



Integra Earnings Call Presentation

Third Quarter 2017

Safe Harbor Statement

This presentation contains forward-looking statements that are based on management's current expectations and beliefs and are subject to a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those described. All statements, other than statements of historical fact, are statements that could be deemed forward-looking statements. Some of these forward-looking statements may contain words like "believe," "may," "could," "would," "might," "possible," "should," "expect," "intend," "plan," "anticipate," or "continue," the negative of these words, other terms of similar meaning or they may use future dates. Forward-looking statements in this document include without limitation statements regarding the integration of the Codman Neurosurgery business, the benefits of the Codman acquisition, including future financial and operating results, Integra's plans, objectives, expectations and intentions as well as statements about estimates of revenues, organic growth, operating margins, capital expenditures, cash and other financial metrics. No forward-looking statement can be guaranteed and actual results may differ materially from those we project depending upon a number of factors. These factors include, among other things, the following: the effects of disruption caused by the Codman acquisition making it more difficult for Integra to execute its operating plan effectively or to maintain relationships with employees, vendors and other business partners; Integra's ability to successfully integrate the Codman Neurosurgery and Derma businesses and other acquired businesses; Integra's ability to successfully resume and sustain manufacturing operations at full capacity at our Puerto Rico facility and the restoration of infrastructure and other essential services in Puerto Rico; global macroeconomic and political conditions; the difficulty of predicting the timing or outcome of product development efforts and regulatory agency approvals or actions, if any; physicians' willingness to adopt and third-party payers' willingness to provide reimbursement for Integra's and the Codman Neurosurgery business'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, 2016 and subsequent quarterly reports on Form 10-Q. Integra undertakes no obligation to update any forward-looking statements as a result of new information, future developments or otherwise, except as expressly required by law. All forward-looking statements in this document are qualified in their entirety by this cautionary statement.

Non-GAAP Financial Measures

In addition to our GAAP results, we provide organic revenues, adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA"), adjusted net income, adjusted EPS, free cash flow and adjusted free cash flow conversion. Organic revenues consist of total revenues excluding the effects of currency exchange rates, acquired revenues and product discontinuances. Adjusted EBITDA consists of GAAP net income from continuing operations, excluding: (i) depreciation and amortization, (ii) other income (expense), (iii) interest income and expense, (iv) income taxes, (v) and those operating expenses also excluded from adjusted net income. The measure of adjusted net income consists of GAAP net income from continuing operations, excluding: (i) global enterprise resource planning ("ERP") implementation charges; (ii) structural optimization charges; (iii) certain employee severance charges; (iv) acquisition-related charges; (v) convertible debt noncash interest; (vi) intangible asset amortization expense; (vii) discontinued product lines charges; (viii) income tax impact from adjustments; (ix) Hurricane related expenses and other items. 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.

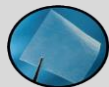
The Company believes that the presentation of the various organic revenue, adjusted EBITDA, adjusted net income, adjusted EPS, free cash flow, and free cash flow conversion measures provide important supplemental information to management and investors regarding financial and business trends relating to the Company's financial condition and results of operations.

Third Quarter Key Messages

INTEGRA NEW PRODUCT INTRODUCTIONS



DERMA SCIENCES



CODMAN NEURO



Third Quarter 2017 Revenue of \$278.8M, up 11.4% vs. PY:

Specialty Surgical Solutions

- + Closed Codman acquisition on Oct. 2nd
 - Reiterating revenue guidance of ~\$60-65M, net of divestitures
- + Tissue Ablation and Mayfield[®] up double digits
- Dural Repair grew ~2%

Orthopedics & Tissue Technologies

- + OTT Regenerative products grew mid single digits
- + Derma Sciences outperformed with ~\$24M in sales
- + Both total ankle and shoulder up double digits
- SurgiMend[®] and Private Label down double digits

Total Company View

- + Mitigated impact of storm disruptions on adjusted EPS
- + Cash Flow performance
- Hurricane impact of ~\$7M, largely in OTT
- Total company third quarter organic growth of 1.5%

