



**Integer<sup>®</sup>**

# 4Q23 Earnings Conference Call

February 15, 2024



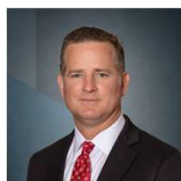
# Integer Holdings Corporation

## Fourth Quarter and Full Year 2023 Earnings Conference Call

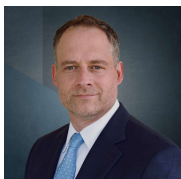
9 a.m. Eastern Time, February 15, 2024



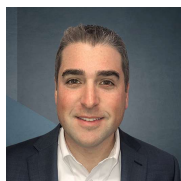
### Speakers:



**Joe Dziedzic**  
President and Chief Executive Officer



**Diron Smith**  
Executive Vice President,  
Chief Financial Officer



**Andrew Senn**  
Senior Vice President, Strategy,  
Business Development &  
Investor Relations

- A webcast of today's call can be accessed in the "Investor Relations" section of the Company's website:  
[investor.integer.net](https://investor.integer.net)
- To participate on the call, please dial:
  - (888) 330-3567 (U.S.)
  - (646) 960-0842 (International)
  - The conference ID is 9252310
- An online archive of the broadcast will be available at the website three hours after the live call, and will be available through Thursday, February 22, 2024, by dialing
  - (800) 770-2030 (U.S.)
  - (647) 362-9199 (International)
  - The conference ID is 9252310

# Presentation of Financial Information & Forward-Looking Statements



## Important Information

This presentation contains summarized information concerning Integer Holdings Corporation (the “Company”) and its business, operations, financial performance and trends. The historical financial and operating data contained herein reflect the consolidated results of the Company for the periods indicated. No representation is made that the information in this presentation is complete. For additional financial and business-related information, as well as information regarding business and product line trends, see the Company’s most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q filed with the U.S. Securities and Exchange Commission (the “SEC”), as well other reports filed with the SEC from time-to-time. Such reports are or will be available in the investor relations section of our corporate website ([investor.integer.net](http://investor.integer.net)) and the SEC’s website ([www.sec.gov](http://www.sec.gov)).

**Non-GAAP Financial Measures.** This presentation includes financial information prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) as well as other financial measures referred to as non-GAAP. These non-GAAP financial measures are not calculated in accordance with GAAP and are not meant to be considered in isolation from or as a substitute for the information prepared in accordance with GAAP. For reconciliations of these non-GAAP financial measures to the most comparable GAAP measures, please refer to the appendix to this presentation, as well as the earnings press release associated with this period and the trending schedules, both of which can be found in the investor relations section of our corporate website ([investor.integer.net](http://investor.integer.net)).

**Forward Looking Statements.** Some of the statements contained in this presentation whether written or oral may be “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements relating to future sales, expenses, and profitability; future development and expected growth of our business and industry; our ability to execute 2024 outlook, including our business model and our business strategy, including completion and integration of current or future acquisition targets; having available sufficient cash and borrowing capacity to meet working capital, debt service and capital expenditure requirements for the next twelve months; projected capital spending; and other events, conditions or developments that will or may occur in the future. You can identify forward-looking statements by terminology such as “may,” “will,” “should,” “could,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” “projects,” “sustain,” or “continue” or variations or the negative of these terms or other comparable terminology. These statements are based on the Company’s current expectations and speak only as of date of this presentation. The Company’s actual results could differ materially from those stated or implied by such forward-looking statements. Except as required by law, the Company assumes no obligation to update forward-looking information, including information in this presentation, to reflect changed assumptions, the occurrence of unanticipated events or changes in future operating results, financial conditions or prospects or otherwise.

# Agenda



- Opening Remarks
- Strategy Update
- Sustained Above-Market Growth
- Financial Results
- 2024 Outlook
- Wrap-up
- Q&A

# Opening Remarks

The background of the slide is composed of several geometric shapes. A large black trapezoid occupies the upper-left and central portions. To its right is a vertical dark blue rectangle. Below the black shape is a large light blue triangle. At the bottom right, a light grey triangle is visible, partially overlapping the dark blue rectangle.

*2023 sales growth  
+16% versus 2022,  
with adj. operating  
income growing 1.6X  
sales growth*

*Expect 9% to 11%  
sales growth with  
margin expansion in  
2024*

*Strategy delivering  
sustained above-  
market growth and  
margin expansion*

## **4Q23 & full year 2023 financial results**

- 4Q23 sales up 11% vs. 4Q22, adjusted operating income up 18% vs. 4Q22
- Full year sales up 16%, adjusted operating income up 26% vs. 2022

## **2024 outlook: above-market growth with expanding margins**

- Sales \$1,735 - \$1,770 million, up 9% - 11%
- Adjusted operating income \$272 - \$290 million, up 13% - 20%
- Adjusted EPS \$5.01 - \$5.43, up 7% - 16%

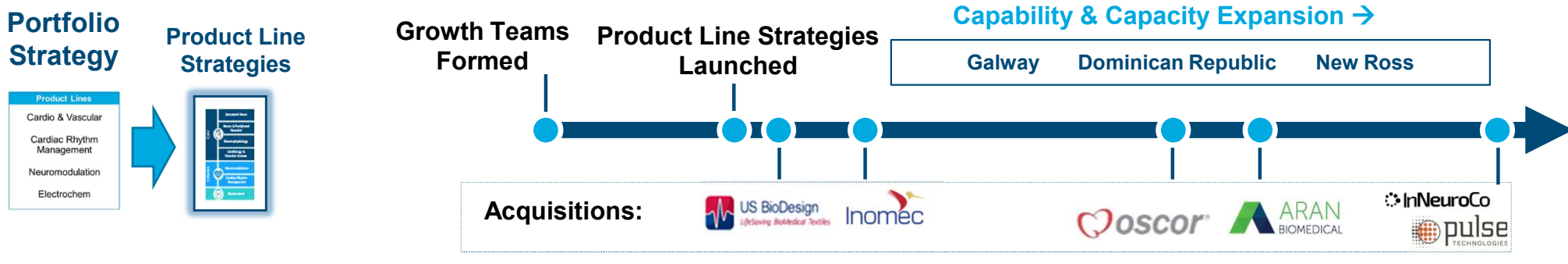
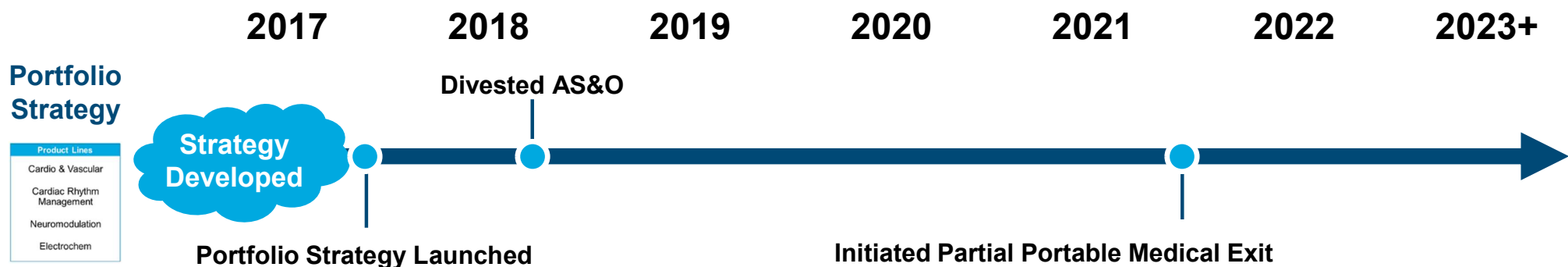
## **Executing strategy to sustain above-market growth**

- Demonstrated above-market sales growth with a pipeline to sustain 200bps above the market
- Delivered adjusted operating income growth of 1.6x sales growth in 2023, with the long-term objective of 2x sales growth
- 4Q23 debt leverage 3.1x ... within target of 2.5x to 3.5x
- Acquired Pulse Technologies in 1Q24 to deepen precision micro machining capabilities and further strengthen our pipeline in Heart Pumps, Electrophysiology & Structural Heart

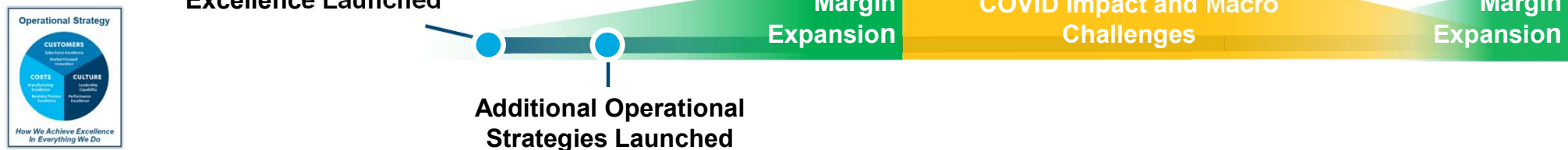
# Strategy Update

The background of the slide is composed of several geometric shapes. A large black trapezoid occupies the upper-left and central portions. To its right is a vertical rectangle of a medium blue color. Below the black trapezoid is a large light blue triangle. At the bottom right, a smaller light blue triangle is visible, partially overlapping the medium blue rectangle.

# Integer's Strategy Journey



## Operational Strategy



Executing strategy to deliver sustained outperformance



# Executing Targeted Inorganic Growth Strategy



## Four Acquisitions in last 25 Months

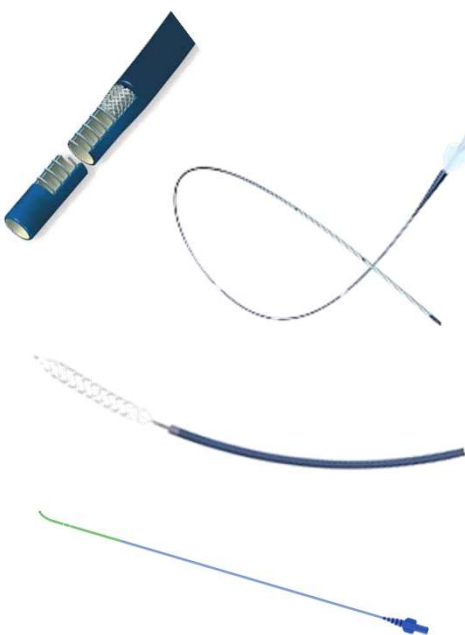


- Electrophysiology
- Heart pumps
- Leadless pacing
- Neuromodulation
- Peripheral vascular
- Structural heart

- Aspiration catheters
- Balloon guide catheters
- Radial access catheters
- Steerable microcatheters
- Thrombectomy delivery catheters

- Endovascular
- Neurovascular
- Peripheral vascular
- Structural heart

- Electrophysiology
- Neuromodulation
- Peripheral vascular
- Structural heart



Generating ~\$170 million of annualized sales with accretive margins

## Transaction Profile

- Stock purchase closed on January 5, 2024
- ~250 associates located in Quakertown, Pennsylvania
- 2023 sales of \$42.5 million and adjusted EBITDA<sup>(1)</sup> of \$11.0 million

## Strategic Fit

- Brings differentiated complex machining and manufacturing capabilities as well as proprietary technologies
- Revenue concentrated in high growth structural heart, heart pump, electrophysiology, leadless pacing, and neuromodulation products
- Long standing relationships with leading MedTech OEMs as well as emerging innovators

## Financials

- ~\$140 million purchase price plus additional consideration contingent on achieving specific revenue growth through 2025, offset by ~\$15 million NPV cash tax benefit
- Anticipate staying within 2.5x – 3.5x leverage target following the transaction
- Expect accretive sales growth and adjusted EBITDA margin

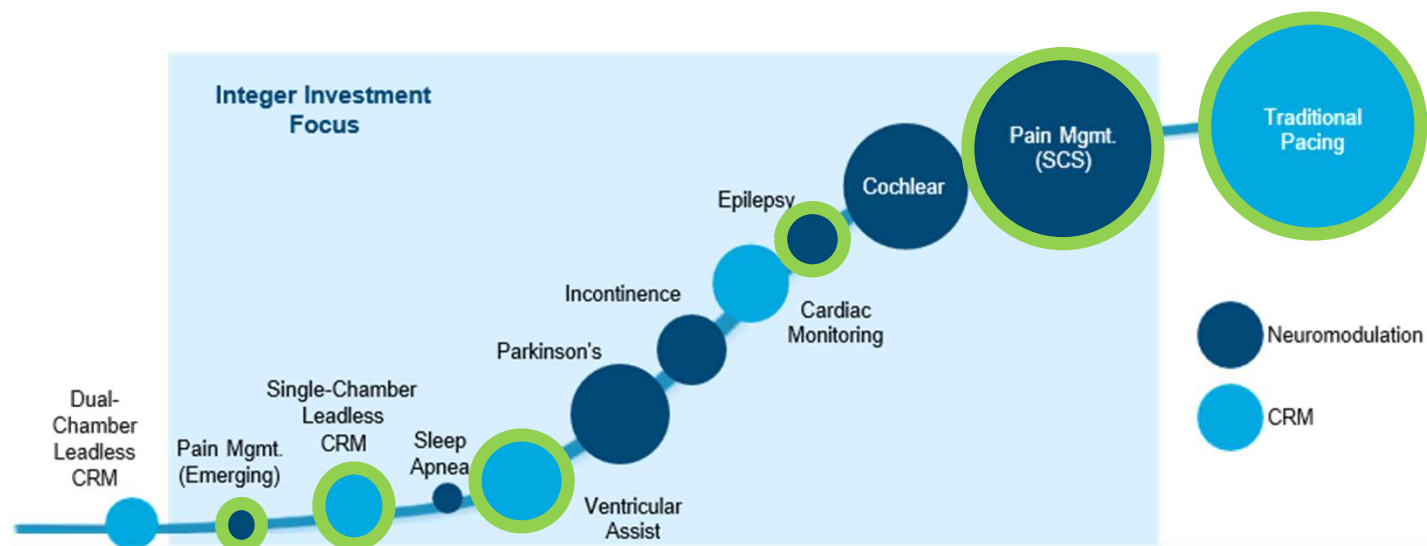


(1) Adjusted EBITDA for Pulse Technologies is a non-GAAP financial measure; refer to "Non-GAAP Financial Measures" in the Appendix

