



First Quarter 2016 Earnings Call Presentation

April 27, 2016



Forward-Looking Statements Safe Harbor and Non-GAAP Financial Measures

Certain statements in this presentation that are not historical in nature are “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995. In particular, the statements related to expectations regarding the Company’s estimates, expectations, future valuation and financial performance and often contain words such as “expect”, “anticipate”, “intend”, “plan”, “believe”, “seek”, or “will.” The Company cautions that actual results may differ materially from those projected or implied in forward-looking statements due to a variety of important factors, including: the Company’s ability to respond to the changes in its end markets that could affect demand for its products; the ability to achieve anticipated growth rates, revenues, margins and scale and to execute on the Company’s strategy generally; unanticipated changes in business relationships with customers or their purchases from the Company; weakness in global or regional economic conditions and financial markets; demand for and market acceptance of risks for new and existing products; future actions of regulatory bodies and other governmental authorities, including the FDA and foreign counterparts; the Company’s ability to secure regulatory approval for products in development; product quality or patient safety concerns leading to product recalls, withdrawals, launch delays, litigation, or declining sales; U.S. healthcare reform and other global austerity measures; changes in reimbursement and rebate policies of government agencies and private payers and changes in reimbursement for our products; product development risks; additional indications and therapeutic applications for medical products, biologics, and medical devices; inventory reductions or fluctuations in buying patterns; the availability of acceptable raw materials and component supply; the ability to enforce Company patents; the ability to achieve satisfactory operating results in the integration of acquired companies; the Company’s ability to maintain relationships with customers of acquired entities; the impact of goodwill and other intangible asset impairment charges if future operating results of acquired businesses are significantly less than the results anticipated at the time of the acquisitions; and foreign currency fluctuations. 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. Additional factors are discussed in the Company’s filings with the Securities and Exchange Commission, including the company’s Annual Report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. Except as required by the federal securities laws, the Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Certain non-GAAP financial measures are disclosed in this presentation. A reconciliation of these non-GAAP financial measures is available at the end of this presentation. This presentation refers to results from continuing operations (“C.O.”). A reconciliation of amounts reclassified to discontinued operations for historical periods and non-GAAP adjustments to those results are provided in the Historical Financial Results: Continuing Operations presentation on Integra’s website: <http://investor.integralife.com/> under “Events and Presentations.”

First Quarter 2016 Financial Highlights

(\$ millions)	Q1 2016	Q1 2015	Change
Revenue	\$236.8	\$202.5	16.9%
Organic Growth*	8.9%	9.0%	(10BPS)

Adj. Gross Margin*	69.2%	66.8%	+240BPS
Adj. EBITDA Margin*	22.0%	21.5%	+50BPS
Adj. Net Income*	\$27.6	\$24.0	15.3%
Adj. EPS* +	\$0.74	\$0.72	2.8%

Cash Flows from Operations	\$19.2	\$24.9	(22.9%)
Free Cash Flow Conversion* (TTM)	55.2%	48.5%	670BPS

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

+ Adjusted shares outstanding includes shares issued in August 2015 equity offering.

Recent Accomplishments



- Q1 organic growth exceeded expectations
- Dural Repair and Precision Tools & Instruments outperformed with high single-digit organic growth
- Salto Talaris® ankle integration on track – sales ahead of plan
- Began controlled market release of Cadence™ Total Ankle System
- Expanded portfolio with two new licensed tissue technologies
- Omnigraft™ commercialization plans slightly ahead of schedule

Strong Start to 2016 and on Track to Full Year Plan

Omnigraft™

At our November Analyst Day...

Omnigraft™ Checklist for Launch

- | | |
|--|--|
| <input checked="" type="checkbox"/> Reimbursement Team | <input type="checkbox"/> PMA Approval |
| <input checked="" type="checkbox"/> Create Out-patient Sales Force | <input type="checkbox"/> Production Ramp-Up |
| <input checked="" type="checkbox"/> Develop Promotional Plan | <input type="checkbox"/> Sales Training / Medical Ed |
| <input checked="" type="checkbox"/> Production Capacity | <input type="checkbox"/> Payor Access |

Plans Are On Track for a Mid-2016 Launch



Today...