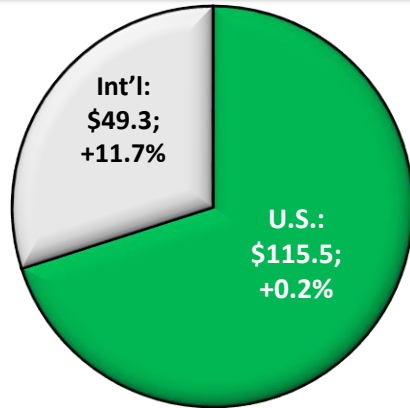
Excluding Hurricane Impact, Achieved Total Revenue and Adjusted EPS Guidance

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Specialty Surgical Solutions Revenue

Third Quarter 2017
\$164.8M; +3.4% Reported

\$ in millions
As reported



****All Commentary in Constant Currency****

- SSS organic growth of 2.7%
- Global Tissue Ablation delivered double digit growth
 - CUSA® Clarity off to a strong start
- Dural Repair sales grew ~2%
- Precision Tools & Instruments increased low single digits driven by Mayfield® and specialty neurosurgical instruments
- International organic sales increased high single digits driven by strength in both Europe and Asia Pacific

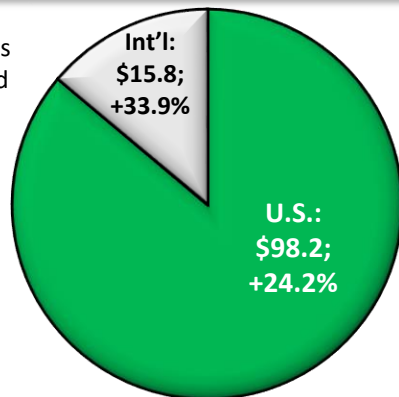
	Q3 2017	Q3 2016	Growth	Q3 YTD 2017	Q3 YTD 2016	Growth	July 2017 Guidance	Oct 2017 Guidance
Revenue	\$164.8M	\$159.4M	3.4%	\$480.9M	\$468.8M	2.6%	3% - 4%	11% - 12%
Organic	----	----	2.7%	----	----	2.7%	3% - 4%	2% - 3%

Revised Guidance includes Codman and Slightly Slower Dural Repair Growth

Orthopedics & Tissue Technologies Revenue

Third Quarter 2017
\$114.1M; +25.5% Reported

\$ in millions
As reported



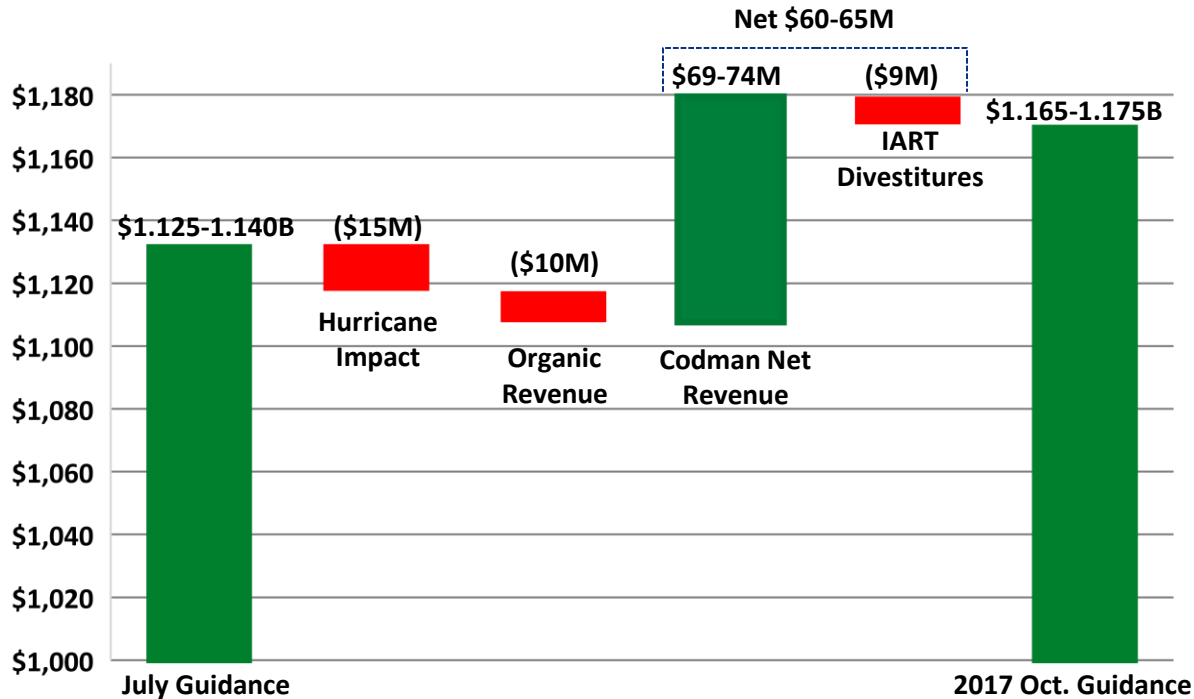
****All Commentary in Constant Currency****