## Areas of Focus

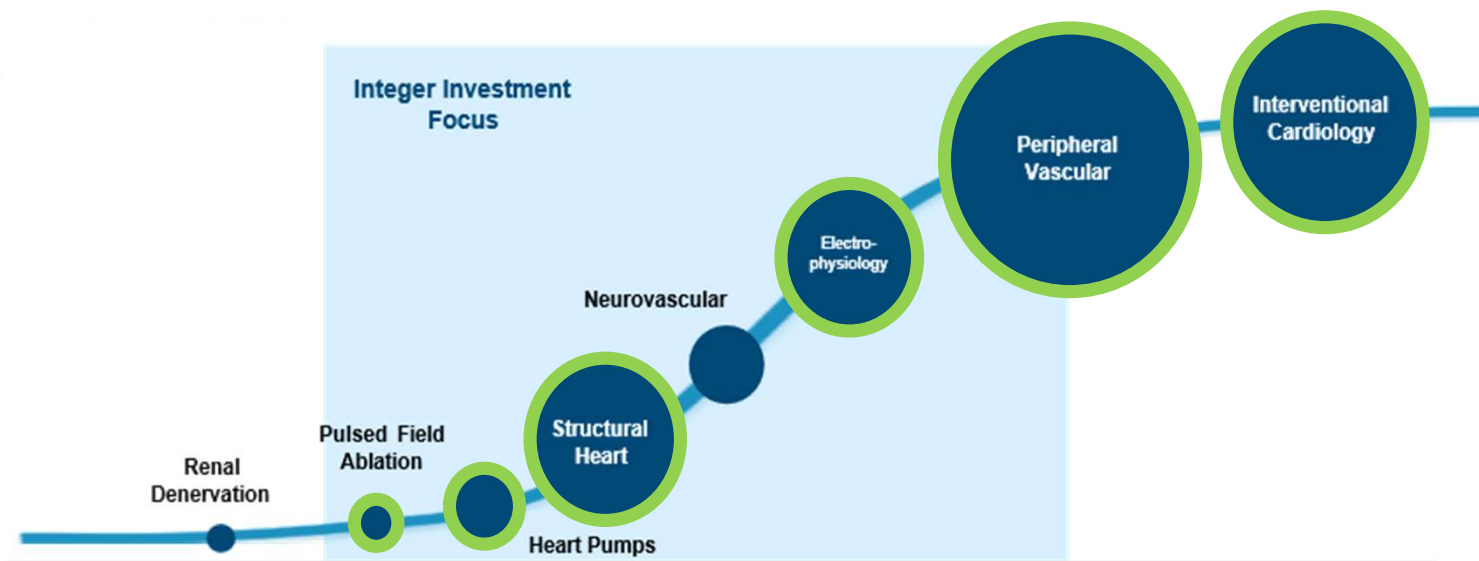
### CRM & Neuromodulation:

- ✓ Deep brain stimulation
- ✓ Leadless pacing
- ✓ Pain management
- ✓ Traditional pacing
- ✓ Ventricular assist



### Cardio & Vascular:

- ✓ Electrophysiology (incl. PFA)
- ✓ Heart pumps
- ✓ Interventional cardiology
- ✓ Peripheral vascular
- ✓ Structural heart



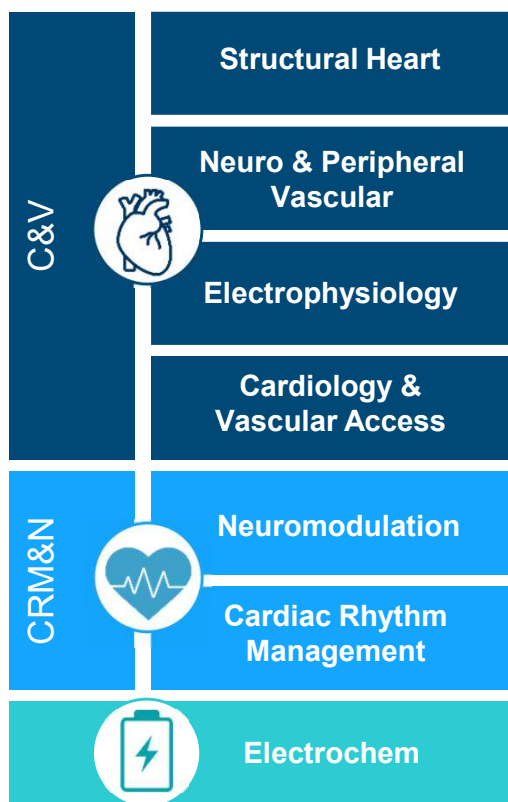
# Sustained Above-Market Growth

The background of the slide is composed of several geometric shapes. A large black trapezoid is on the left, with a bright blue triangle at its top-right corner and a larger bright blue triangle at its bottom-left corner. To the right of the black shape is a vertical dark blue rectangle. At the bottom right, there is a light blue triangle.

# Growth Teams Drive Product Line Strategies



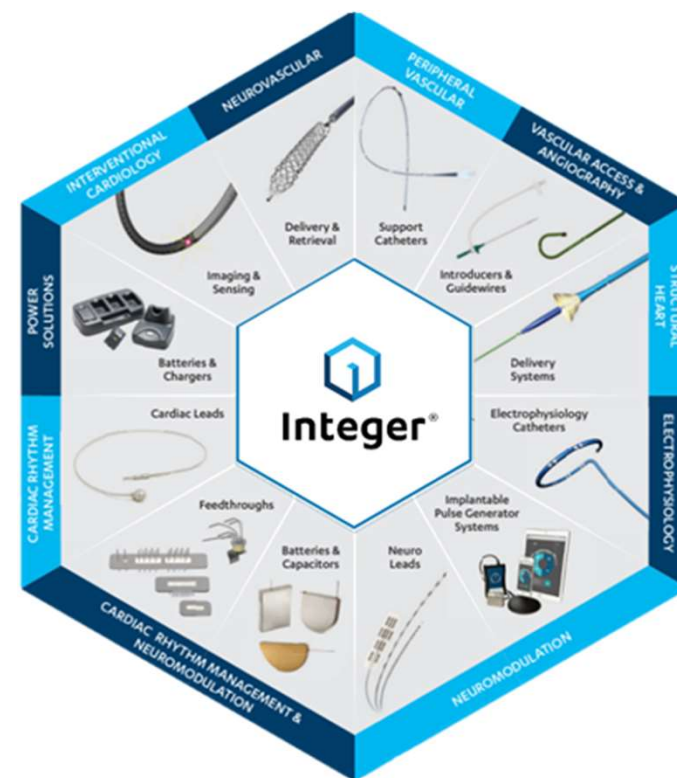
## Growth Team Structure



## Structured and disciplined product line strategy process

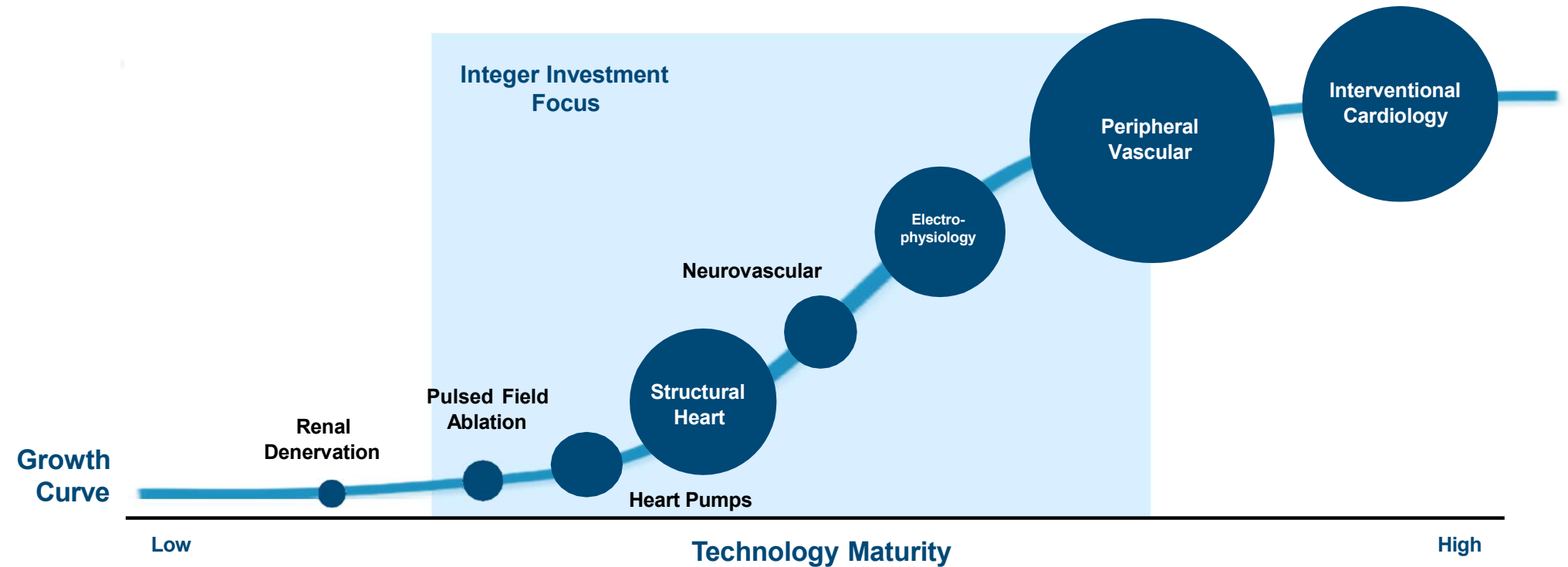


## Broadest and Deepest product offering in the Medical Device Outsourcing industry



Structured and disciplined product line strategy process to deliver sustained growth

# C&V Targeted Market Strategy to Drive Sustained Growth Integer<sup>®</sup>



## Target Growth Markets

### Structural Heart

~\$12 billion 2024 Market,  
12% '24 – '28E CAGR



*Transcatheter Delivery  
Systems & Implants*

### Electrophysiology

~\$8 billion 2024 Market,  
7% '24 – '28E CAGR



*Advanced  
Diagnostics*

*Ablation  
Catheters*

### Neurovascular

~\$4 billion 2024 Market,  
8% '24 – '28E CAGR

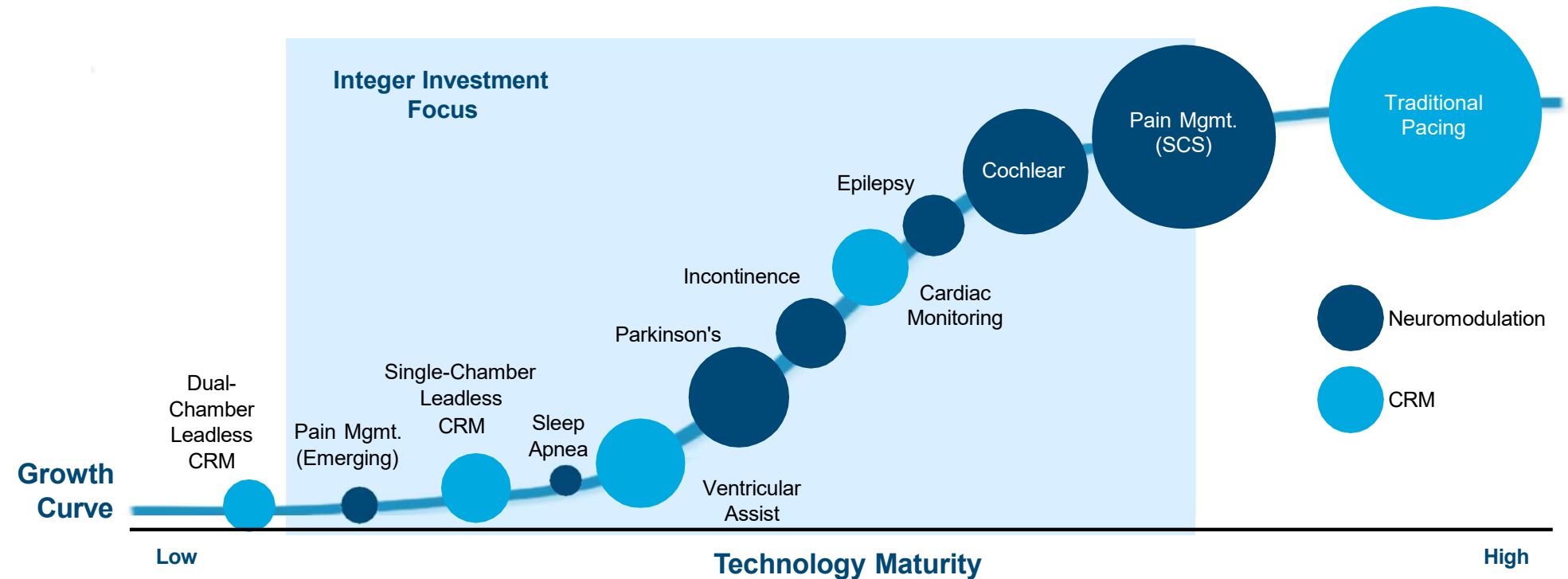


*Aspiration  
Catheters*

*Thrombectomy  
Devices*



# CRM&N Targeted Market Strategy to Drive Sustained Growth Integer®



## Target Growth Markets

### Leadless Pacemaker

~\$1 billion 2024 Market,  
16% '24 – '28E CAGR



Leadless Pacemakers

### Neuromodulation

~\$9 billion 2024 Market,  
10% '24 – '28E CAGR



Implantable Pulse Generators

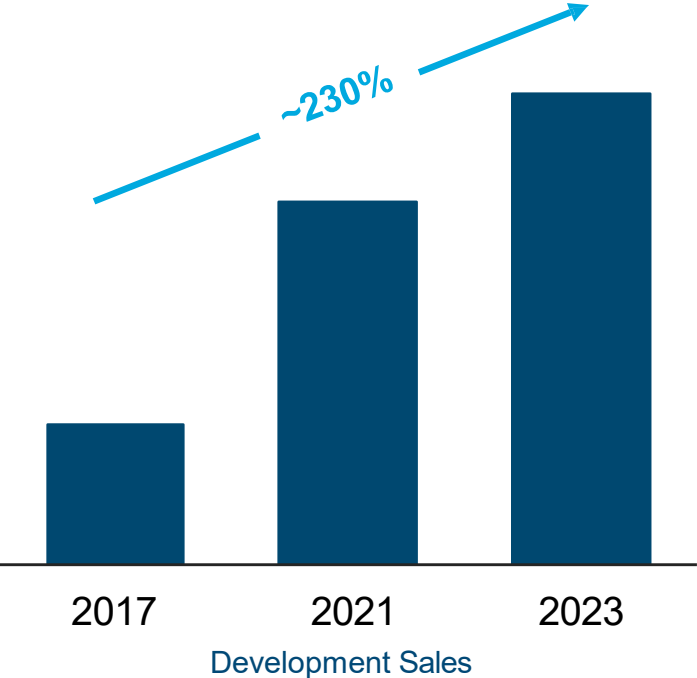


Implantable Leads

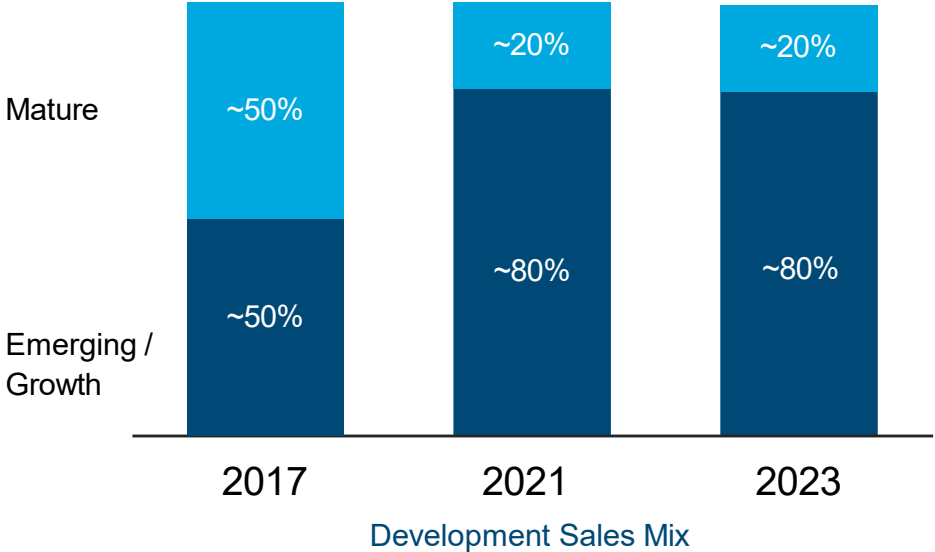
# Growth Starts with Product Development



