

# INTEGRA LIFESCIENCES HOLDINGS CORP

## FORM 8-K (Current report filing)

Filed 09/11/17 for the Period Ending 09/08/17

Address	311 ENTERPRISE DRIVE PLAINSBORO, NJ, 08536
Telephone	6092750500
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Symbol	IART
SIC Code	3826 - Laboratory Analytical Instruments
Industry	Medical Equipment, Supplies & Distribution
Sector	Healthcare
Fiscal Year	12/31

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

**Date of Report (Date of earliest event reported): September 8, 2017**

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**INTEGRA LIFESCIENCES HOLDINGS CORPORATION**

(Exact name of Registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**0-26224**  
(Commission  
File Number)

**51-0317849**  
(I.R.S. Employer  
Identification No.)

**311 Enterprise Drive**  
**Plainsboro, NJ 08536**  
(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)

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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))

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.

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**ITEM 1.01 Entry into a Material Definitive Agreement**

On September 8, 2017, Integra LifeSciences Holdings Corporation (“Integra”) and certain of its subsidiaries entered into an asset purchase agreement (the “Divestiture Agreement”) with Natus Medical Incorporated (“Natus”) pursuant to which Integra has agreed to divest (the “Divestiture”), subject to the terms and conditions of the Divestiture Agreement, certain assets related to Integra’s intercranial pressure monitoring and U.S. fixed pressure valve shunt systems businesses along with certain assets related to Johnson & Johnson’s Codman U.S. dural graft implant, external ventricular drainage catheter and cerebrospinal fluid collection systems businesses that Integra has agreed to purchase from DePuy Synthes, Inc., a wholly-owned subsidiary of Johnson & Johnson, for a purchase price of approximately \$47.5 million in cash, subject to certain adjustments.

The Divestiture Agreement contains customary representations and warranties of each of the parties. The Divestiture Agreement also contains customary covenants and agreements, including with respect to the operation of the business of the divested products between signing and closing and the use of efforts to consummate the transaction. The Divestiture Agreement also contains indemnification rights of each party with respect to breaches of or inaccuracies in counterparty representations, warranties and covenants (subject to certain limitations).

The Divestiture Agreement is being entered into in connection with the review by the Federal Trade Commission and the antitrust authority of Spain of Integra’s previously announced proposed acquisition of certain assets, and assumption of certain liabilities, of Johnson & Johnson’s Codman neurosurgery business (the “Codman Acquisition”). The Divestiture is conditioned upon completion of the Codman Acquisition and is expected to close promptly following completion of the Codman Acquisition.

The foregoing description of the Divestiture Agreement contained in Item 1.01 of this Current Report on Form 8-K does not purport to be complete and is qualified in its entirety by reference to the full text of the Divestiture Agreement, which will be an exhibit to Integra’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2017. All summaries and descriptions of the Divestiture Agreement set forth above are qualified in their entirety by the actual documents.

**ITEM 7.01 Regulation FD Disclosure**

On September 11, 2017, Integra issued a press release announcing entry into the Divestiture Agreement, which is attached hereto as Exhibit 99.1.

**Item 9.01 FINANCIAL STATEMENTS AND EXHIBITS****(d) Exhibits**

99.1 Press Release, dated September 11, 2017, issued by Integra LifeSciences Holdings Corporation

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**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.

Date: September 11, 2017

INTEGRA LIFESCIENCES HOLDINGS CORPORATION

By: /s/ Glenn G. Coleman

Glenn G. Coleman

Title: Corporate Vice President and Chief Financial Officer

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**EXHIBIT INDEX**

<u>Exhibit No.</u>	<u>Description</u>
99.1	<a href="#">Press Release, dated September 11, 2017, issued by Integra LifeSciences Holdings Corporation</a>



## **Integra LifeSciences Announces Definitive Agreement to Sell Certain Neurosurgery Assets to Natus Medical Incorporated**

*Natus Medical to acquire global Camino<sup>®</sup> ICP monitoring product line, U.S. rights to Integra's fixed pressure shunts, and U.S. rights to Codman's DURAFORM<sup>®</sup>, EVD catheters and CSF collection systems*

*Integra is providing a preliminary estimate for a fourth quarter 2017 revenue contribution of approximately \$60 million to \$65 million from the Codman Neurosurgery acquisition net of divestitures, assuming an October 2017 close*

Plainsboro, New Jersey, September 11, 2017 (GLOBE NEWSWIRE) — Integra LifeSciences Holdings Corporation (Nasdaq: IART), a global leader in medical technology, today announced that it has signed a definitive agreement to sell certain neurosurgery assets to Natus Medical for \$47.5 million. The divestiture is contingent on the consummation of Integra's proposed acquisition of Codman Neurosurgery from Johnson & Johnson.