- OTT organic sales declined 1%, largely affected by hurricane impact
- Regenerative Technologies
 - + PriMatrix achieved double digit growth
 - + Derma Sciences sales above expectations at ~\$24M
 - Private Label and office based procedures impacted by storm disruptions
 - SurgiMend down double digits
- Extremity Orthopedics
 - + Ankle and shoulder portfolios achieved double digit growth

	Q3 2017	Q3 2016	Growth	Q3 YTD 2017	Q3 YTD 2016	Growth	July 2017 Guidance	Oct 2017 Guidance
Revenue	\$114.1M	\$90.9M	25.5%	\$338.7M	\$267.6M	26.6%	31% - 35%	28% - 30%
Organic	----	----	(0.6%)	----	----	6.5%	9% - 14%	5% - 8%

Excluding Storm Disruptions, OTT Organic Sales Grew ~6%

Components of Revised 2017 Revenue Guidance



2017 Organic Growth:
~4.0%

2017 Reported Growth:
17.4% - 18.4%

**Full-Year Guidance Increased to \$1.165 - \$1.175 Billion including Codman;
Organic Growth Revised Down to ~4%**

Third Quarter and YTD Results and 2017 Guidance

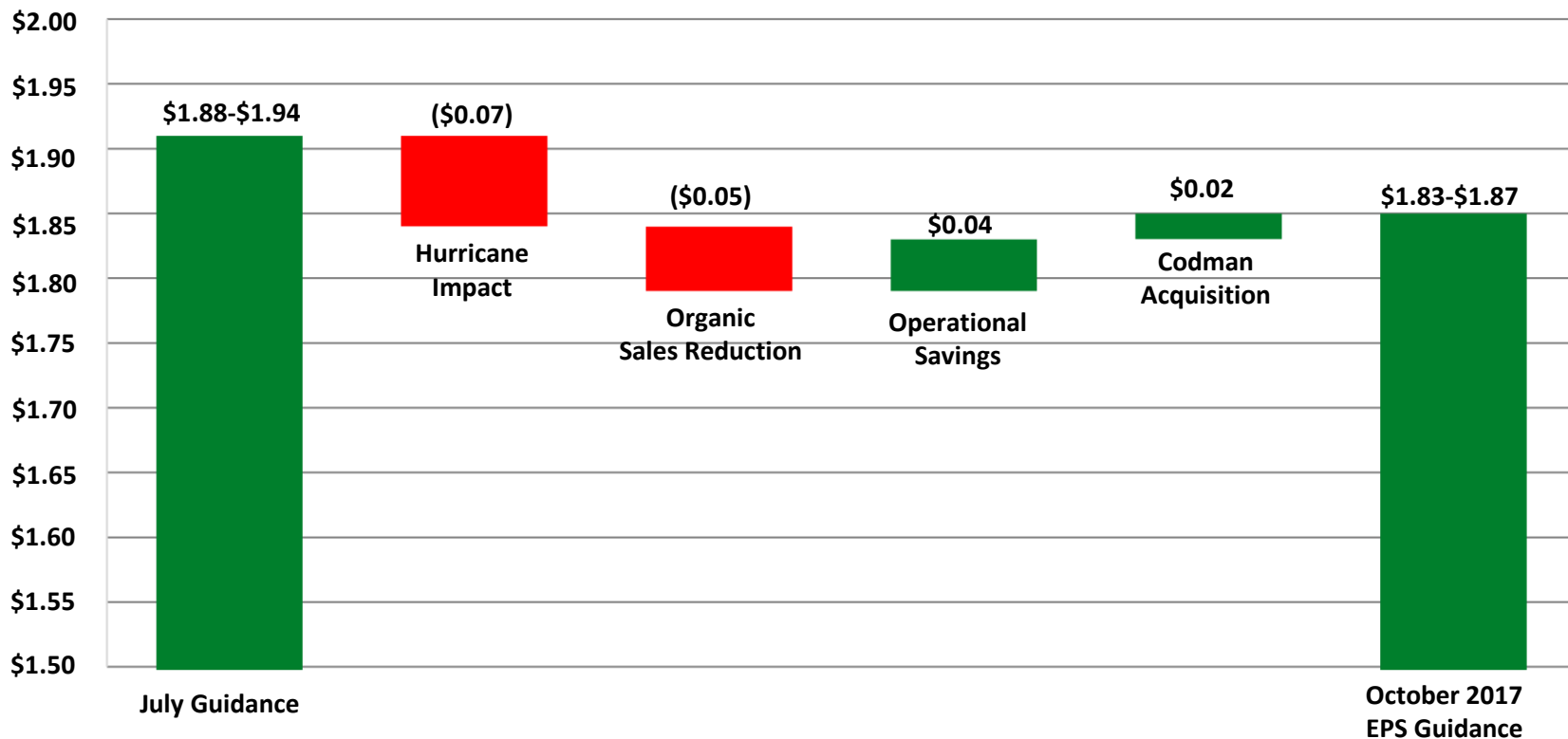