**Product development sales  
+230% since strategy launch**



**Strategy delivering mix shift to  
high-growth markets**



Strategy focused on being designed into our customers' products in high growth markets

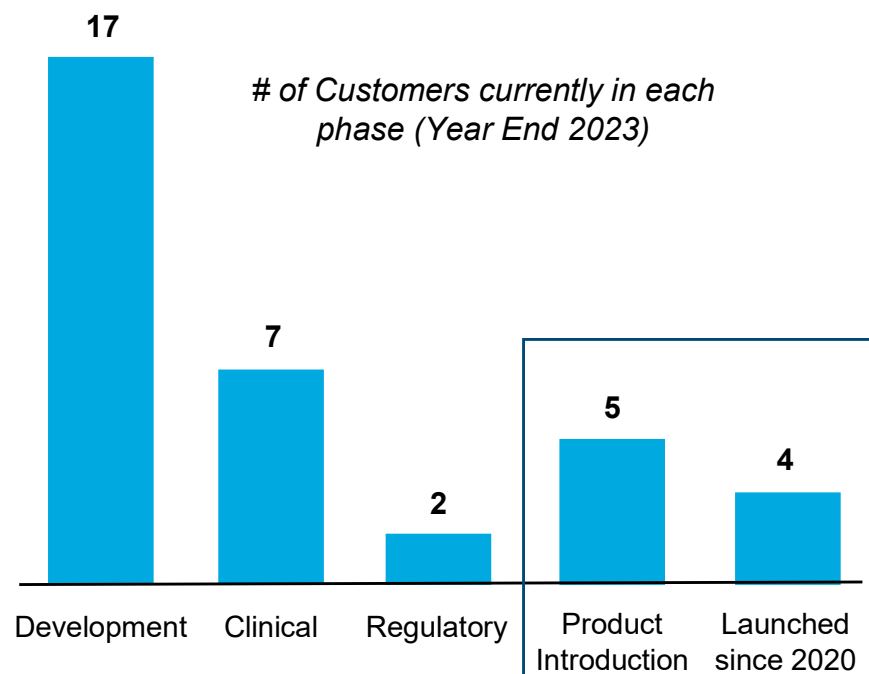


# Strong Pipeline of Emerging Customers with PMA (Premarket Approval) Products

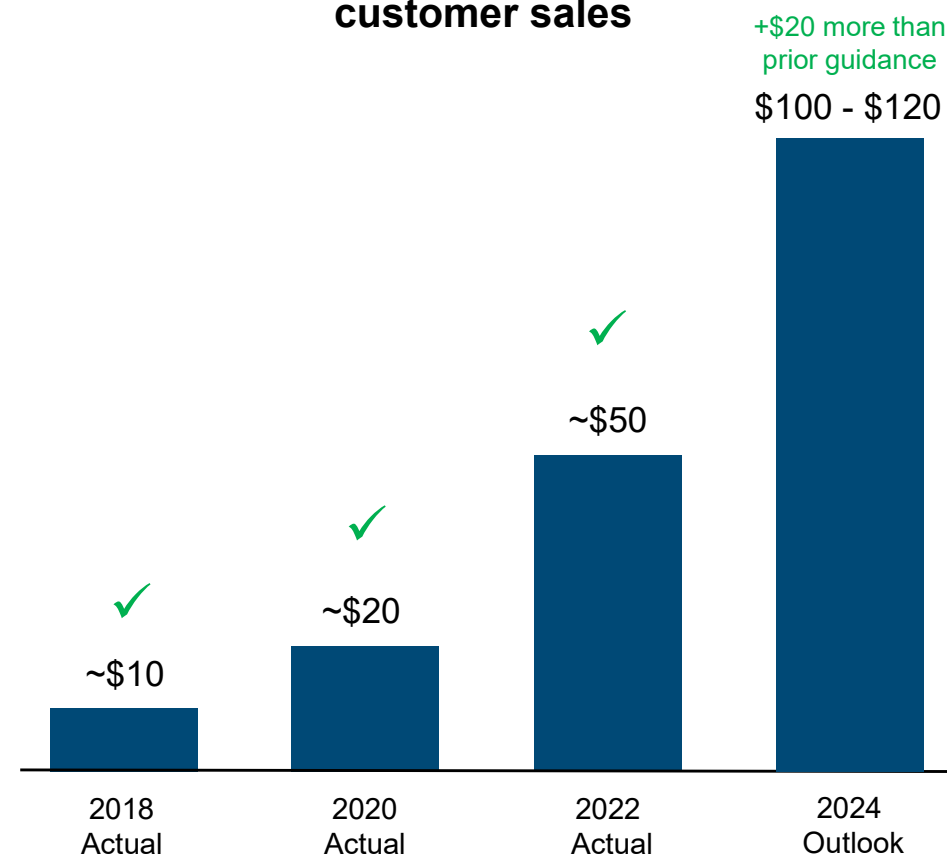
(\$ in millions)



## Product development through launch process



## Product introduction & launched customer sales



3Q20 Earnings Presentation  
4Q21 Earnings Presentation  
4Q22 Earnings Presentation

~\$20

~\$40

~\$40

\$60 - \$80+

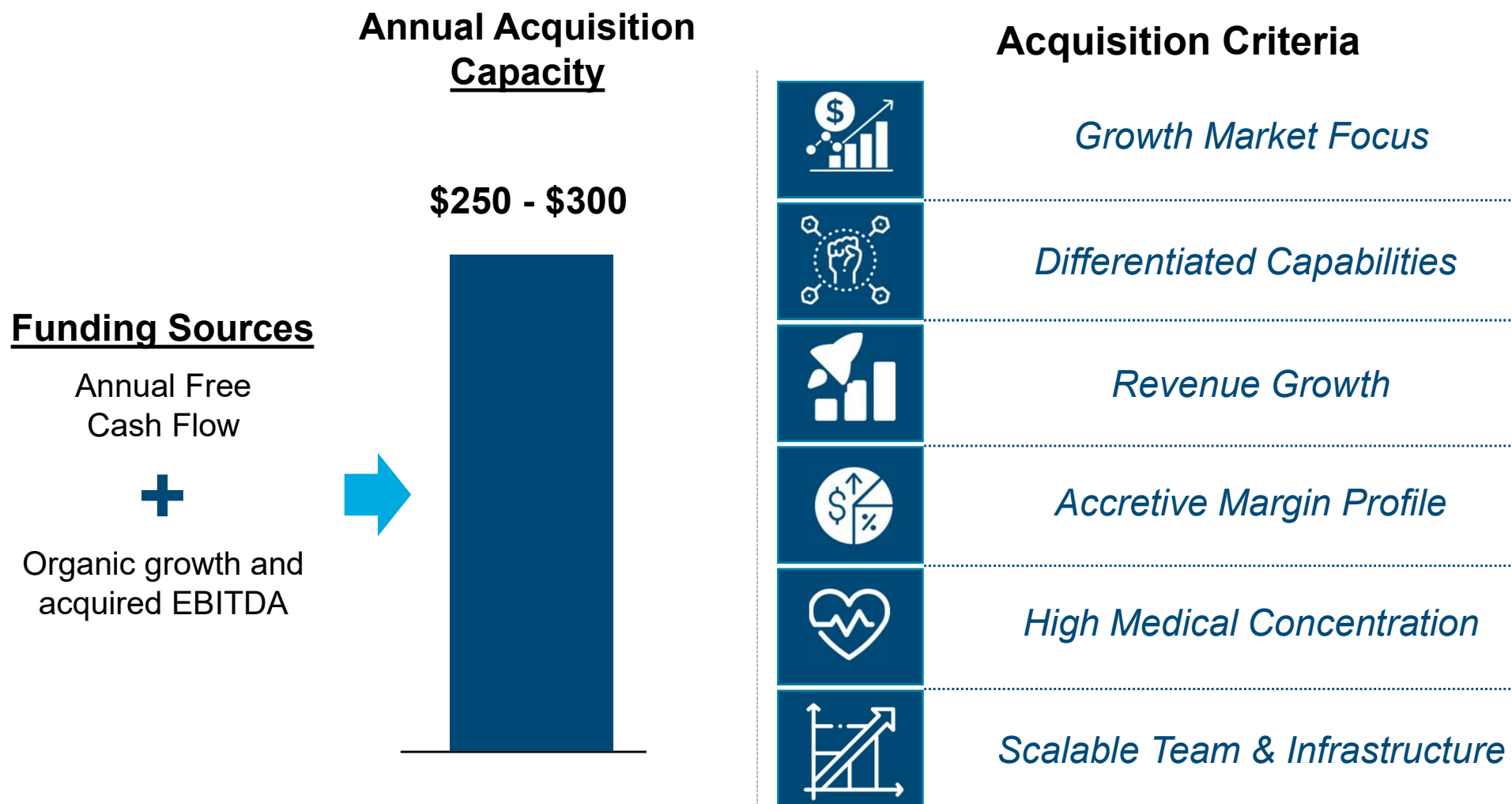
\$80 - \$100+

Development pipeline contributing to sustainable above-market growth

# Capacity & Capability to Continue Acquisition Strategy



(\$ in millions)



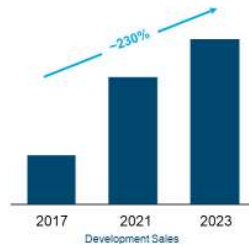
\$250 - \$300 million of annual acquisition capacity ... maintaining 2.5x - 3.5x leverage

# Executing Organic & Inorganic Sales Growth Strategy ... Integer®

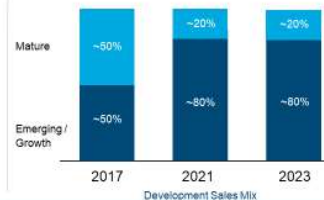
**Integer Sales  
Growth at  
Market Rate**

## Growth Starts with Product Development

**Product development sales  
+230% since strategy launch**



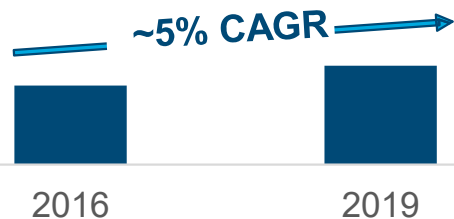
**Strategy delivering mix shift to  
high-growth markets**



Strategy focused on being designed into our customers' products in high growth markets

ITGR: 4Q23 Earnings Conference Call / February 15, 2024 / Page 18

**Sustained  
Above-Market  
Growth**



## Capacity & Capability to Continue Acquisition Strategy

(\$ in millions)

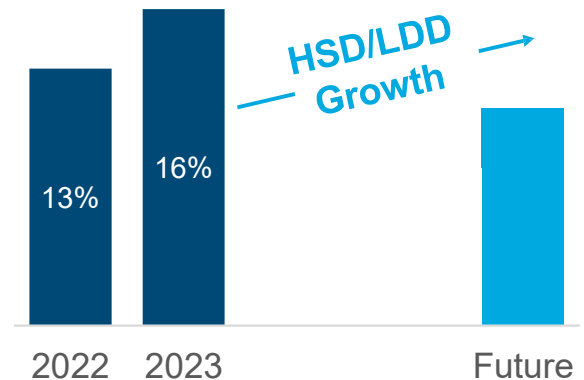


### Acquisition Criteria

- Growth Market Focus
- Differentiated Capabilities
- Revenue Growth
- Accretive Margin Profile
- High Medical Concentration
- Scalable Team & Infrastructure

\$250 - \$300 million of annual acquisition capacity ... maintaining 2.5x - 3.5x leverage

ITGR: 4Q23 Earnings Conference Call / February 15, 2024 / Page 18



*... to deliver high single digit / low double-digit sales growth*

# Financial Results

The background of the slide is composed of several geometric shapes. A large black trapezoid occupies the upper-left and central portions. To its right is a vertical dark blue rectangle. Below the black shape is a large light blue triangle. At the bottom right, there is a small light blue trapezoid. The text 'Financial Results' is written in white on the black background.