- Reimbursement Team
- Create Out-patient Sales Force
- Develop Promotional Plan
- Production Capacity
- PMA Approval
- Production Ramp-up
- Sales Training/Medical Ed
- Payor Access
- Packaging Approval

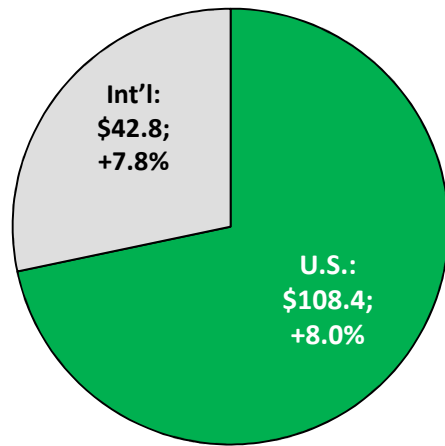


Ready for Launch in June 2016, Ahead of Schedule

Specialty Surgical Solutions Revenue Discussion

First Quarter 2016
\$151.2M; +7.9% Reported, 8.5% Constant Currency

\$ in millions
 As reported



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

- Dural Repair sales increased low teens driven by higher demand for both DuraGen™ and DuraSeal™
- Precision Tools & Instruments increased mid-to-high single digits driven by instruments and continued strong Mayfield® 2 performance
- Tissue Ablation sales increased low single digits, while Neuro Critical Care sales decreased slightly
- International sales increased approximately 10% based on strength in Europe and Asia

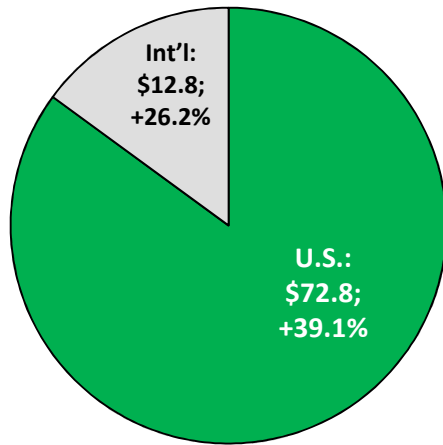
	Q1 2016	Q1 2015	Growth	Feb 2016 Guidance	April 2016 Guidance
Revenue	\$151.2M	\$140.1M	7.9%	3% - 6%	4% - 6%
Organic	----	----	7.9%	3% - 6%	4% - 6%

Raising 2016 Revenue Growth Guidance

Orthopedics & Tissue Technologies Revenue Discussion

First Quarter 2016
\$85.6M; +37.0% Reported, 37.5% Constant Currency

\$ in millions
 As reported



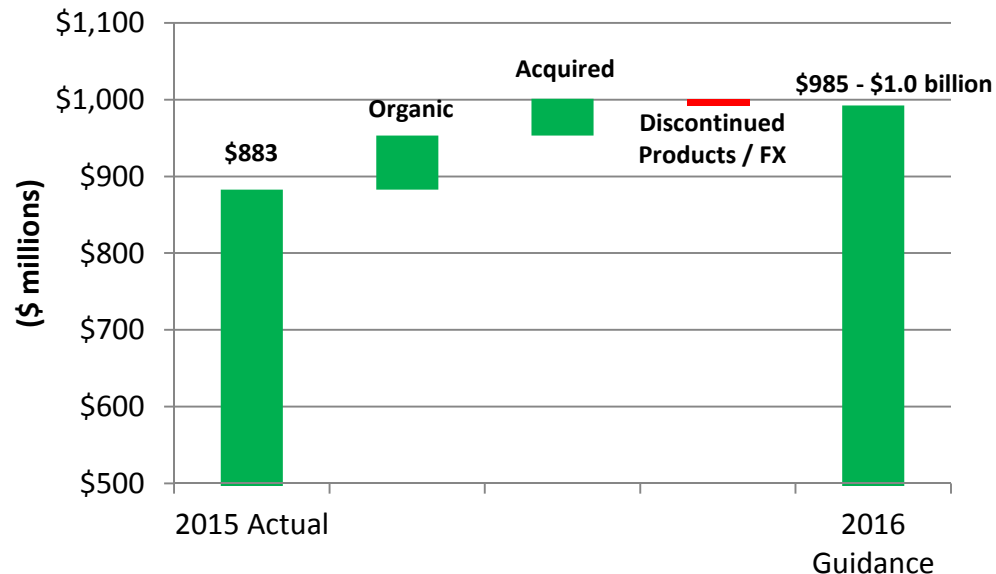
****All Commentary in Constant Currency****

- Sales in Regenerative Technologies, excluding acquisitions, grew in the mid-teens driven by traditional skin and wound products and Private Label
- Total Extremities sales were flat as growth in the Titan™ shoulder offset declines in legacy lower extremities
- Salto sales exceeded initial expectations
- International sales increased approximately 30%, with double-digit growth in all major regions driven largely by the TEI acquisition