As part of this divestiture, Integra will sell the global Camino<sup>®</sup> ICP monitoring product line, including its San Diego manufacturing facility, to Natus Medical. The divestiture package also includes certain assets and the U.S. rights relating to Integra's fixed pressure shunts, as well as U.S. rights to Codman's DURAFORM<sup>®</sup>, standard EVD catheters and CSF collection systems.

"This agreement is an important step toward the completion of Integra's acquisition of Codman Neurosurgery," said Peter Arduini, president and chief executive officer, Integra LifeSciences. "We remain committed to ensuring a smooth and orderly transition for our customers and employees."

Integra is divesting these assets in connection with the review by the Federal Trade Commission of Integra's proposed acquisition of Johnson & Johnson's Codman Neurosurgery assets. Both the divestiture and the pending acquisition of Codman Neurosurgery remain subject to final regulatory approvals and satisfaction of other customary closing conditions. Both transactions are expected to close in October 2017 after securing regulatory clearance.

### **Expected Financial Impact of the Divestiture**

The neurosurgery product lines associated with these divestitures generated approximately \$50 million of revenue in 2016.

Integra is providing a preliminary estimate for a fourth quarter 2017 revenue contribution of approximately \$60 million to \$65 million from the planned acquisition of Codman Neurosurgery, net of the divestitures announced today, assuming a closing in October 2017. This estimate reflects some initial disruption resulting from the acquisition as well as the phasing of revenue resulting from the planned transition in certain countries outside the U.S. For the full year 2018, Integra expects Codman Neurosurgery to contribute between \$290 million and \$300 million in revenue, net of the divestitures announced today.

Integra continues to expect Codman Neurosurgery's accretive contribution to adjusted earnings per share to be at least \$0.22 in 2018. For the full year 2017, Integra expects minimal contribution from Codman Neurosurgery to adjusted earnings per share, as expenses that have been and are being incurred to prepare for post-closing readiness offset most of the fourth quarter accretion.

## About Integra

Integra LifeSciences Holdings Corporation, a world leader in medical technology, is dedicated to limiting uncertainty for clinicians, so they can concentrate on providing the best patient care. Integra offers innovative solutions, including leading plastic and regenerative technologies, in specialty surgical solutions, orthopedics and tissue technologies. For more information, please visit [www.integralife.com](http://www.integralife.com).

## Forward Looking Statements

This news release contains “forward-looking statements”, including statements regarding the proposed transactions and the ability to consummate the proposed transactions. Statements in this document may contain, in addition to historical information, certain 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 planned completion of the proposed divestiture and acquisition, the benefits of the proposed divestiture and acquisition, including future financial and operating results, Integra’s or the Codman Neurosurgery business’s plans, objectives, expectations and intentions and the expected timing of completion of the proposed divestiture and acquisition. It is important to note that Integra’s goals and expectations are not predictions of actual performance. Actual results may differ materially from Integra’s current expectations depending upon a number of factors affecting the Codman Neurosurgery business and Integra’s business and risks and uncertainties associated with acquisition transactions. These factors include, among other things: successful closing of the proposed divestiture and acquisition; the ability to obtain required regulatory approvals for the proposed divestiture and acquisition (including the approval of antitrust authorities necessary to complete the proposed acquisition), the timing of obtaining such approvals and the risk that such approvals may result in the imposition of conditions, including with respect to divestitures, that could materially adversely affect Integra, the Codman Neurosurgery business and the expected benefits of the proposed acquisition; the risk that a condition to closing of the proposed divestiture or acquisition may not be satisfied on a timely basis or at all, the failure of the proposed divestiture or acquisition to close for any other reason and the risk liability to Integra in connection therewith; access to available financing (including financing for the acquisition) on a timely basis and on reasonable terms; the effects of disruption caused by the proposed divestiture or acquisition making it more difficult for Integra to execute its operating plan effectively or to maintain relationships with employees, vendors and other business partners; stockholder litigation in connection with the proposed divestiture or acquisition; 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 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; 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.

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