# 4Q23 Financial Results<sup>(1)</sup>

(\$ in millions, except per share amounts)



## Sales

% Change 11%



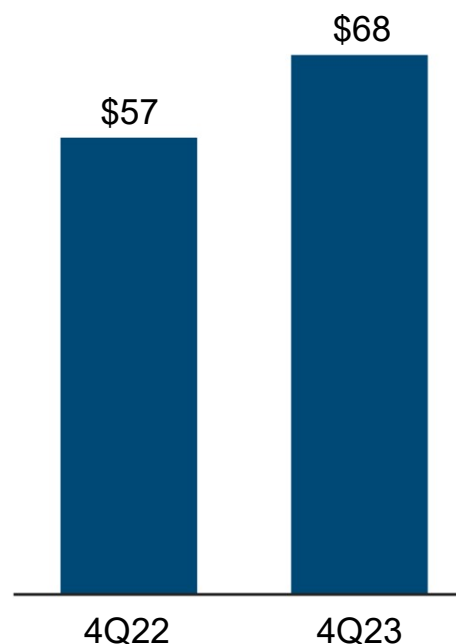
## Adj. EBITDA

18%



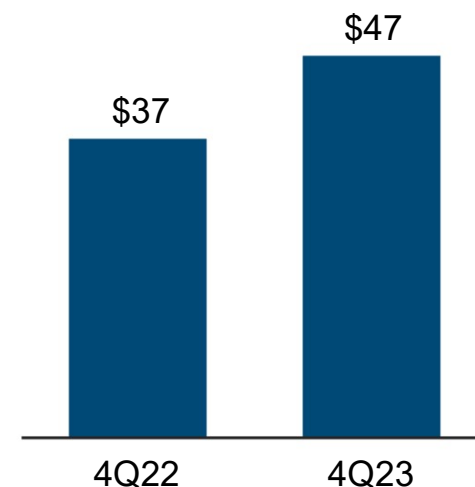
## Adj. Operating Income

18%



## Adj. Net Income

28%



## Adjusted EPS

\$1.11 \$1.39

Organic Sales Change: 9%

(1) Organic Sales Change, Adjusted EBITDA, Adjusted Operating Income, Adjusted Net Income, and Adjusted EPS are non-GAAP financial measures; refer to "Non-GAAP Financial Measures" in the Appendix

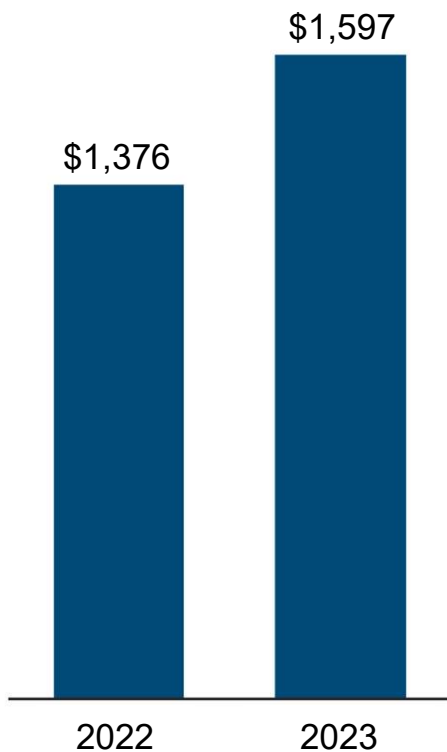
# 2023 Financial Results<sup>(1)</sup>

(\$ in millions, except per share amounts)



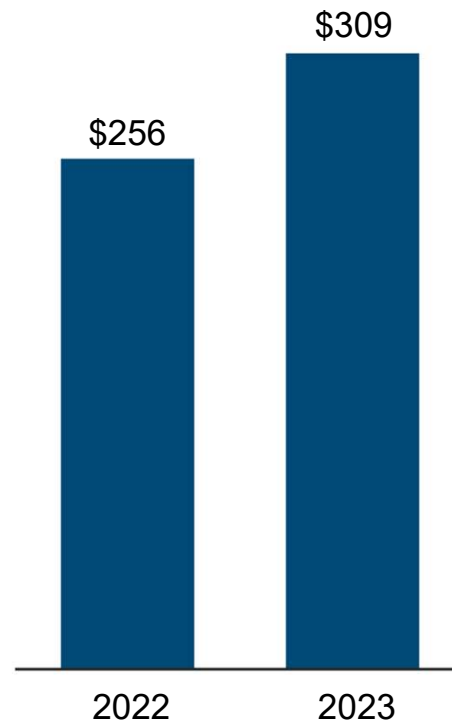
## Sales

% Change **16%**



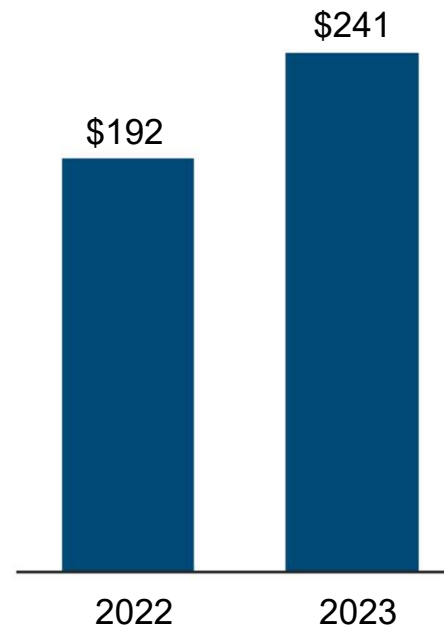
## Adj. EBITDA

**21%**



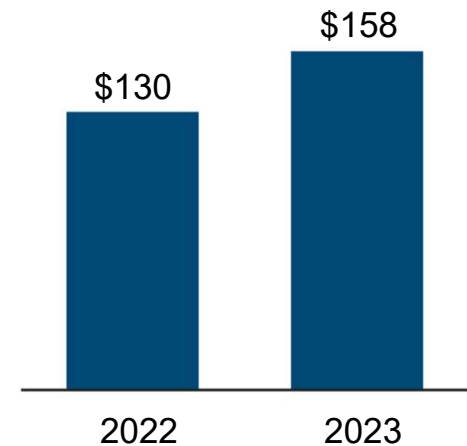
## Adj. Operating Income

**26%**



## Adj. Net Income

**22%**



## Adjusted EPS

**\$3.88      \$4.67**

Organic Sales Change: 15%

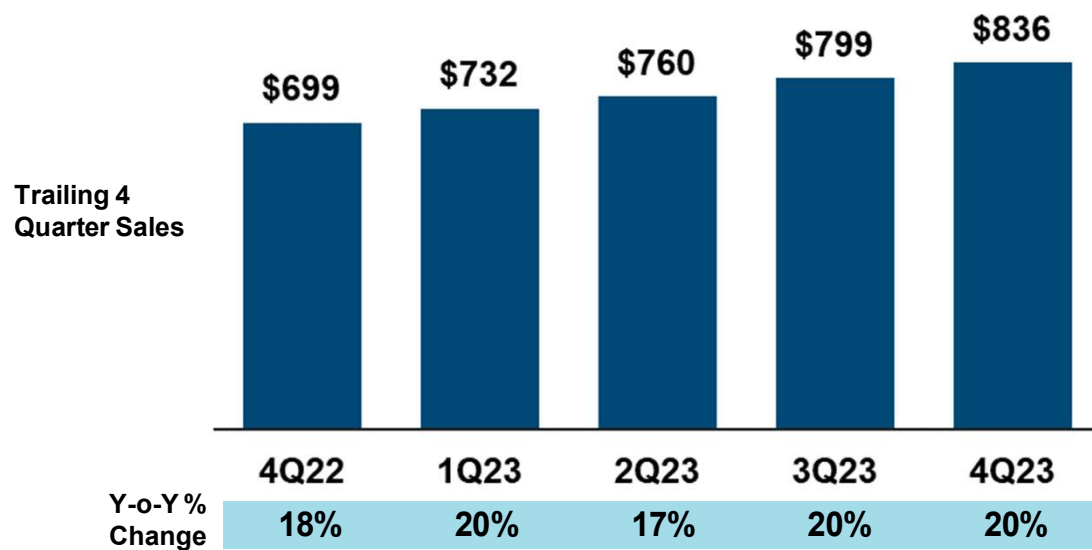
(1) Organic Sales Change, Adjusted EBITDA, Adjusted Operating Income, Adjusted Net Income, and Adjusted EPS are non-GAAP financial measures; refer to "Non-GAAP Financial Measures" in the Appendix

# Product Line Sales Performance Trends

(\$ in millions)

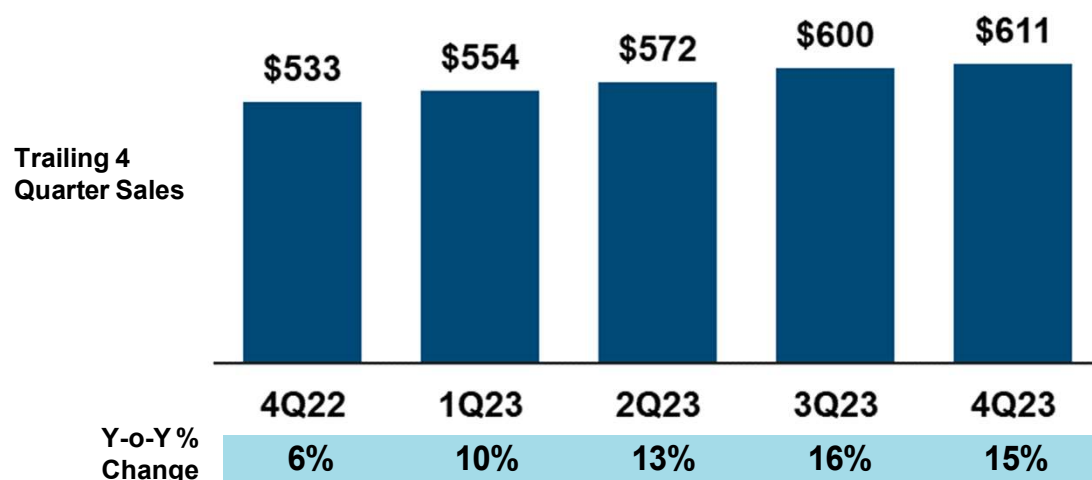


## Cardio & Vascular



- ✓ Trailing 4 quarter sales increased 20% year-over-year in 4Q23 with double-digit growth across all C&V markets, driven by strong demand, acquisition performance and supply chain improvements

## CRM & Neuromodulation

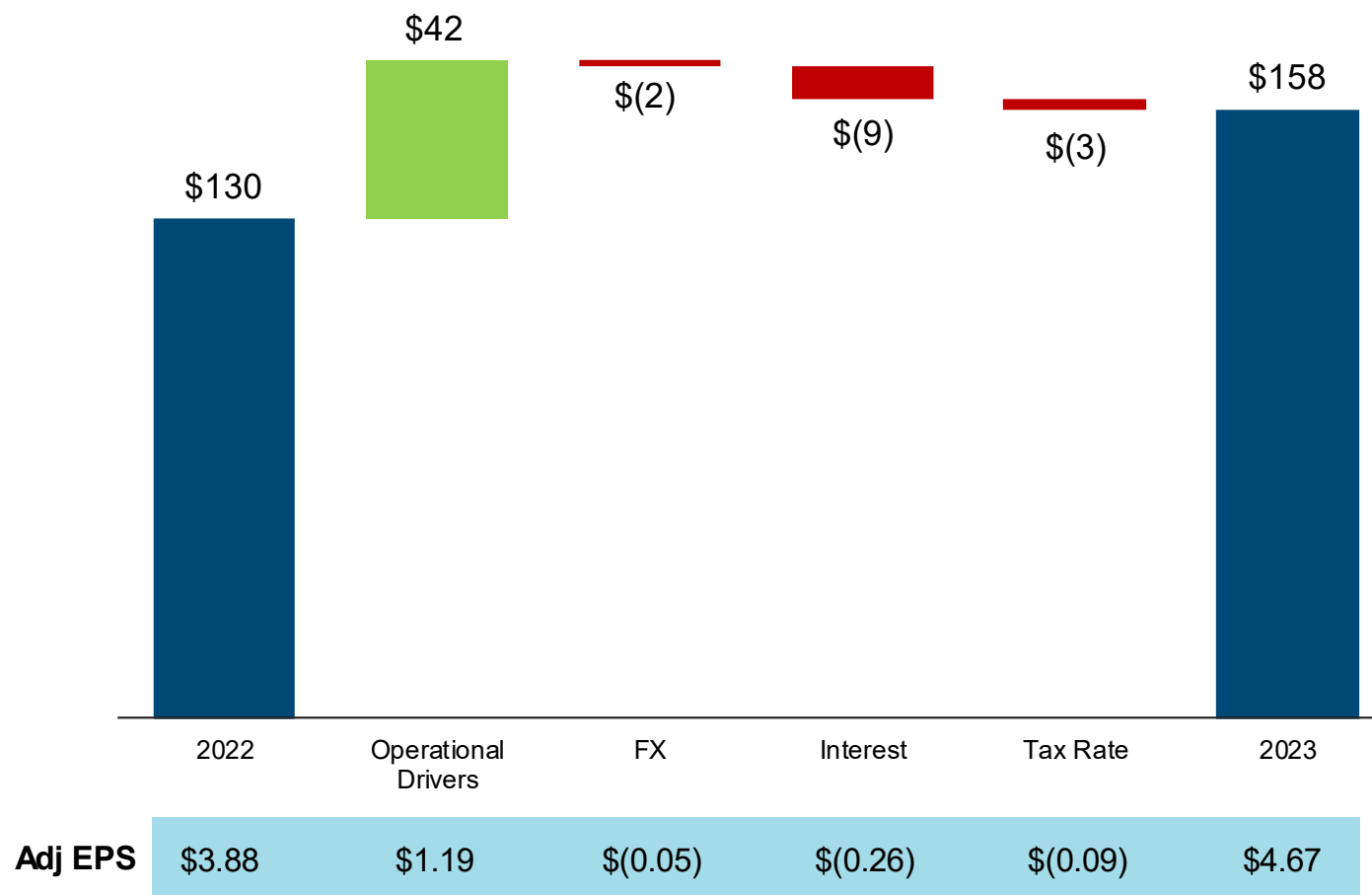


- ✓ Trailing 4 quarter sales increased 15% year-over-year in 4Q23 driven by double-digit CRM growth from strong customer demand, double-digit Neuromodulation growth from emerging customers, and supply chain improvements

*Strong year-over-year growth in C&V and CRM&N product lines*

# 2023 Adjusted Net Income<sup>(1)</sup>

(\$ in millions, except per share amounts)



(1) Adjusted Net Income and Adjusted EPS are non-GAAP financial measures; refer to "Non-GAAP Financial Measures" in the Appendix

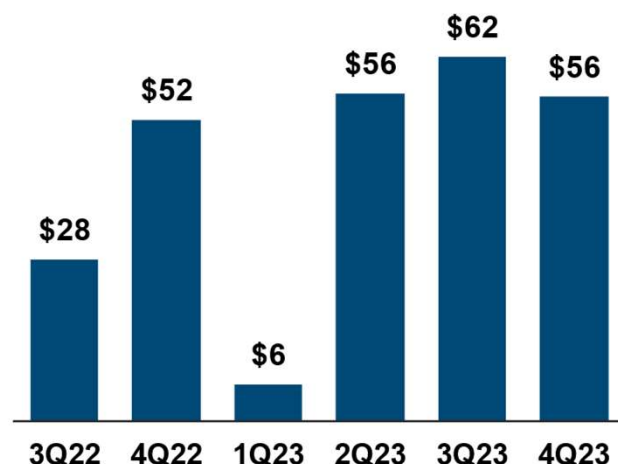


# Cash Flow & Leverage Ratio<sup>(1)</sup>

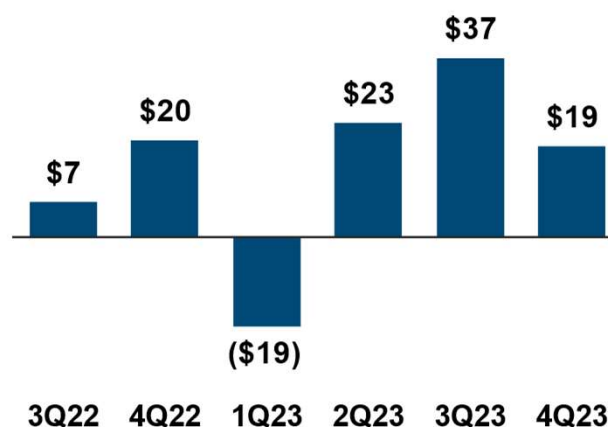
(\$ in millions)