	Q1 2016	Q1 2015	Growth	Feb 2016 Guidance	April 2016 Guidance
Revenue	\$85.6M	\$62.5M	37.0%	25%-30%	25%-30%
Organic	----	----	11.2%	10%-15%	10%-15%

New Product Introductions Accelerating Organic Growth

Components of 2016 Revenue Guidance



Full Year 2016

- Acquisitions growth: ~5% (includes partial year contributions from TEI, Salto and Tekmed)
- Minimal currency impact at current rates
- Discontinued products represent a headwind of about (1.0%)

2016 Organic Growth:
~8%

2016 Reported Growth:
11.5% - 13%

Second quarter revenue expected to be up **2% to 4% sequentially** over Q1

- Organic growth of approximately 6% - 7% over Q2 2015

First Quarter 2016 Results and 2016 Guidance

% of revenue	Q1 2016	Q1 2015	Change	Feb 2016 Guidance	Apr 2016 Guidance
Gross Margin	64.2%	62.9%	+130BPS	~64%	Same
Adj. Gross Margin*	69.2%	66.8%	+240BPS	~69%	Same
R&D	6.1%	5.5%	+60BPS	5.5% - 6.0%	Same
Adj. R&D*	6.1%	5.5%	+60BPS	5.5% - 6.0%	Same
SG&A	47.3%	46.0%	+120BPS	44.5% - 45%	45% - 45.5%
Adj. SG&A*	44.4%	42.9%	+150BPS	42.0% - 42.5%	42.5% - 43%
Net Income	\$11.6	\$11.7	-0.9%	\$65 - \$70M	\$67.7 - \$72.2M
Adj. Net Income*	\$27.6	\$24.0	15.3%	\$126 - \$131M	\$128.5 - \$133M
Adj. EBITDA*	22.0%	21.5%	+50BPS	~24%	Same
Tax Rate	22.4%	34.1%	NM	26% - 27%	~24%
Adj. Tax Rate*	29.8%	32.1%	-230BPS	31% - 32%	~30%
Earnings per Share	\$0.31	\$0.35	(11.4%)	\$1.70 - \$1.85	\$1.73 - \$1.85
Adj. Earnings per Share*	\$0.74	\$0.72	2.8%	\$3.35 - \$3.50	\$3.38 - \$3.50

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

Cash Flow and Other Measures: First Quarter Results and 2016 Guidance

(\$ millions)	Q1 2016	Q1 2015	Change	Feb 2016 Guidance	Apr 2016 Guidance
Operating Cash Flow [^]	\$19.2	\$24.9	-22.9%	\$125 - \$140	Same
CapEx	\$10.9	\$5.3	105.7%	\$35 - \$40	~\$40
Free Cash Flow*	\$8.3	\$19.6	-57.7%	\$90 - \$105	\$90 - \$100
FCF Conversion (TTM) *	55.2%	48.5%	670BPS	70% - 80%	Same
Depreciation	\$7.7	\$6.2	24.2%	~\$33	Same
Amortization	\$10.5	\$6.0	75.0%	~\$42	Same
Shares Out (Mil)	38.1	33.3	14.4%	38.0	39.0
Adj. Shares Out (Mil)*	37.5	33.3	12.6%	37.5	38.0

[^]Operating Cash Flow guidance for 2016 excludes approximately \$42M of expected accreted interest payment associated with the 2016 Convertible Notes.

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Current Capital Structure

Current Capitalization	
(\$ in millions)	03/31/2016
Cash and Equivalents	\$ 77.1

Revolver (\$750.0)	\$ 165.0
Term Loan	\$ 344.4
2016 Convertible Senior Notes	\$ 227.1
Total Debt (face value)	\$ 736.5

Net Debt	\$ 659.4
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Credit Statistics	
Current Bank Leverage Ratio*	3.0x
Max Leverage Ratio	4.5x
Current Acquisition Capacity	\$ 585

*This ratio is calculated per the Senior Credit Facility agreement

Well-Positioned with Capital Structure

Key Focus Areas for 2016 and Beyond

- 1 Execute on our 2016 Financial Guidance
- 2 Successfully launch Omnigraft™ and our 3 x 3 Wound Care Strategy
- 3 Continue to drive organic growth with new product introductions / share gains:
 - Launch Salto Talaris® ankle & Cadence™ ankle
 - Continue share gains with Titan™ shoulder
 - Launching 5+ new products and international registrations
- 4 Pursue strategic M&A in specialty surgical, extremities and wound care markets

