive financial profile - accretive to long-term growth and profitability
- Execution sweet spot - strong fit with Integra's infrastructure & call points

Key Deal Terms

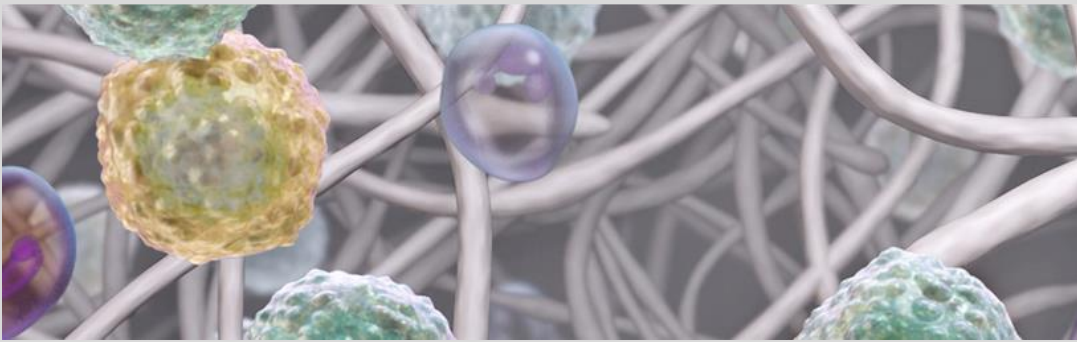
- \$300M at closing from cash on hand and revolver, and up to an additional \$100M upon the achievement of certain revenue growth milestones
- Subject to the satisfaction of customary conditions, including regulatory approvals
- Acquisition expected to close in first quarter of 2021

Technology Overview & Product Portfolio

MatriStem UBM™ Technology

- Technology platform derived from porcine urinary bladder extracellular matrix
- Designed to enhance the body's ability to restore natural tissue and minimize scarring in the management of complex wounds

MatriStem UBM supports the body's natural ability to initiate a remodeling response with strength and structure for the new tissue