## Cash Flow From Ops



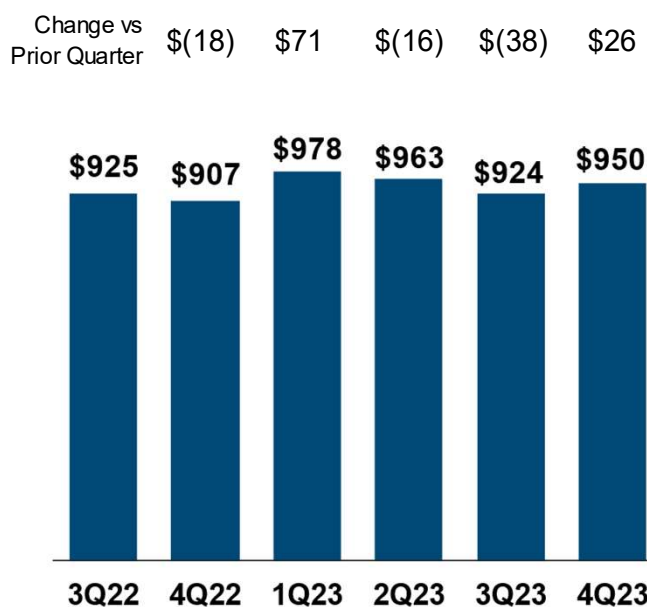
## Free Cash Flow



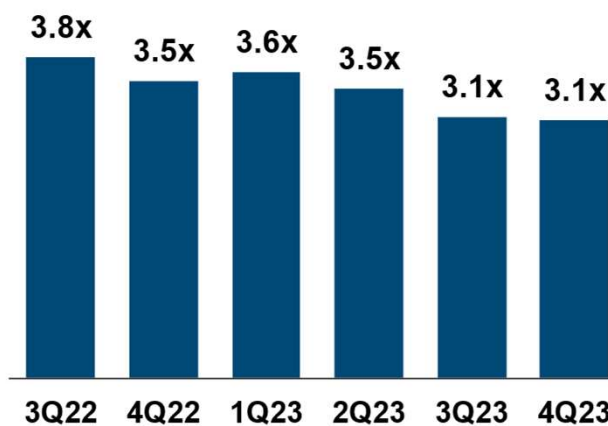
## Highlights

- ✓ Strong 4Q23 cash flow from operations, driven by sales volume
- ✓ \$180 million full year cash flow from operations
- ✓ Total year capex of \$120 million, in-line with guidance
- ✓ Leverage ratio remains within target of 2.5x – 3.5x, inclusive of 4Q23 InNeuroCo acquisition
- ✓ Excludes 1Q24 Pulse acquisition

## Net Total Debt



## Leverage



(1) Free Cash Flow, Net Total Debt and Leverage are non-GAAP financial measures; refer to "Non-GAAP Financial Measures" in the Appendix.

# 2024 Outlook

The background of the slide is composed of several geometric shapes. A large black triangle occupies the upper-left and central portions of the frame. To its right is a vertical rectangle of a medium blue color. Below the black triangle is a large light blue triangle. In the bottom right corner, there is a smaller light blue triangle. The overall design is minimalist and modern.

# 2024 Full Year Outlook<sup>(1)</sup>

(\$ in millions, except per share amounts)



## Sales

% Change **9% - 11%**



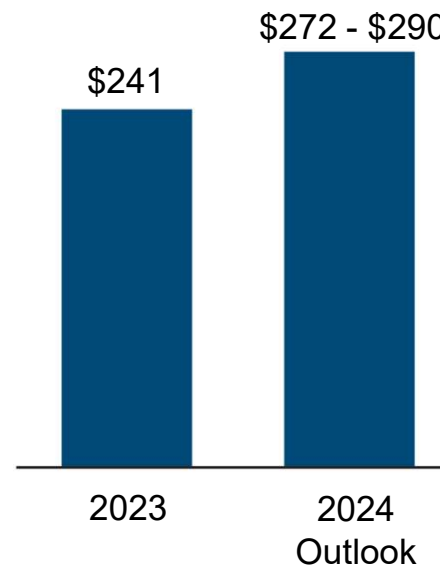
## Adj. EBITDA

**15% - 21%**



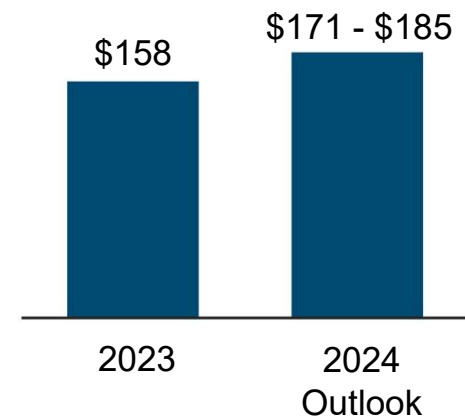
## Adj. Operating Income

**13% - 20%**



## Adj. Net Income

**8% - 18%**



## Adjusted EPS

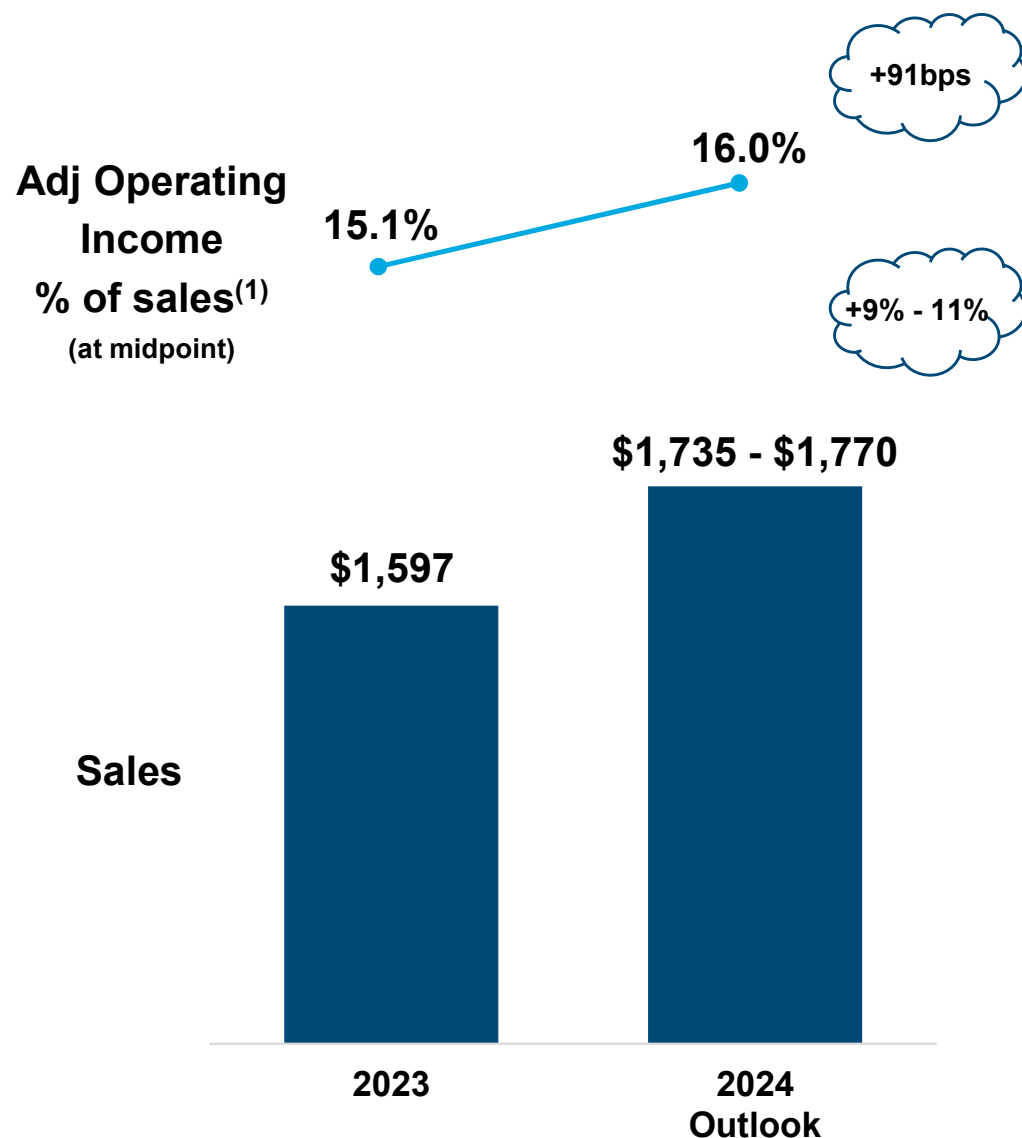
**\$4.67      \$5.01 - \$5.43**

Organic Sales Change: 6% - 8%

(1) Organic Sales Change, Adjusted EBITDA, Adjusted Operating Income, Adjusted Net Income, and Adjusted EPS are non-GAAP financial measures; refer to "Non-GAAP Financial Measures" in the Appendix

# 2024 Financial Outlook

(\$ in millions)



## Full year

- 9% to 11% year-over-year reported and 6% to 8% organic growth
- +91bps AOI as a % of sales improvement at mid-point of 2024 guidance

## Quarterly profile

- Expect 1Q24 sales to grow high single-digit year-over-year
- Expect sales acceleration in 2Q24 through 4Q24 from new product introductions and emerging PMA customer growth
- Expect typical quarterly trend for development revenue
- Expect AOI as a % of sales to expand throughout 2024

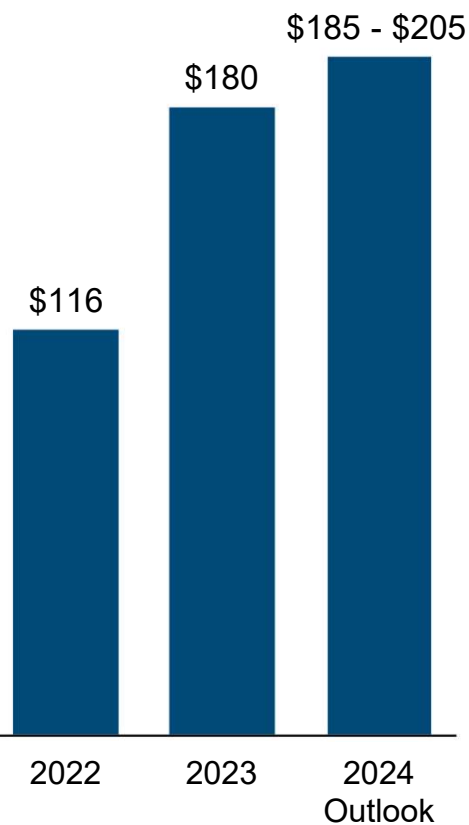
Strong above-market sales growth at 9% to 11% year-over-year

# 2024 Cash Flow Outlook<sup>(1)</sup>

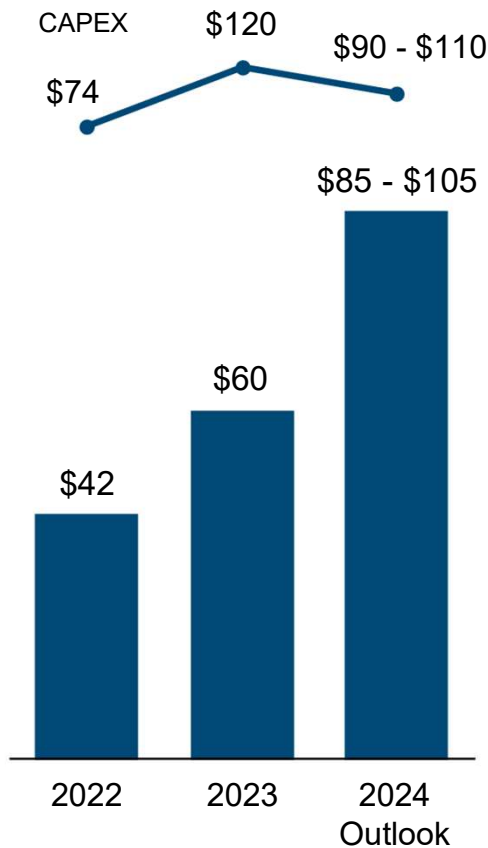
(\$ in millions)



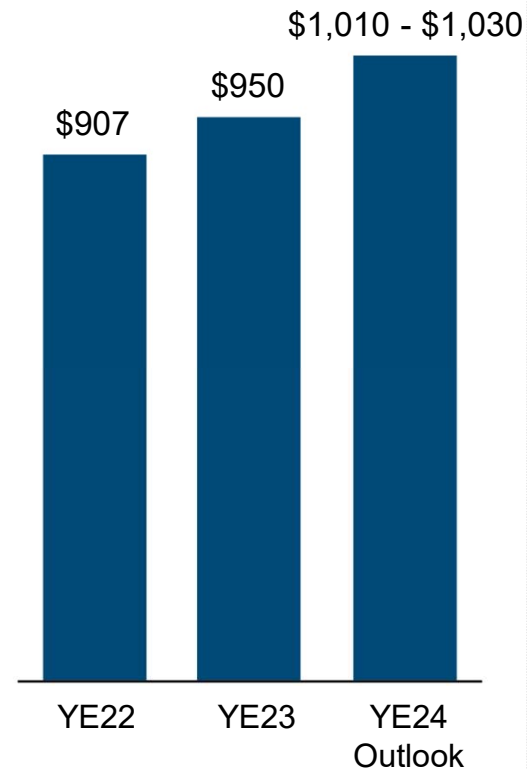
## Cash Flow From Ops



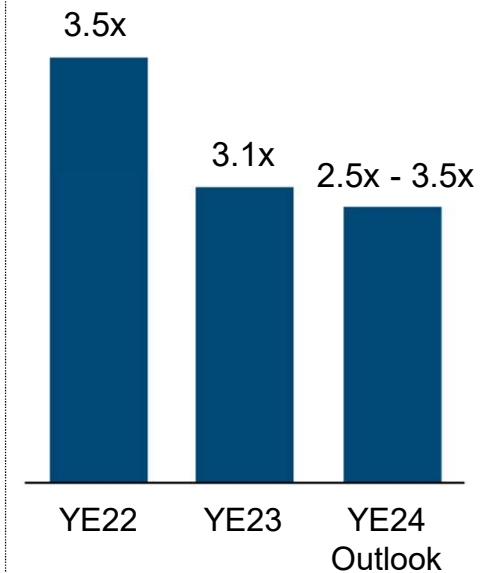
## Free Cash Flow



## Net Total Debt



## Leverage



(1) Free Cash Flow, Net Total Debt, and Leverage are non-GAAP financial measures; refer to "Non-GAAP Financial Measures" in the Appendix

The background is composed of several geometric shapes. A large black trapezoid is on the left, with a bright blue triangle at its top-right corner and a larger bright blue triangle at its bottom-left corner. To the right of the black shape is a vertical strip of dark blue. At the bottom right, there is a light blue triangle. The text 'Wrap-up' is located in the upper-left area of the black shape.

