Q2 2018 Earnings Call

July 25, 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 business and other acquired businesses; 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) litigation charges; (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.

Second Quarter Key Messages

Total Company View

- Second quarter 2018 in line with guidance
  - Revenues of $366.2M, up 29.8% vs. prior year
  - Organic growth of 3.4%
  - Adjusted earnings per diluted share of $0.60, up 33.3% vs. prior year
- Raising low end of full-year guidance, while absorbing $7.0M of FX headwind since April
  - Revenues of $1.475 - $1.490 billion
  - Adjusted earnings per share of $2.36 - $2.42

Orthopedics & Tissue Technologies

- Completed commercial channel expansion, hired approximately 60 positions in 1H ’18
- Broad-based strength in Regenerative Technologies associated with channel expansion and focused strategy
- New product launches on track and enterprise contracting efforts accelerate

Codman Specialty Surgical

- On track with all Codman Neurosurgery integration and transition activities
- Strong second quarter neurosurgery performance driven by combined commercial organization
- New product introductions and global registrations moving towards commercialization

Raising low end of 2018 revenue and EPS guidance

Codman Transition Services Agreements Update

Transition Services Provided

- ✓ Order Management & Customer Service
- ✓ Distribution & Inventory Management
- ✓ IT Services & Infrastructure
- ✓ Credit Management & Cash Collections

Activities now performed by Integra

July 2018
Countries Impacted by TSA Exits

- ✓ USA
- ✓ ANZ
- ✓ Canada
- ✓ China

China transferred one year ahead of plan

Q4 2018

Le Locle, Switzerland

IT Transfer

2019

W. Europe

Nordics

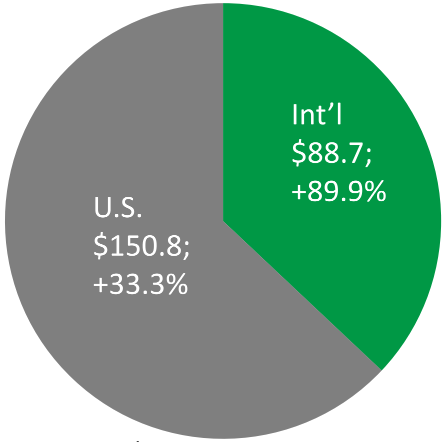
Japan

Mexico

Successfully exited first wave of transition services agreements representing ~60% of Codman revenues

Codman Specialty Surgical

Second Quarter 2018 Revenues
$239.5M; +49.8% YoY Growth



$ in millions as reported

Q2 2018 Performance Drivers*

- Advanced Energy grew 20% driven by CUSA® Clarity
- Dural Repair increased low single digits driven by 6% growth in U.S. DuraSeal®
- Precision Tools and Instruments were flat
- International sales were flat, with strength in Japan and Canada; offset by Europe
- Acquired Codman second quarter revenues were ~$79M

*All commentary represents organic performance

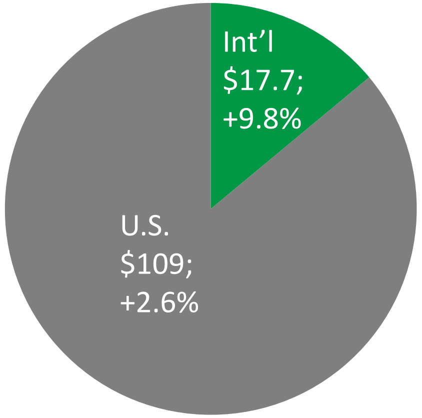
Revenues	Q2 2018	Q2 2017	Growth	Q2 YTD 2018	Q2 YTD 2017	Growth	April 2018 Guidance	July 2018 Guidance
Reported	$239.5M	$159.9M	49.8%	$475.6M	$316.1M	50.4%	33% - 35%	No Change
Organic	$156.2M	$150.6M**	3.7%	$308.1M	$298.8M**	3.1%	2% - 3%	~3%