% of revenue	Q3 2017	Q3 2016	Delta Δ	Q3 YTD 2017	Q3 YTD 2016	Delta Δ	July 2017 Guidance	Oct 2017 Guidance
Gross Margin	63.5%	64.3%	(80BPS)	64.9%	64.2%	+70BPS	65% - 66%	~63%
Adj. Gross Margin*	68.7%	69.3%	(60BPS)	69.1%	69.3%	(20BPS)	~69%	No Change
R&D	5.4%	6.0%	(60BPS)	5.6%	6.0%	(40BPS)	~6%	No Change
SG&A	52.3%	44.9%	+740BPS	52.9%	46.6%	+630BPS	51% - 52%	52% - 53%
Adj. SG&A*	43.7%	43.0%	+70BPS	44.6%	44.0%	+60BPS	43% - 44%	44% - 45%
Net Income	\$3.2	\$20.1	(84.1%)	\$20.4	\$46.3	(56.0%)	\$39.3 - \$43.8	\$18 - \$22M
Adj. Net Income*	\$36.1	\$36.1	-	\$102.3	\$94.6	8.1%	\$149.5 - \$153.5	\$144 - \$148
Adj. EBITDA*	22.6%	23.4%	(80BPS)	22.1%	22.4%	(30BPS)	~23.5%	~22.5%

Tax Rate	2.3%	19.4%	NM	(27.6%)	15.7%	NM	~15%	~(65%)
Adj. Tax Rate*	23.5%	24.6%	(110BPS)	24.3%	26.5%	(220BPS)	24% - 25%	<24%
Earnings per Share	\$0.04	\$0.25	(84.0%)	\$0.26	\$0.59	(55.9%)	\$0.49 - \$0.55	\$0.24 - \$0.30
Adj. Earnings per Share*	\$0.45	\$0.46	(2.2%)	\$1.30	\$1.24	4.8%	\$1.88 - \$1.94	\$1.83 - \$1.87