Complementary Product Portfolio

Management of Complex Wounds

MicroMatrix®



Cytal® Matrix

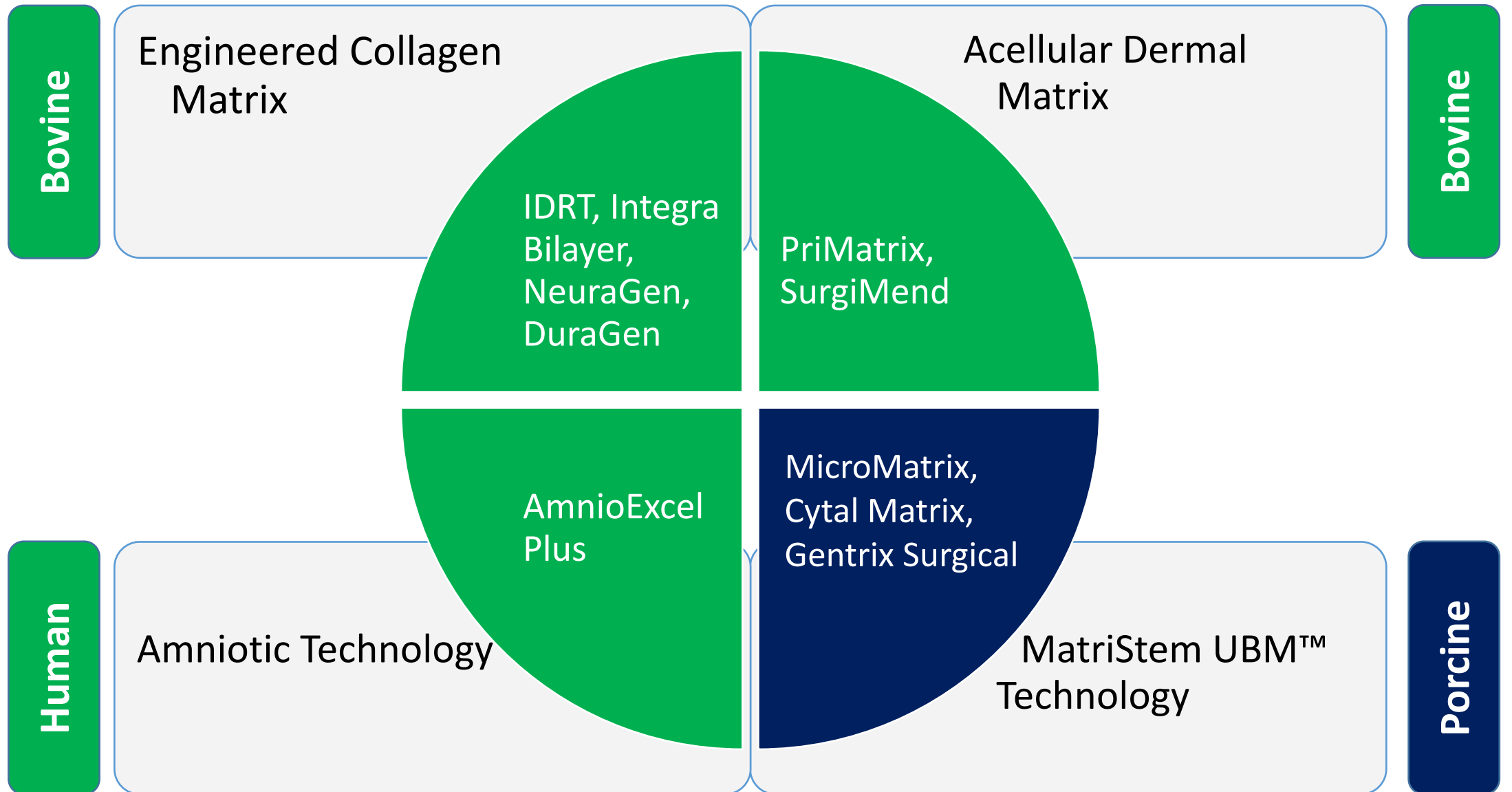


Soft Tissue Reinforcement

Gentrix® Surgical Matrix

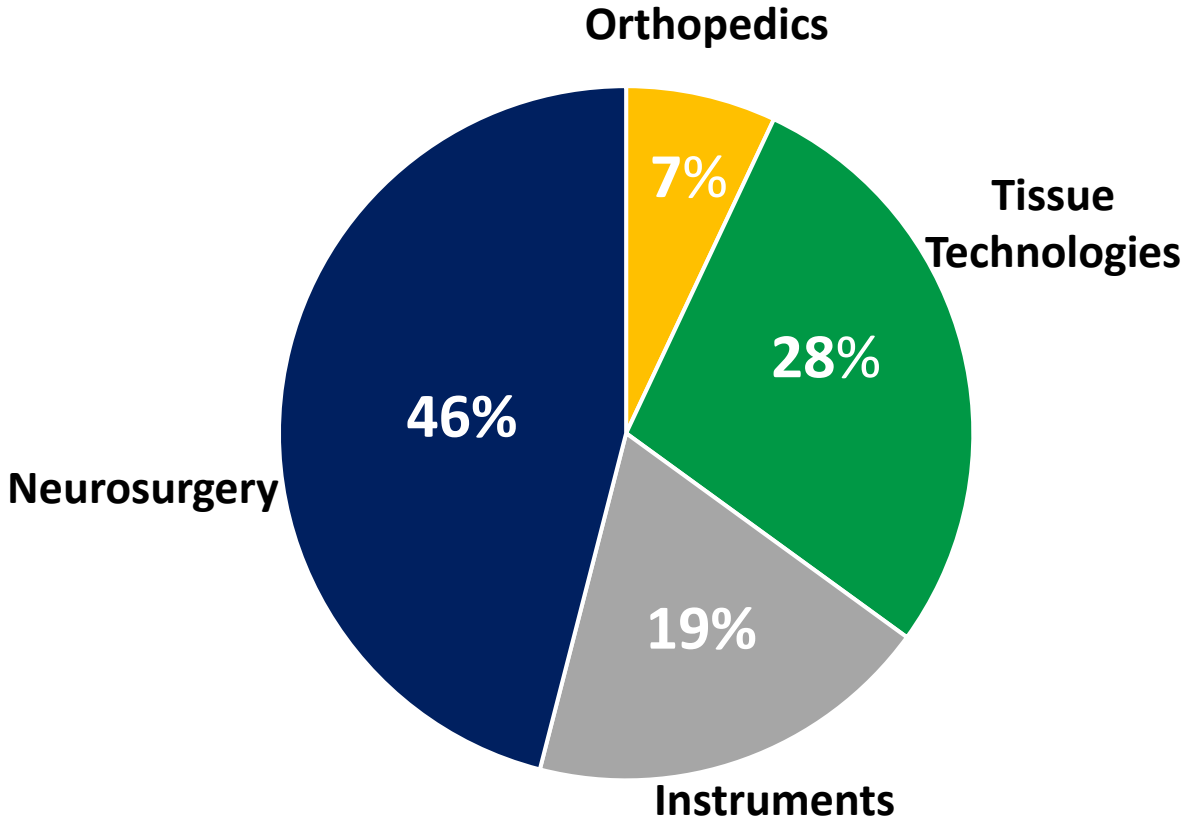


Complementary Technology Platform

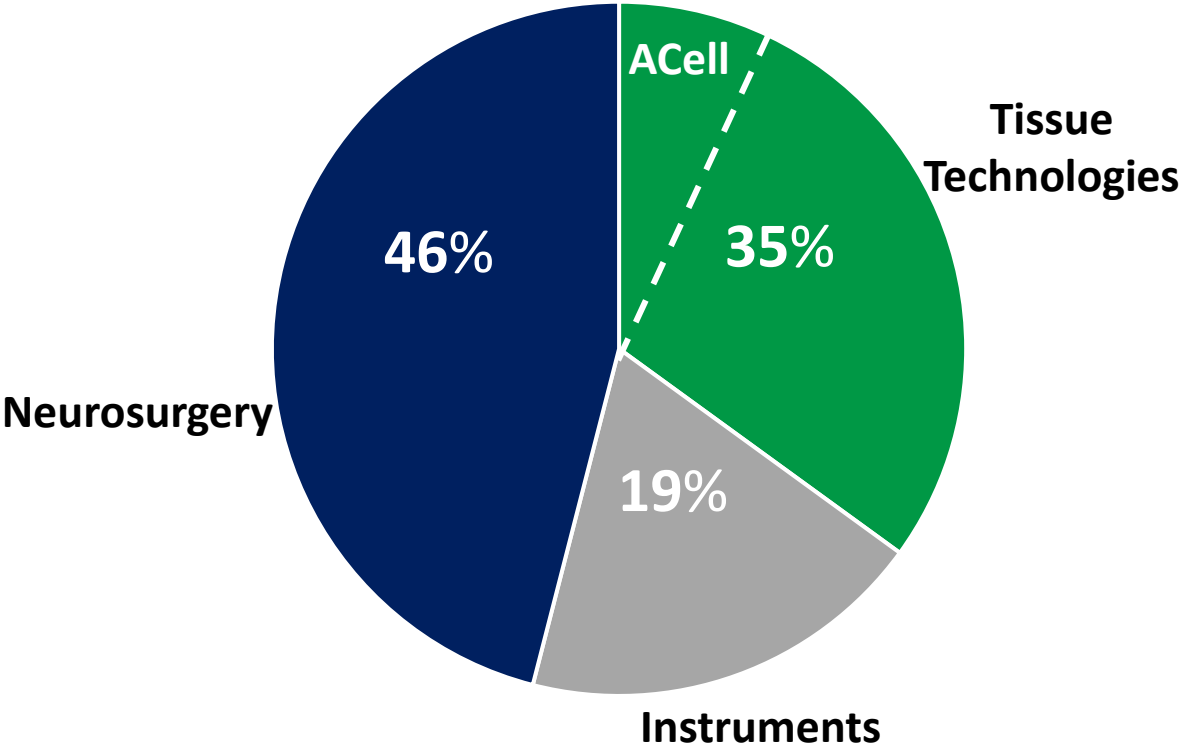


Increasing Tissue Technologies Revenue Mix

2019 Integra as reported



2019 Integra Pro Forma*



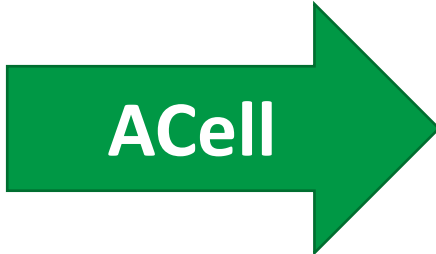
* Pro forma 2019: Excludes Extremity Orthopedics and includes ACell; 2019 ACell reported revenues \$100.8 million

Portfolio Effect of Divesting Extremity Orthopedics and Adding ACell

Key Pro Forma Financial Metrics - 2019 Excluding Extremity Orthopedics

PF Organic Growth ⁽¹⁾	~+50bps Higher
PF Adj. Gross Margin ⁽²⁾	Slightly Lower
PF Adj. EBITDA Contribution ⁽²⁾	~+140bps Higher
PF Adj. EPS ⁽²⁾	Neutral

(1) Average over past two years (2018 & 2019 estimate, unaudited)
 (2) Pro forma 2019 (estimate, unaudited)



Financial Contribution of ACell⁽³⁾

PF Organic Growth	Accretive
PF Adj. Gross Margin ⁽⁴⁾	Accretive
PF Adj. EBITDA Contribution ⁽⁴⁾	Neutral in Year 1 Accretive in Year 2
PF Adj. EPS ⁽⁴⁾	Neutral in Year 1 Accretive in Year 2
ROIC	7-8% by Year 3 9-10% by Year 5

(3) Preliminary company estimates
 (4) Inclusive of the PF impact of the divestiture of the Ortho business and acquisition of ACell

Closing Remarks – Portfolio Optimized Heading into 2021

- Sale of Extremity Orthopedics is on track to close in early January 2021. Improves focus and is accretive to growth and profitability.
- Acquisition of ACell, expected to close in Q1 2021, expands our R&D pipeline and complements our Tissue Technologies portfolio.
- Balance sheet strength continues with a consolidated leverage ratio that remains within target range of 2.5x to 3.5x at the end of Q1 2021.
- ACell is expected to be accretive to LT growth and profitability. ROIC is expected to exceed cost of capital by Year 3.