Strong 1H 2018 neurosurgery performance results in high end of guidance range for full-year organic growth

**Amount excludes $9.3M in Q2 2017 and $17.4M in Q2 YTD 2017 related to divested products from the Codman acquisition

Orthopedics & Tissue Technologies

Second Quarter 2018 Revenues
$126.7M; +3.6% YoY Growth



$ in millions as reported

Q2 2018 Performance Drivers*

- Regenerative Technologies grew high-single digits, led by sales of the Integra skin portfolio, PriMatrix®, amniotic family of products and nerve;
  - Private Label declined mid-single digits, as expected
- Extremity Orthopedics
  - Total extremities declined ~2%
  - Ankle sales grew mid-single digits / shoulder grew double digits
- International sales increased mid-single digits, driven by EMEA and Canada

*All commentary represents organic performance

Revenues	Q2 2018	Q2 2017	Growth	Q2 YTD 2018	Q2 YTD 2017	Growth	April 2018 Guidance	July 2018 Guidance
Reported	$126.7M	$122.3M	3.6%	$247.7M	$224.7M	10.2%	10% - 12%	No Change
Organic	$125.9M	$122.2M	3.0%	$231.9M	$224.6M	3.3%	8% - 10%	No Change

Channel expansion complete/Organic growth expected to accelerate in second half

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Second Quarter and YTD Results / Full-Year 2018 Guidance

% of Revenues	Q2 2018	Q2 2017	Change	Q2 YTD 2018	Q2 YTD 2017	Change	April 2018 Guidance	July 2018 Guidance
Total Revenues	$366.2	$282.2	29.8%	$723.3	$540.8	33.7%	$1.470B - $1.490B	$1.475B - $1.490B
Gross Margin	62.4%	64.9%	-250BPS	61.0%	65.7%	-470BPS	61.5% - 62.5%	No Change
Adj. Gross Margin(1)	67.4%	68.4%	-100BPS	67.0%	69.3%	-230BPS	67.5% - 68.5%	No Change
R&D	5.2%	5.6%	-40BPS	5.2%	5.8%	-60BPS	~6%	No Change
SG&A	48.2%	51.4%	-320BPS	47.0%	53.2%	-620BPS	45% - 47%	No Change
Adj. SG&A(1)	41.5%	43.9%	-240BPS	41.2%	45.0%	-380BPS	41% - 42%	No Change
Interest Expense	$17.3	$6.1	NM	$36.0	$11.2	NM	$75 - $80M	$65 - $70M
Net Income	$11.4	$10.8	5.6%	$22.4	$17.2	30.2%	$57 - $64M	$61 - $67M
Adj. Net Income(1)	$50.5	$35.4	42.7%	$96.7	$66.3	45.9%	$187 - $194M	$198 - $204M
Adj. EBITDA(1)	23.5%	22.2%	+130BPS	23.4%	21.8%	+160BPS	23% - 24%	No Change
Tax Rate	10.6%	(35.4%)	NM	(2.3%)	(35.2%)	NM	7% - 9%	No Change
Adj. Tax Rate(1)	18.0%	24.4%	-640BPS	18.2%	24.7%	-650BPS	~19%	~18%
Shares Out (Mil)	83.5	79.0	5.7%	81.7	78.7	3.8%	~80M	~84M
Earnings per Share	$0.14	$0.14	-	$0.27	$0.22	22.7%	$0.69 - $0.77	$0.71 - $0.77
Adj. Earnings per Share(1)	$0.60	$0.45	33.3%	$1.18	$0.84	40.5%	$2.34 - $2.42	$2.36 - $2.42

Raising low end of full-year revenue and EPS guidance

Expect third quarter revenue of $367 to $372 million and adjusted EPS of $0.58 to $0.62

(1) These are non-GAAP financial measures. Please see the appendix of this presentation for a reconciliation to the nearest GAAP measure.