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

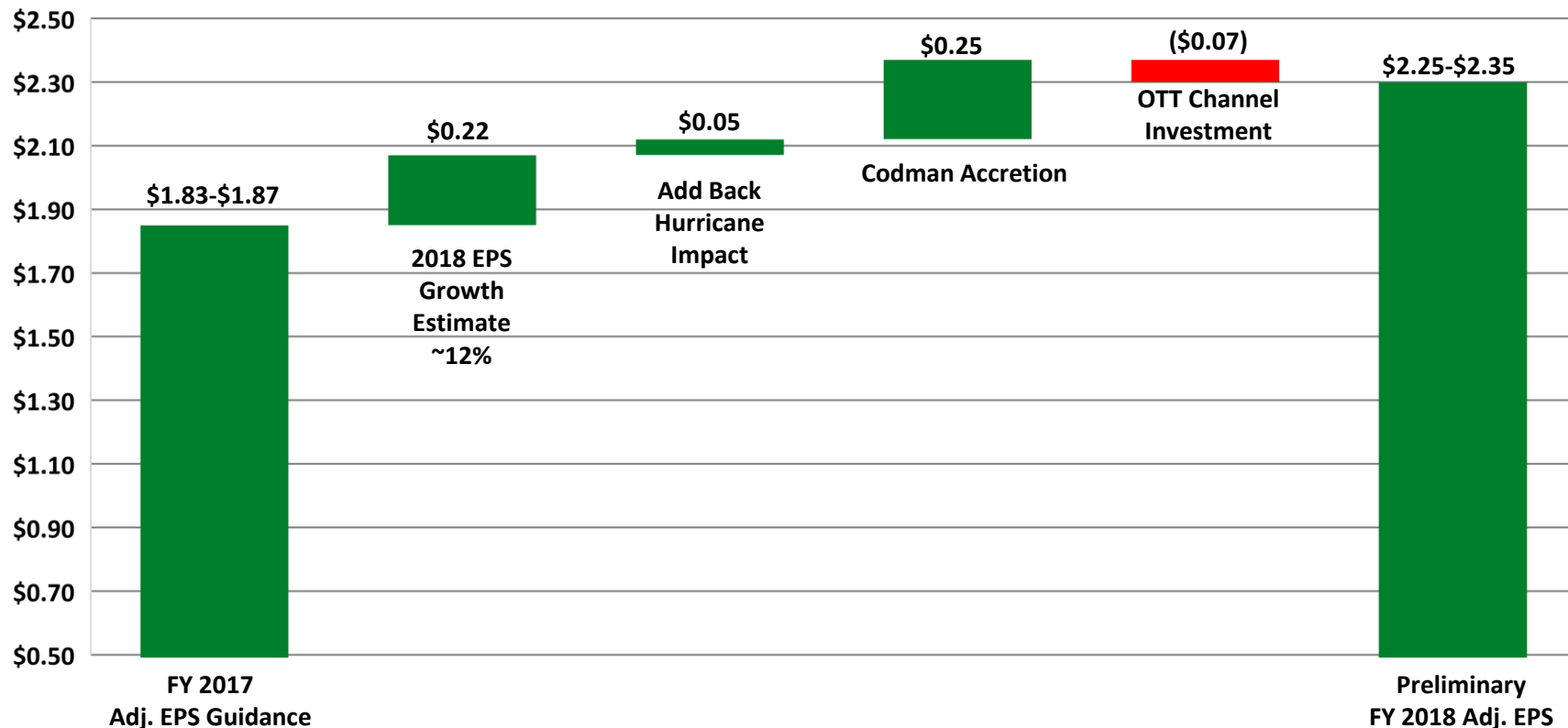
Total Year Guidance Updated to Reflect Codman Acquisition and Storm Related Disruption

Components of Revised 2017 Adjusted EPS Guidance



**Lowering Adjusted EPS Guidance by \$0.06, Due Largely to Hurricane Impact;
Q4 Adjusted EPS Guidance of \$0.53-\$0.57**

Preliminary Thoughts on Full Year 2018 Adjusted EPS



2018 Adjusted Earnings Per Share Growth of Approximately 25%

Cash Flow and Other Measures: Third Quarter and 2017 Guidance

(\$ millions)	Q3 2017	Q3 2016	Delta Δ	Jul 2017 Guidance	Oct 2017 Guidance
Operating Cash Flow	\$45.2	\$46.8	(2.4%)	\$115 - \$145	No Change
CapEx	\$7.8	\$7.0	11.4%	~\$50 - \$55	No Change
Free Cash Flow*	\$37.4	\$39.8	(4.8%)	\$65 - \$90	No Change
FCF Conversion (TTM)*	70.8%	75.6%	(4.5Pts)	40% - 60%	No Change