Wrap-up

## ✓ **4Q23 & full year 2023 financial results**

- 4Q23 sales up 11% vs. 4Q22, adjusted operating income up 18% vs. 4Q22
- Full year sales up 16%, adjusted operating income up 26% vs. 2022

## ✓ **2024 outlook: above-market growth with expanding margins**

- Sales \$1,735 - \$1,770 million, up 9% - 11%
- Adjusted operating income \$272 - \$290 million, up 13% - 20%
- Adjusted EPS \$5.01 - \$5.43, up 7% - 16%

## ✓ **Executing strategy to sustain above-market growth**

- Demonstrated above-market sales growth with a pipeline to sustain 200bps above the market
- Delivered adjusted operating income growth of 1.6x sales growth in 2023, with the long-term objective of 2x sales growth
- 4Q23 debt leverage 3.1x ... within target of 2.5x to 3.5x
- Acquired Pulse Technologies in 1Q24 to deepen precision micro machining capabilities and further strengthen our pipeline in Heart Pumps, Electrophysiology & Structural Heart

# Integer Investment Thesis



## Portfolio Strategy

### Product Lines

Cardio & Vascular  
Cardiac Rhythm Management  
Neuromodulation  
Electrochem

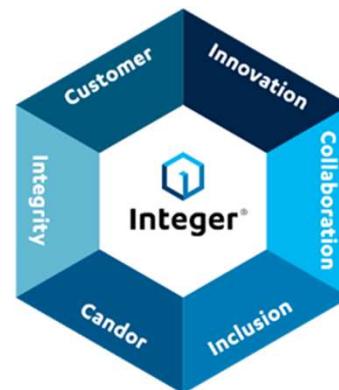
*How We Win In The Markets We Serve*

## Operational Strategy



*How We Achieve Excellence In Everything We Do*

## Integer Values



*How We Engage With Each Other*

## Strategy Financial Objectives

- 1 Sales growth 200 basis points above market
- 2 Operating profit 2x sales growth rate
- 3 Debt leverage 2.5x – 3.5x

## Resilient Business Model

- ✓ Sustainable mid-single-digit growth industry
- ✓ Breadth of product portfolio
- ✓ Proprietary technology, long development cycle, high switching costs & regulatory

## Compelling Strategy for Growth

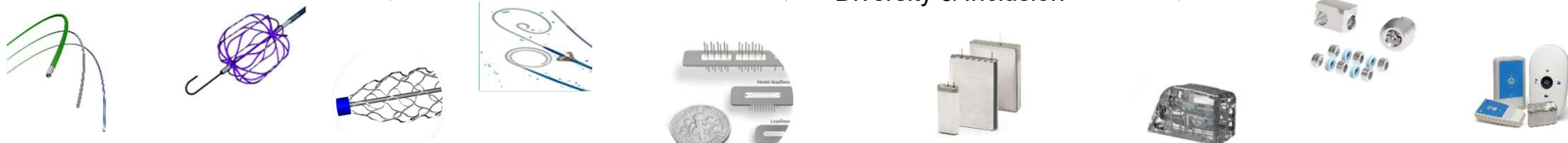
- ✓ ~70% sales under multi-year agreements
- ✓ Favorable outsourcing trends
- ✓ World-class research & development capabilities

## Performance Culture

- ✓ Leadership capability:
  - Selection, development, evaluation, succession
- ✓ Performance excellence:
  - Engagement, assessment, organization effectiveness
- ✓ Diversity & Inclusion

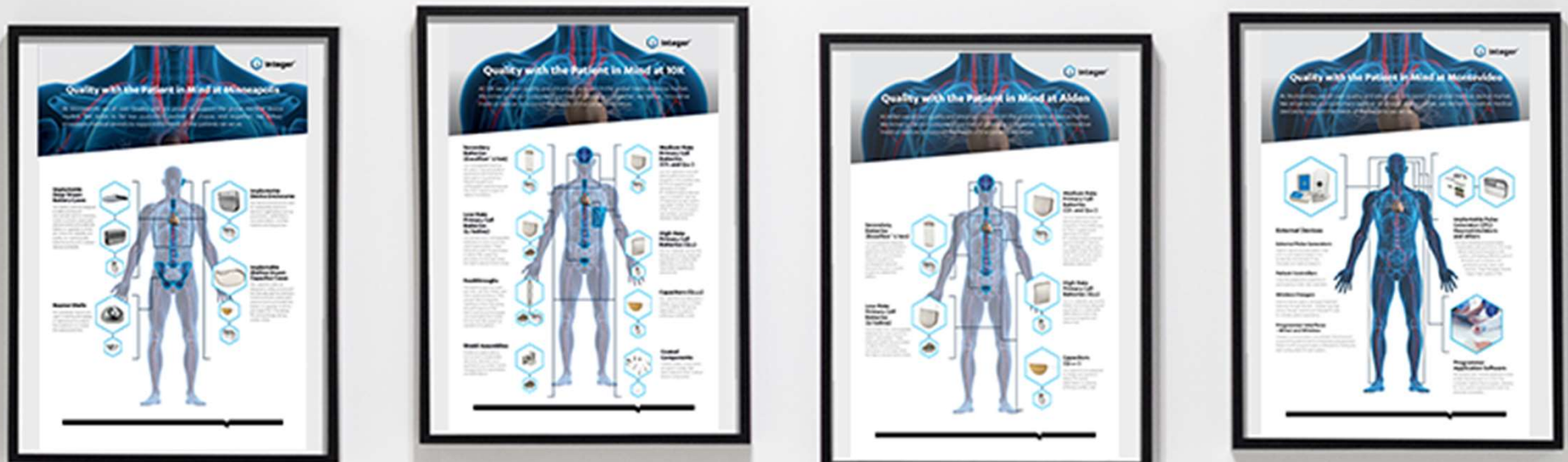
## Financial Strength

- ✓ Track record of delivering sustainable profitable growth
- ✓ Strong cash generation
- ✓ Disciplined capital allocation





# Questions?

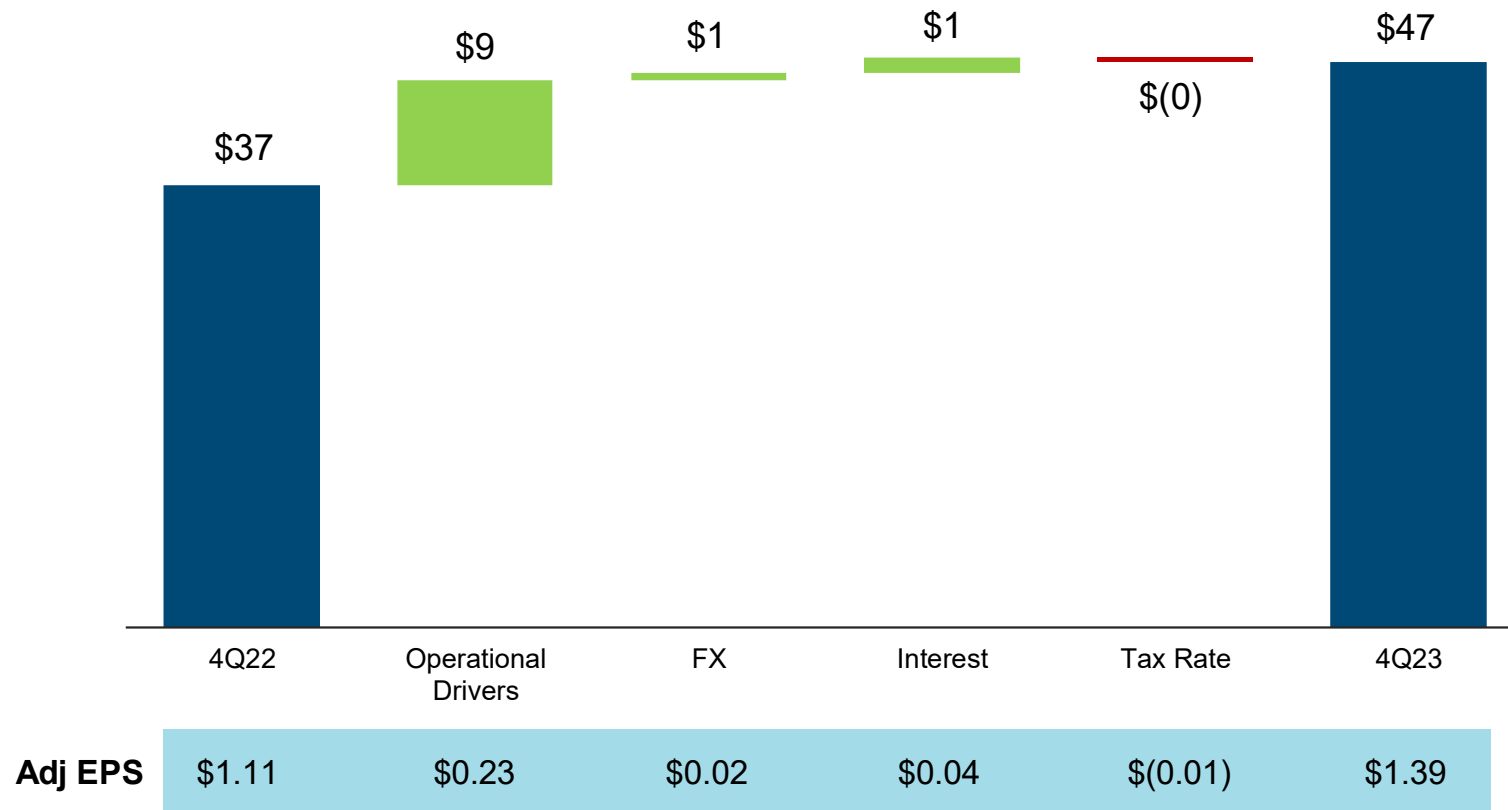


# Appendix

The background of the slide is composed of several geometric shapes. A large black trapezoid occupies the left and center portions of the slide. To its right is a vertical rectangle in a medium blue color. Below the black trapezoid is a large light blue triangle. In the bottom right corner, there is a small light blue triangle. The word "Appendix" is written in white text in the upper left area of the black trapezoid.

# 4Q23 Adjusted Net Income<sup>(1)</sup>

(\$ in millions, except per share amounts)



(1) Adjusted Net Income and Adjusted EPS are non-GAAP financial measures; refer to "Non-GAAP Financial Measures" in the Appendix

# 2024 Outlook<sup>(a)</sup>

(\$ in millions, except per share amounts)



- 2024 Outlook includes the estimated impact of the Pulse Technologies acquisition in January 2024.

	GAAP		Non-GAAP <sup>(b)</sup>	
	As Reported	Change from Prior Year	Adjusted	Change from Prior Year
Sales	\$1,735 to \$1,770	9% to 11%	N/A	N/A
Operating income	\$202 to \$220	20% to 31%	\$272 to \$290	13% to 20%
EBITDA	N/A	N/A	\$355 to \$375	15% to 21%
Net income	\$115 to \$130	27% to 43%	\$171 to \$185	8% to 18%
Diluted earnings per share	\$3.30 to \$3.71	23% to 38%	\$5.01 to \$5.43	7% to 16%
Cash flow from operating activities	\$185 to \$205	3% to 14%	N/A	N/A

<sup>(a)</sup> Except as described below, further reconciliations by line item to the closest corresponding GAAP financial measure for Adjusted operating income, Adjusted EBITDA, Adjusted net income and Adjusted Earnings per Share ("EPS"), all from continuing operations, included in our "2024 Outlook" above, and Adjusted total interest expense, Adjusted effective tax rate and Leverage ratio in "Supplemental Financial Information" below, are not available without unreasonable efforts on a forward-looking basis due to the high variability, complexity and visibility of the charges excluded from these non-GAAP financial measures.

<sup>(b)</sup> Adjusted operating income for 2024 consists of GAAP operating income, excluding items such as amortization of intangible assets, restructuring and restructuring-related charges, and acquisition and integration costs, totaling approximately \$71 million, pre-tax. Adjusted net income and Adjusted EPS for 2024 consist of GAAP net income and diluted EPS, excluding items such as amortization of intangible assets, restructuring and restructuring-related charges, acquisition and integration costs, and gain or loss on equity investments totaling approximately \$71 million, pre-tax. The after-tax impact of these items is estimated to be approximately \$56 million, or approximately \$1.63 per diluted share. The 2024 Outlook Adjusted EPS is calculated using adjusted dilutive weighted average shares, calculated by adding back the estimated dilutive impact of the 2028 Convertible Notes.

Adjusted EBITDA is expected to consist of Adjusted net income, excluding items such as depreciation, interest, stock-based compensation and taxes totaling approximately \$184 million to \$190 million.