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Cash Flow and Other Measures

(In millions)	Q2 2018	Q2 2017	Change	April 2018 Guidance	July 2018 Guidance
Operating Cash Flow	$36.2	$28.9	25.3%	$145 - $165M	No Change
CapEx	$20.0	$12.8	56.3%	$65 - $75M	No Change
Free Cash Flow[1]	$16.2	$16.1	0.6%	$80 - $90M	No Change
FCF Conversion (TTM)[1]	42.3%	72.4%	-30.1Pts	~50%	No Change
Depreciation	$10.2	$9.1	12.1%	~$45M	No Change
Amortization	$16.7	$12.5	33.6%	~$70M	No Change

On track to meet or exceed full year cash flow guidance

(1) These are non-GAAP financial measures. Please see the appendix of this presentation for a reconciliation to the nearest GAAP measure.

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	4.0x

Fixed Debt as a % of Total Debt*: 49%

June 30, 2018 Capitalization	
(In millions)	
Cash and Equivalents	$184
Revolver ($1,300)	$590
Term Loans	$900
Total Debt	$1,490
Net Debt	$1,346
Net Debt Bank Leverage Ratio	<3.2x

Fixed Debt as a % of Total Debt*: 60%

Proceeds of equity raise used to reduce leverage ratio to <3.2x

*Based on $900M of interest rate swaps.

Key Focus Areas for 2018

Execute on 2018 Financial Targets	Codman Specialty Surgical	Orthopedics & Tissue Technologies
• Organic revenue growth of ~5% • Adjusted EBITDA margin expansion of 75 to 100 basis points • Adjusted EPS growth of greater than 20%	• Execute Codman integration and accelerate TSA's exit • Product development pipeline and new product registrations • Leverage expanded global sales team and minimize territory disruptions	• 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 solid first half, positioned to accelerate organic growth in second half 2018

Appendix

Non-GAAP Reconciliations

Second Quarter and YTD 2018 & 2017 Organic Growth Reconciliation

(In millions)	Q2 2018	Q2 2017	Q2 YTD 2018	Q2 YTD 2017
Codman Specialty Surgical	**$239.5**	**$159.9**	**$475.6**	**$316.1**
Orthopedics and Tissue Technologies	**$126.7**	**$122.3**	**$247.7**	**$224.7**
Total Revenues	**$366.2**	**$282.2**	**$723.3**	**$540.8**
Revenues from divested/ discontinued products[1]	(2.4)	(9.3)	(5.0)	(17.4)
Revenues ex divested/ discontinued products	**$363.8**	**$272.9**	**$718.3**	**$523.4**
Impact of changes in currency exchange	(2.6)	-	(7.5)	-
Revenues from acquisitions[2]	(79.2)	-	(170.8)	-
Organic Revenues	**$282.0**	**$272.9**	**$540.0**	**$523.4**
Organic Revenue Growth	*3.4%*		*3.2%*	

(1) Organic Revenues have been adjusted to reflect revenues under the TMA to Natus and restated for prior year 2017 to account for divestitures to Natus related to the Codman acquisition.
(2) Acquisitions include Codman Neurosurgery.

Second Quarter and YTD 2018 & 2017 Adjusted EBITDA Margin Reconciliation

(In millions)	Q2 2018	Q2 2017	Q2 2018 YTD	Q2 2017 YTD
GAAP Net Income	**$11.4**	**$10.8**	**$22.4**	**$17.2**
Depreciation and intangible asset amortization expense	26.9	21.6	54.0	41.3
Other (income) expense, net	(2.4)	0.6	(4.7)	0.7
Interest expense, net	16.5	6.1	35.2	11.2
Income tax benefit	1.4	(2.8)	(0.5)	(4.5)
Global ERP implementation charges	-	0.8	-	3.3
Acquisition and integration charges	23.7	23.7	52.6	44.0
Structural optimization charges	6.9	1.8	8.6	3.5
Discontinued product lines charges	-	-	-	1.0
Litigation charges	1.5	-	1.5	-
Total of non-GAAP adjustments:	74.5	51.8	146.7	100.6
Adjusted EBITDA	**$85.9**	**$62.7**	**$169.1**	**$117.8**
Total Revenues	$366.2	$282.2	$723.3	$540.8
Adjusted EBITDA Margin	**23.5%**	**22.2%**	**23.4%**	**21.8%**