Depreciation	\$8.5	\$7.8	9.0%	~\$35	No Change
Amortization**	\$12.5	\$10.3	21.4%	~\$48	~\$60
Shares Out (Mil)	79.5	81.0	(1.9%)	79.0 – 79.5	No Change
Adj. Shares Out (Mil)*	79.5	77.9	2.1%	79.0 – 79.5	No Change

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

**Excludes Tarsus impairment expense of \$3.3M

***Expect Cash Flow to be at the High End of the Range,
Given Strong Year to Date Performance***

Capital Structure: Current & Pro Forma

Sept. 30, 2017	
Cash and Equivalents	\$ 482

Revolver (\$1,000)	\$ 671
Term Loan	\$ 500
Total Debt	\$1,171

Net Debt	\$ 689
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Bank Leverage Ratio	2.5x
Current Revolver Capacity	\$329

Dec. 31, 2017 Pro Forma	
Cash and Equivalents	\$ 170

Revolver (\$1,000)	\$ 671
Term Loan	\$ 500
Additional Codman Debt	\$ 700
Total Debt	\$1,871

Net Debt	\$ 1,700
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Bank Leverage Ratio*	<4.5x
Max Leverage Ratio*	5.5x
Current Revolver Capacity	\$329

*Per new credit facility and financings associated with Codman Acquisition
 Note: Codman Closed Oct. 2, 2017

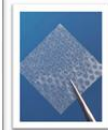
Pro forma leverage post-Codman expected to be <4.5x bank leverage ratio

Key Focus Areas for 2017 and Beyond



Execute on our 2017 financial targets

Focus on integration of Derma Sciences and Codman Neurosurgery



AWC

Advanced Wound Care: Increase regenerative technology commercial investments and new product launches

- Build upon advanced wound care strategy and channel expansion
- Enhance market access and health economics value proposition

Drive organic growth with new product introductions, channel expansion and geographic reach

- Gain share in the ankle arthroplasty market with Cadence® and Salto Talaris®
- Make commercial investments focused in Orthopedics & Tissue Technologies and International channels





Appendix & Non-GAAP Reconciliations

Third Quarter and YTD 2017 Organic Growth Reconciliation

(In thousands)	Q3 2017	Q3 2016	Q3 YTD 2017	Q3 YTD 2016
Specialty Surgical Solutions	\$164,760	\$159,409	\$480,907	\$468,767
Orthopedics and Tissue Technologies	\$114,074	\$90,923	\$338,727	\$267,664
Total Revenue	\$278,834	\$250,332	\$819,634	\$736,411
Revenue from discontinued products ⁽¹⁾	(9,637)	(10,559)	(27,016)	(30,817)
Revenue ex-discontinued products	\$269,196	\$239,773	\$792,618	\$705,594
Impact of changes in currency exchange ⁽²⁾	(1,600)		839	
Revenue from acquisitions ⁽³⁾	(24,296)		(58,728)	
Organic Revenue	\$243,300	\$239,773	\$734,729	\$705,594
<i>Organic Revenue Growth</i>	<i>1.5%</i>	<i>9.8%</i>	<i>4.1%</i>	<i>10.0%</i>

(1) Organic Revenue Growth has been restated for PY 2016 to account for discontinued products which include divestitures related to the Codman acquisition.

(2) Excludes foreign currency impact from discontinued products of \$103,000 in Q3 2017 and \$17,000 in Q3 YTD 2017.

(3) Acquisitions include Derma Sciences & TGX Medical.

Third Quarter and YTD 2017 & 2016

Adjusted EBITDA Margin Reconciliation

(In thousands)	Q3 2017	Q3 2016	Q3 YTD 2017	Q3 YTD 2016
GAAP net income	\$3,159	\$20,144	\$20,388	\$46,316
Depreciation and intangible asset amortization expense	24,259	18,086	65,571	54,353
Other (income) expense, net	735	(1,192)	1,428	398
Interest expense, net	6,672	6,293	17,913	19,241
Income tax expense (benefit)	76	4,850	(4,406)	8,615
Global ERP implementation charges	-	3,366	3,261	12,386
Structural optimization charges	1,944	1,993	5,336	5,540
Certain employee severance charges	-	153	125	1,420
Acquisition-related charges	24,904	4,935	68,919	16,996
Discontinued product lines charges	-	-	1,025	-
Hurricane-related losses	1,261	-	1,261	-
Total of non-GAAP adjustments:	\$59,851	\$38,484	\$160,433	\$118,949
Adjusted EBITDA	\$63,010	\$58,628	\$180,821	\$165,265
Total Revenues	\$278,834	\$250,332	\$819,634	\$736,411
Adjusted EBITDA Margin	22.6%	23.4%	22.1%	22.4%