# 2024 Supplemental Financial Information

(\$ in millions)



	2024 Outlook	2023 Actual
Depreciation and amortization	\$105 to \$115	\$97
Adjusted total interest expense <sup>(a)</sup>	\$56 to \$61	\$49
Stock-based compensation	\$24 to \$27	\$23
Restructuring, acquisition and other charges <sup>(b)</sup>	\$15 to \$20	\$22
Adjusted effective tax rate <sup>(c)</sup>	19.0% to 21.0%	17.7%
Leverage ratio <sup>(d)</sup>	2.5x to 3.5x	3.1x
Capital expenditures <sup>(d)</sup>	\$90 to \$110	\$120
Cash income tax payments	\$43 to \$47	\$30

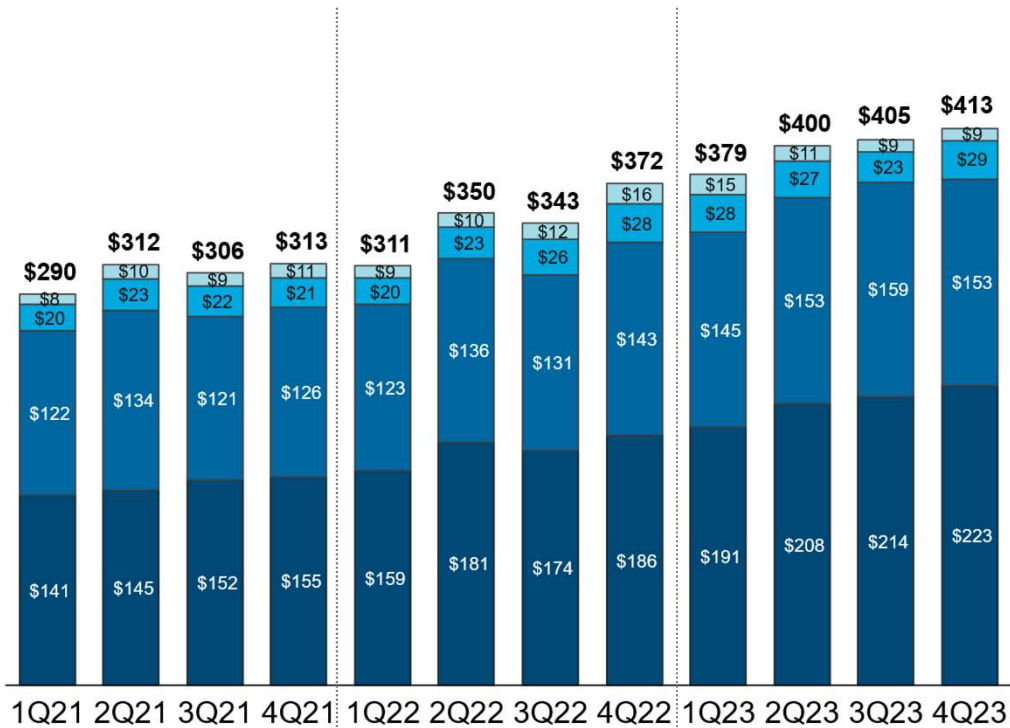
- <sup>(a)</sup> Adjusted total interest expense refers to our expected full-year GAAP interest expense, expected to range from \$56 million to \$61 million for 2024, adjusted to remove the full-year impact of charges associated with the accelerated write-off of debt discounts and deferred issuance costs (loss on extinguishment of debt) included in GAAP total interest expense, if any. Adjusted total interest expense of \$48.9 million for 2023 consists of GAAP Interest expense of \$53.4 million less \$4.5 million of losses from the extinguishment of debt.
- <sup>(b)</sup> Restructuring, acquisition and other charges consists of restructuring and restructuring-related charges, acquisition and integration costs, other general expenses and incremental costs of complying with the new European Union medical device regulations.
- <sup>(c)</sup> Adjusted effective tax rate refers to our full-year GAAP effective tax rate, expected to range from 19.0% to 21.0% for 2024, adjusted to reflect the full-year impact of the items that are excluded in providing adjusted net income and certain other identified items. Adjusted effective tax rate of 17.7% for 2023 consists of GAAP effective tax rate of 15.5% less 2.2% for the impact on income tax provision related to Non-GAAP adjustments.
- <sup>(d)</sup> Please see "Notes Regarding Non-GAAP Financial Information" for additional information regarding leverage ratio. Capital expenditures is calculated as cash used to acquire property, plant, and equipment (PP&E) less cash proceeds from the sale of PP&E.

# Historical Financial Results<sup>(1)</sup>

(\$ in millions, except per share amounts)

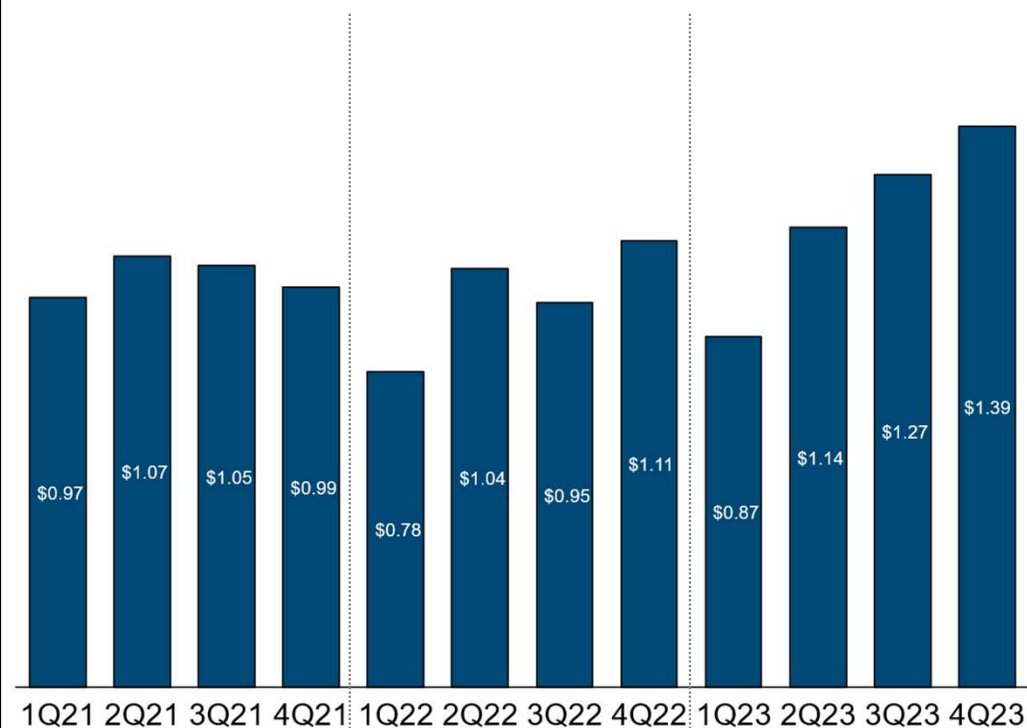


## Sales



- Electrochem
- Advanced Surgical, Orthopedics & Portable Medical
- CRM & Neuromodulation
- Cardio and Vascular

## Adjusted EPS



(1) Adjusted EPS is a non-GAAP financial measure; refer to "Non-GAAP Financial Measures" in the Appendix. The quarterly and annual EPS numbers are calculated independently and may not sum to the total.

# Capitalization<sup>(1)</sup>

(\$ in millions)



	12/31/23 As Reported	12/31/23 Rate
Cash & Cash Equivalents	\$ 24	
USD Denominated Revolver [Due 2028]	\$ 99	SOFR + 150
TLA [Due 2028]	\$ 375	SOFR + 150
Convertible Bonds [Due 2028]	\$ 500	2.125% fixed
<b>Total Principal Amount of Debt Outstanding</b>	<b>\$ 974</b>	
<b>Deferred Fees and OID</b>	<b>\$ (14)</b>	
<b>Total Debt (Principal Amount of Debt Outstanding Less Deferred Fees and Discounts)</b>	<b>\$ 960</b>	
<b>Net Total Debt (Total Principal Amount of Debt Outstanding Less Cash)<sup>(1)</sup></b>	<b>\$ 950</b>	
<u>Continuing Operations Statistics</u>		
Trailing 4 Quarter Adjusted EBITDA <sup>(1)</sup>	\$ 309	
Trailing 4 Quarter Cash Interest Expense	\$ 41	
Trailing 4 Quarter Capital Expenditures	\$ 120	
<u>Credit Statistics</u>		
Leverage Ratio <sup>(1)</sup> : Net Total Debt / Trailing 4 Quarter Adjusted EBITDA		3.1x

(1) Net Total Debt, Adjusted EBITDA and Leverage Ratio are non-GAAP financial measures; refer to "Non-GAAP Financial Measures" in the Appendix

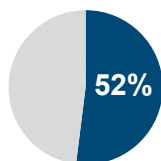
# Product Line Review



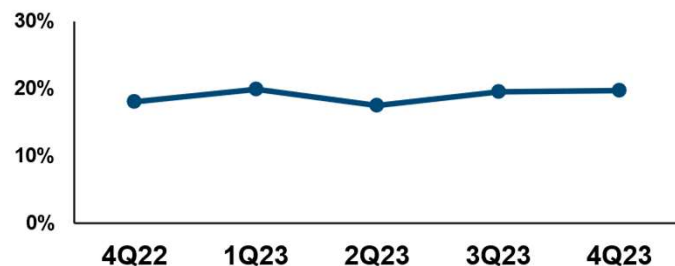


# Year-over-Year Sales Trend, Trailing 4 Quarters

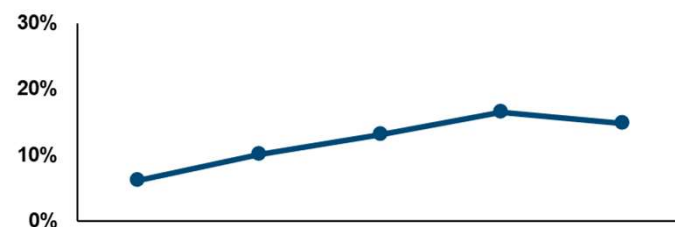
% of Sales



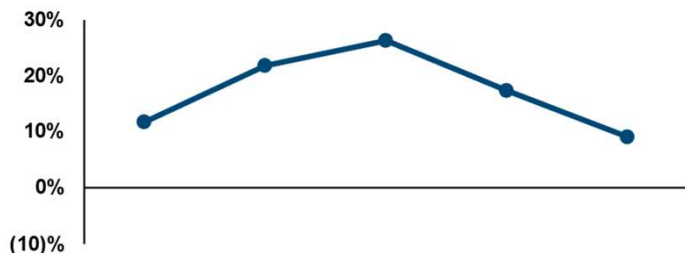
## Cardio & Vascular



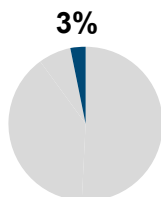
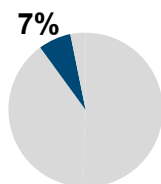
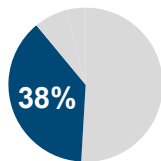
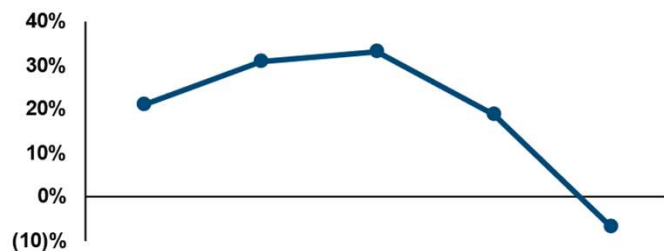
## CRM & Neuromodulation



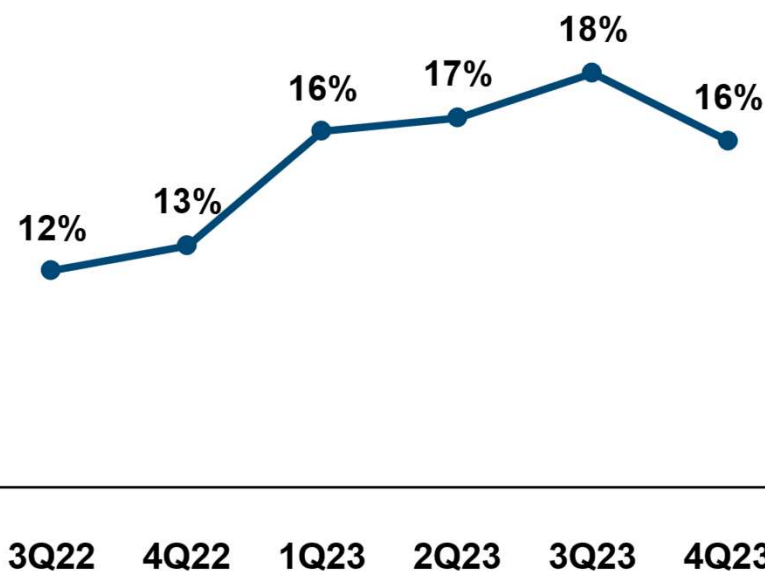
## Advanced Surgical, Orthopedics & Portable Medical



## Electrochem



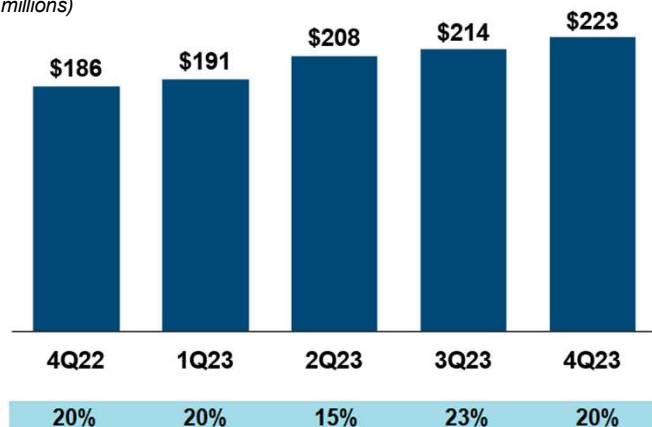
## Integer



*Offering a full-range of products and services for catheter-based interventional vascular devices and a suite of supply chain solutions to support the development and manufacturing of complex components, sub-assemblies and finished devices*

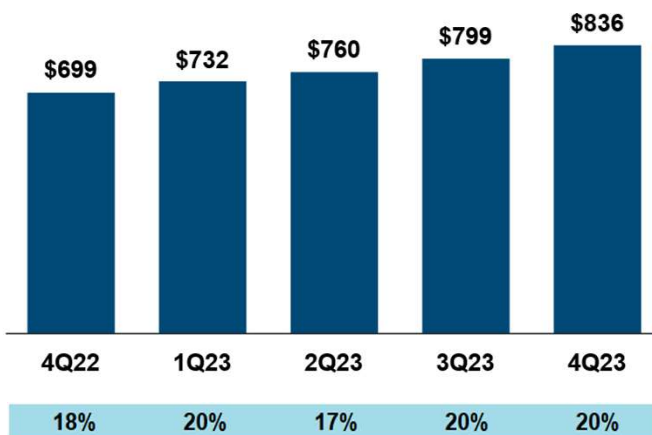
## Quarterly Sales

(\$ in millions)



## Trailing 4 Quarter Sales

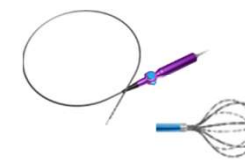
(\$ in millions)



Delivery Systems



Implants



Catheters & Steerable  
Sheaths



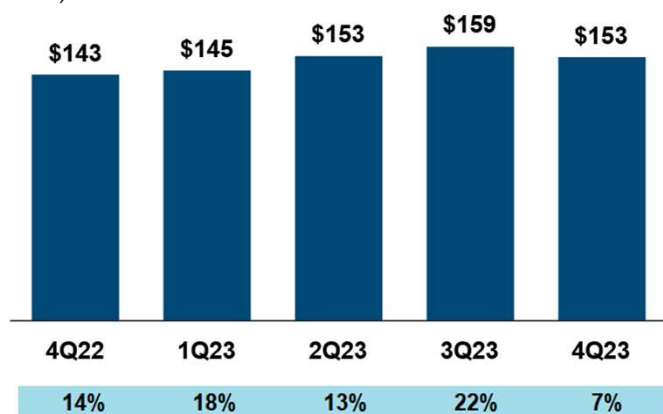
Guidewires, Introducers &  
Stylets

- 4Q23 double-digit year-over-year sales increase driven by continued strong demand across all markets, new product ramps in electrophysiology and structural heart, the InNeuroCo acquisition and continued supply chain improvements
- Trailing 4 quarter sales increased 20% year-over-year in 4Q23 with double-digit growth across all C&V markets, driven by strong demand, acquisition performance and supply chain improvements
- Expect 2024 C&V product line trailing 4 quarter sales to grow low double-digit, year-over-year