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Second Quarter and YTD 2018 and 2017 Adjusted EPS Reconciliation

(In millions)	Q2 2018	Q2 2017	Q2 2018 YTD	Q2 2017 YTD
GAAP Net Income	**$11.4**	**$10.8**	**$22.4**	**$17.2**
Global ERP implementation charges	-	0.8	-	3.3
Acquisition and integration charges	23.7	23.7	52.6	44.0
Structural optimization charges	6.9	1.8	8.6	3.5
Discontinued product line charges	-	-	-	1.0
Litigation charges	1.5	-	1.5	-
Intangible asset amortization expense	16.7	12.5	33.7	23.5
Estimated income tax impact from adjustments and other items	(9.7)	(14.3)	(22.0)	(26.2)
Total of non-GAAP adjustments:	39.1	24.6	74.3	49.1
Adjusted Net Income	**$50.5**	**$35.4**	**$96.7**	**$66.3**
Adjusted Diluted Net Income per Share	**$0.60**	**$0.45**	**$1.18**	**$0.84**

Weighted average common shares outstanding for diluted net income from continuing operations per share	83.5	79.0	81.7	78.7

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Second Quarter and YTD 2018 and 2017 (TTM) Free Cash Flow Reconciliation

(In millions)	Q2 2018	Q2 2017	TTM Q2 2018	TTM Q2 2017
Net Cash from Operating Activities (1)	$36.2	$28.9	$134.5	$153.8
Purchases of Property and Equipment	(20.0)	(12.8)	(56.9)	(50.2)
Free Cash Flow	**$16.2**	**$16.1**	**$77.7**	**$103.7**
Adjusted Net Income	$50.5	$35.4	$183.8	$143.1
Adjusted Free Cash Flow Conversion	**32.1%**	**45.4%**	**42.3%**	**72.4%**

(1) TTM Q2 2017 GAAP Net Cash of $153.8M includes $111M of cash flow from operations for the twelve month period ending June 30, 2017, and an adjustment of $42.8M for accreted interest associated with the 2016 Convertible Notes.

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Second Quarter and YTD 2018 & 2017 Gross Margin Reconciliation

(In millions)	Q2 2018	Q2 2017	Q2 2018 YTD	Q2 2017 YTD
Reported Gross Profit	**$228.6**	**$183.2**	**$441.5**	**$355.2**
Structural optimization charges	2.0	1.0	3.0	1.9
Acquisition and integration charges	4.6	1.9	16.9	2.5
Discontinued product line charges	-	-	-	1.0
Intangible asset amortization expense	11.4	7.1	23.0	13.9
Adjusted Gross Profit	**$246.7**	**$193.1**	**$484.4**	**$374.6**
Total Revenues	$366.2	$282.2	$723.3	$540.8
Adjusted Gross Margin	**67.4%**	**68.4%**	**67.0%**	**69.3%**

Second Quarter and YTD 2018 & 2017 Adjusted SG&A Reconciliation

(In millions)	Q2 2018	Q2 2017	Q2 2018 YTD	Q2 2017 YTD
Reported SG&A	**$176.6**	**$145.0**	**$340.2**	**$287.5**
Global ERP implementation charges	-	0.8	-	3.3
Structural optimization charges	4.1	0.8	4.7	1.6
Acquisition and integration charges	19.1	19.5	35.7	39.2
Litigation charges	1.5	-	1.5	-
Adjusted SG&A	**$151.9**	**$123.8**	**$298.2**	**$243.4**
Total Revenues	$366.2	$282.2	$723.3	$540.8
Adjusted SG&A (% of Revenues)	**41.5%**	**43.9%**	**41.2%**	**45.0%**

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