Third Quarter and YTD 2017 and 2016 Adjusted EPS Reconciliation

(In thousands)	Q3 2017	Q3 2016	Q3 YTD 2017	Q3 YTD 2016
GAAP net income	\$3,159	\$20,144	\$20,388	\$46,316
Global ERP implementation charges	-	3,366	3,261	12,386
Structural optimization charges	1,944	1,993	5,336	5,540
Certain employee severance charges	-	153	125	1,420
Acquisition-related charges	24,904	4,935	68,919	16,996
Hurricane-related losses	1,261	-	1,261	-
Discontinued product line charges	-	-	1,025	-
Intangible asset amortization expense*	15,789	10,316	39,253	31,204
Convertible debt non-cash interest	-	2,132	-	6,300
Estimated income tax impact from adjustments and other items	(10,991)	(6,938)	(37,229)	(25,559)
Total of non-GAAP adjustments:	\$32,907	\$15,957	\$81,951	\$48,287
Adjusted net income	\$36,066	\$36,101	\$102,339	\$94,603
Adjusted diluted net income per share	\$0.45	\$0.46	\$1.30	\$1.24
Weighted average common shares outstanding for diluted net income from continuing operations per share	79,455	81,032	78,973	78,804
Weighted average common shares outstanding adjustment for economic benefit of convertible bond hedge transactions	-	(3,176)	-	(2,256)
Weighted average common shares outstanding for adjusted diluted net income per share	79,455	77,856	78,973	76,548

*Includes impairment on Tarsus technology

Third Quarter and YTD 2017 and 2016 (TTM) Free Cash Flow Conversion Reconciliation

(In thousands)	Q3 2017	Q3 2016	TTM 2017	TTM 2016
GAAP Net cash provided by operating activities	\$45,240	\$46,766	\$152,303	\$135,515
Purchases of Property and Equipment	(7,796)	(6,974)	(50,998)	(39,235)
Free Cash Flow	\$37,444	\$39,792	\$101,305	\$96,280
Adjusted net income	\$36,066	\$36,101	143,087	\$127,362
Adjusted Free Cash Flow Conversion	103.8%	110.2%	70.8%	75.6%

Third Quarter and YTD 2017 Gross Margin Reconciliation

(In thousands)	Q3 2017	Q3 2016	Q3 YTD 2017	Q3 YTD 2016
Reported Gross Profit	\$177,077	\$161,003	\$532,294	\$472,744
Structural optimization charges	1,309	1,133	3,181	3,126
Certain employee severance charges	-	(41)	-	487
Acquisition-related charges	1,571	4,570	4,101	12,866
Discontinued product line charges	-	-	1,025	-
Hurricane-related losses	1,261	-	1,261	-
Intangible asset amortization expense	10,333	6,849	24,277	20,794
Adjusted Gross Profit	\$191,551	\$173,514	\$566,139	\$510,017
Total Revenues	\$278,834	\$250,332	\$819,634	\$736,411
Adjusted Gross Margin	68.7%	69.3%	69.1%	69.3%

Third Quarter and YTD 2017 Adjusted SG&A Reconciliation

(In thousands)	Q3 2017	Q3 2016	Q3 YTD 2017	Q3 YTD 2016
Reported SG&A	\$145,945	\$112,317	\$433,457	\$343,510
Global ERP implementation charges	-	3,366	3,261	12,386
Structural optimization charges	635	860	2,155	2,414
Certain employee severance charges	-	194	125	933
Acquisition-related charges	23,333	165	62,555	3,930
Adjusted SG&A	\$121,978	\$107,732	\$365,361	\$323,847
Total Revenues	278,834	\$250,332	\$819,634	\$736,411
Adjusted SG&A (% of Revenue)	43.7%	43.0%	44.6%	44.0%