2018 Financial Targets	
Organic Revenue Growth	6 - 8%
with Acquisitions	10% + (3yr CAGR)
Adj. EBITDA Margin	~25%
Adj. Earnings Per Share Growth	12%+
Adj. FCF Conversion Ratio	~95%

Strong Start - On Path to Achieving 2016 FY Guidance

Appendix

Non-GAAP Reconciliations

First Quarter 2016 Organic Growth Reconciliation

(In thousands)	Q1 2016	Q1 2015
Specialty Surgical Solutions	\$151,175	\$140,058
Domestic	108,402	100,397
International	42,773	39,661
Orthopedics and Tissue Technologies	\$85,595	\$62,476
Domestic	72,830	52,362
International	12,765	10,114
Total Revenue	\$236,770	\$202,534
Domestic	181,232	152,759
International	55,538	49,775
Revenue from discontinued products	(2,541)	(3,489)
Revenue ex-discontinued products	\$234,229	\$199,045
Impact of changes in currency exchange	1,113	-
Revenue from acquisitions*	(18,635)	-
Organic Revenue	\$216,707	\$199,045
<i>Organic Revenue Growth</i>	<i>8.9%</i>	

* Acquisitions include TEI, Salto and Tekmed.

First Quarter 2016 & 2015 Adjusted EBITDA Margin Reconciliation

(In thousands)	Q1 2016	Q1 2015
GAAP net income	\$11,648	\$11,732
Depreciation and intangible asset amortization expense	18,253	12,212
Other (income) expense, net	738	(2,017)
Interest (income) expense, net	6,367	5,467
Income tax expense (benefit)	3,366	6,058
Global ERP implementation charges	3,324	3,813
Structural optimization charges*	1,709	2,155
Certain employee severance charges	650	1,046
Acquisition-related charges	6,041	3,094
Total of non-GAAP adjustments:	\$40,448	\$31,828
Adjusted EBITDA	\$52,096	\$43,560
Total Revenues	\$236,770	\$202,534
Adjusted EBITDA Margin	22.0%	21.5%

* For the Three Months Ended March 31, 2015, "Structural optimization charges" excludes \$(378) already included in "Other (income) expense, net" above.

First Quarter 2016 and 2015 Adjusted EPS Reconciliation

(In thousands)	Q1 2016	Q1 2015
GAAP net income	\$11,648	\$11,732
Global ERP implementation charges	3,324	3,813
Structural optimization charges	1,709	1,777
Certain employee severance charges	650	1,046
Acquisition-related charges	6,041	3,094
Intangible asset amortization expense	10,536	5,964
Convertible debt non-cash interest	2,064	1,801
Estimated income tax impact from adjustments and other items	(8,347)	(5,264)
Total of non-GAAP adjustments:	\$15,977	\$12,231
Adjusted net income	\$27,625	\$23,963
Adjusted diluted net income per share	\$0.74	\$0.72
Weighted average common shares outstanding for diluted net income from continuing operations per share	38,141	33,342
Weighted average common shares outstanding adjustment for convertible dilution	(653)	(30)
Weighted average common shares outstanding for adjusted diluted net income per share	37,488	33,312

First Quarter 2016 and 2015 (TTM) Free Cash Flow Conversion Reconciliation

(In thousands)	TTM 2016	TTM 2015
GAAP Net cash provided by operating activities	\$100,973	\$80,978
Purchases of Property and Equipment	(38,978)	(33,438)
Free Cash Flow	\$61,995	\$47,540
Adjusted net income	\$112,282	\$98,064
Adjusted Free Cash Flow Conversion	55.2%	48.5%

First Quarter 2016 Gross Margin Reconciliation

(In thousands)	Q1 2016	Q1 2015
Reported Gross Profit	\$151,997	\$127,313
Structural optimization charges	985	1,880
Certain employee severance charges	211	-
Acquisition-related charges	3,652	1,857
Intangible asset amortization expense	7,065	4,235
Adjusted Gross Profit	\$163,910	\$135,285
Total Revenues	\$236,770	\$202,534
Adjusted Gross Margin	69.2%	66.8%

First Quarter 2016 Adjusted SG&A Reconciliation

(In thousands)	Q1 2016	Q1 2015
Reported SG&A	\$111,956	\$93,265
Global ERP implementation charges	3,324	3,813
Structural optimization charges	724	275
Certain employee severance charges	439	1,046
Acquisition-related charges	2,389	1,237
Adjusted SG&A	\$105,080	\$86,894
Total Revenues	\$236,770	\$202,534
Adjusted SG&A (% of Revenue)	44.4%	42.9%