*Providing technology solutions for the active implantable medical device industry  
by partnering with customers to bring high-quality products to  
established and emerging markets – from initial concept through high-volume manufacturing*

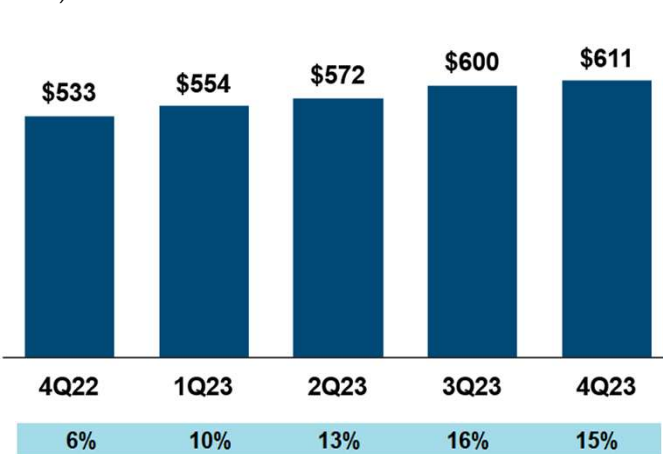
## Quarterly Sales

(\$ in millions)



## Trailing 4 Quarter Sales

(\$ in millions)



Pulse Generator  
Components &  
Assemblies



Leads & Lead Components,  
Adaptors & Assemblies



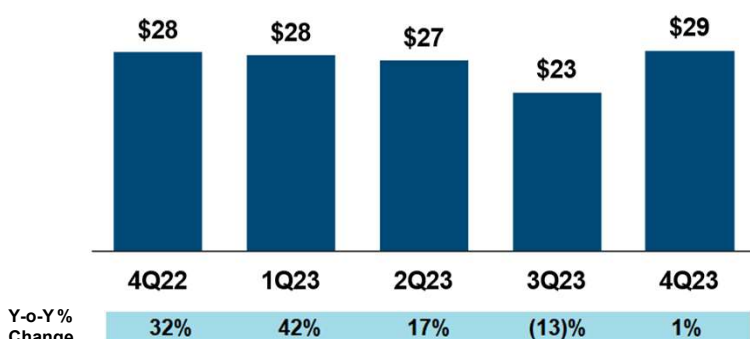
Pulse Generators & External  
Solutions (Programmers, Chargers,  
Patient Devices)

- 4Q23 sales increased 7% year-over-year, with double-digit growth in Neuromodulation, driven by strong demand from emerging customers with PMA products
- Trailing 4 quarter sales increased 15% year-over-year in 4Q23 driven by double-digit CRM growth from strong customer demand, double-digit Neuromodulation growth from emerging customers, and supply chain improvements
- Expect 2024 CRM&N product line trailing 4 quarter sales to grow low double-digit, year-over-year from strong neuromodulation emerging customer growth and normalizing CRM growth

*Offering a broad portfolio of power solutions and technologies to Portable Medical markets and supporting the divested AS&O product line*

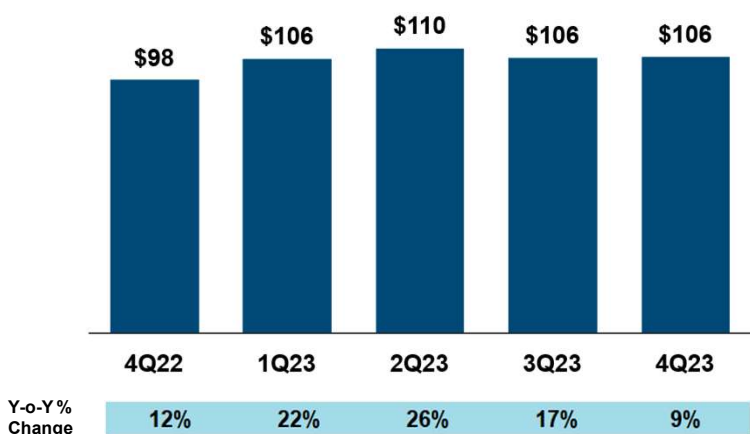
## Quarterly Sales

(\$ in millions)



## Trailing 4 Quarter Sales

(\$ in millions)



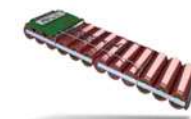
Orthopedic Implants & Instruments



Electrosurgical Accessories



Li-Ion Battery Packs



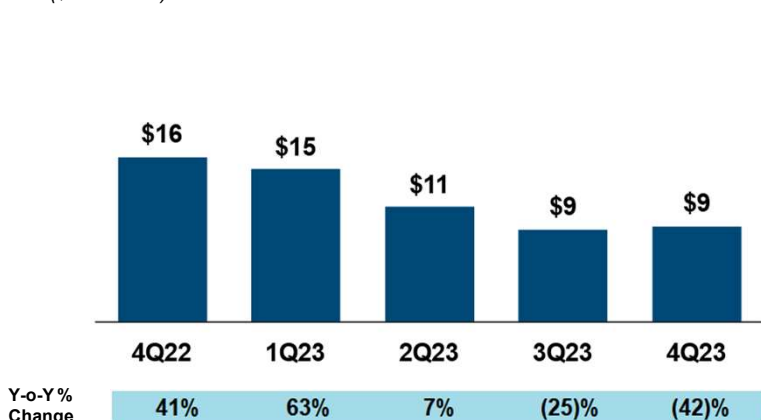
Core Battery Pack Assemblies

- 4Q23 sales increased 1% year-over-year driven by execution of the planned multi-year Portable Medical exit announced in 2022, partially offset by single-digit decline of Advanced Surgical and Orthopedics
- Trailing 4 quarter sales increased 9% year-over-year in 4Q23 driven by high double-digit growth in Portable Medical related to demand to support the multi-year Portable Medical exit
- Expect 2024 trailing 4 quarter sales to decline approximately double-digit year-over-year as a result of the multi-year Portable Medical exit

*Enhancing lives worldwide by providing superior power solutions that enable the success and advancement of our customers' critical applications*

## Quarterly Sales

(\$ in millions)



## Trailing 4 Quarter Sales

(\$ in millions)



Battery Cells



Battery Packs



Battery Chargers

- 4Q23 sales declined 42% year-over-year, returning to a normalized run-rate after previously higher sales from the supply chain recovery
- Trailing 4 quarter sales declined 7% year-over-year in 4Q23, after sales returned to a normalized run-rate in the 2<sup>nd</sup> half of 2023, following previously higher sales from the supply chain recovery
- Expect 2024 Electrochem product line trailing 4 quarter sales to increase low single-digit year-over-year

# Non-GAAP Financial Measures



# Non-GAAP Financial Measures



This presentation may contain the non-GAAP financial measures defined in the table below. A reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in the financial schedules accompanying the earnings release or the Trending Schedules posted on the Investor Relations section of the Company's website at [investor.integer.net](http://investor.integer.net). Reconciliations by line item to the closest corresponding GAAP financial measure for forward-looking non-GAAP financial measures are not available without unreasonable efforts due to the high variability, complexity and visibility of the charges excluded from these non-GAAP financial measures.

## Non-GAAP Financial Measure Definitions:

Adjusted net income	Calculated by adding back amortization of intangible assets, restructuring and restructuring-related charges, acquisition and integration related costs, other general expenses, (gain) loss on equity investments, extinguishment of debt charges, European Union medical device regulation incremental charges, other adjustments, inventory step-up amortization, the income tax provision (benefit) related to these adjustments, and certain tax items that are outside the normal provision for the period, to net income.
Adjusted diluted weighted average shares outstanding ("Adjusted diluted WASO")	Adjusted diluted WASO is calculated by adding back the estimated dilutive impact of the 2028 Convertible Notes to GAAP diluted weighted average shares outstanding.
Adjusted EPS	Calculated by dividing adjusted net income by adjusted diluted WASO. The per share impact of Non-GAAP adjustments to arrive at Adjusted EPS is calculated by dividing the dollar amount of the respective Non-GAAP adjustment by adjusted diluted WASO.
Adjusted operating income and Adjusted operating income % of sales	Calculated by adding back amortization of intangible assets, restructuring and restructuring-related charges, acquisition and integration related costs, other general expenses, European Union medical device regulation incremental charges, other adjustments, and inventory step-up amortization to operating income. Adjusted Operating Income % of Sales is calculated by dividing Adjusted Operating Income by Sales.
Organic sales change	Organic sales change is reported sales growth adjusted to remove the impact of foreign currency, the contribution of acquisitions and the strategic exit of the Portable Medical market. To calculate the impact of foreign currency on sales growth rates, we convert any sale made in a foreign currency by converting current period sales into prior period sales using the exchange rate in effect at that time and then compare the two, negating any effect foreign currency had on our transactional revenue. For acquisitions, we exclude the impact on the growth rate attributable to the contribution of acquisitions in all periods where there were no comparable sales. For the strategic exit of the Portable Medical market, we exclude the impact on the growth rate attributable to Portable Medical sales for all periods presented.
Earnings before interest, taxes, depreciation and amortization ("EBITDA")	Calculated by adding back interest expense, provision (benefit) for income taxes, depreciation expense, and amortization expense from intangible assets and financing leases, to net income, which is the most directly comparable GAAP measure.
Adjusted EBITDA	EBITDA plus stock-based compensation, restructuring and restructuring-related charges, acquisition and integration related costs, other general expenses, (gain) loss on equity investments, European Union medical device regulation incremental charges, other adjustments, and inventory step-up amortization.
Adjusted EBITDA for Pulse Technologies	Adjusted EBITDA for Pulse Technologies is calculated as GAAP net income adjusted for the following items: interest expense, depreciation and amortization expense, as well as items affecting comparability, including adjustments to eliminate expenses associated with excess executive compensation costs and above-market lease expense, and add certain expenses to align with Integer's accounting policies.
Adjusted total interest expense	Defined as GAAP total interest expense less accelerated write-offs of debt discounts and deferred issuance costs (loss on extinguishment of debt).
Adjusted effective interest rate on borrowings	Calculated by subtracting from the effective interest rate on borrowings the impact of losses on extinguishment of debt
Net total debt	Total principal amount of debt outstanding less cash and cash equivalents.
Leverage ratio (also Leverage or Debt Leverage)	Net Total Debt divided by Adjusted EBITDA for the trailing 4 quarters. Leverage ratio differs from total net leverage ratio used in our bank covenants. See the Trending Schedules located in the Investor Relations section of the Company's website at <a href="http://investor.integer.net">investor.integer.net</a> for Total net Leverage ratio prepared in accordance with the Senior Secured Credit Facilities.
Free cash flow	Net cash provided by operating activities (as stated in our Statement of Cash Flows) reduced by capital expenditures (acquisition of property, plant, and equipment (PP&E), net of proceeds from sale of PP&E).
Adjusted effective tax rate	Calculated by adding or subtracting from the effective tax rate from continuing operations the impact of Non-GAAP adjustments, expressed as a percentage, to arrive at Adjusted Net Income.

# Non-GAAP Reconciliation



## 4Q23 Net Income and Diluted EPS Reconciliation – Detailed View

(\$ in thousands, except per share amounts)

	2023									2022
	GAAP								Non-GAAP	Non-GAAP
	As Reported	Amortization of intangibles	Restructuring and restructuring-related charges	Acquisition and integration costs	Other general expenses	Debt / Investment Adjustments	Other <sup>(1)</sup>	Tax Adjustments	Adjusted	Adjusted
Sales	\$ 413,151	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 413,151	\$ 372,423
Cost of sales	302,895	(4,326)	(572)	-	-	-	(1,695)	-	296,302	269,971
Gross profit	110,256	4,326	572	-	-	-	1,695	-	116,849	102,452
Gross margin	26.7%	1.0%	0.1%	0.0%	0.0%	0.0%	0.4%	0.0%	28.3%	27.5%
Operating expenses:										
Selling, general and administrative	45,804	(9,068)	(263)	-	-	-	-	-	36,473	32,076
Research, development and engineering	13,257	-	(5)	-	-	-	(446)	-	12,806	13,092
Restructuring and other charges	7,682	(638)	(3,342)	(1,729)	(1,973)	-	-	-	-	-
Total operating expenses	66,743	(9,706)	(3,610)	(1,729)	(1,973)	-	(446)	-	49,279	45,168
Operating income	43,513	14,032	4,182	1,729	1,973	-	2,141	-	67,570	57,284
Operating margin	10.5%	3.4%	1.0%	0.4%	0.5%	0.0%	0.5%	0.0%	16.4%	13.5%
Interest expense	12,690	-	-	-	-	-	-	-	12,690	14,101
Loss on equity investments	2,219	-	-	-	-	(2,219)	-	-	-	-
Other (gain) loss, net	(724)	-	-	-	-	-	-	-	(724)	33
Income before taxes	29,328	14,032	4,182	1,729	1,973	2,219	2,141	-	55,604	43,150
Provision for income taxes	2,971	2,944	448	405	643	466	450	(116)	8,211	6,120
Effective tax rate	10.1%	21.0%	10.7%	23.4%	32.6%	21.0%	21.0%	n/a	14.8%	14.2%
Net income	\$ 26,357	\$ 11,088	\$ 3,734	\$ 1,324	\$ 1,330	\$ 1,753	\$ 1,691	\$ 116	\$ 47,393	\$ 37,030
Diluted earnings per share	\$ 0.78	\$ 0.33	\$ 0.11	\$ 0.04	\$ 0.04	\$ 0.05	\$ 0.05	\$ -	\$ 1.39	\$ 1.11
Weighted average shares - Diluted	33,987	33,987	33,987	33,987	33,987	33,987	33,987	33,987	33,987	33,438

<sup>NM</sup> Calculated amount not meaningful

<sup>(1)</sup> Includes Medical device regulations, Other adjustments and Inventory step-up amortization.



# Non-GAAP Reconciliation



## YTD Net Income and Diluted EPS Reconciliation – Detailed View

(\$ in thousands, except per share amounts)

	2023									2022
	GAAP								Non-GAAP	Non-GAAP
	As Reported	Amortization of intangibles	Restructuring and restructuring-related charges	Acquisition and integration costs	Other general expenses	Debt / Investment Adjustments	Other <sup>(1)</sup>	Tax Adjustments	Adjusted	Adjusted
Sales	\$ 1,596,673	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,596,673	\$ 1,376,096
Cost of sales	1,178,384	(16,260)	(1,669)	-	-	-	(3,051)	-	1,157,404	999,056
Gross profit	418,289	16,260	1,669	-	-	-	3,051	-	439,269	377,040
Gross margin	26.2%	1.0%	0.1%	0.0%	0.0%	0.0%	0.2%	0.0%	27.5%	27.4%
Operating expenses:										
Selling, general and administrative	175,619	(36,270)	(2,093)	-	-	-	(1,101)	-	136,155	125,882
Research, development and engineering	63,771	-	(667)	-	-	-	(1,458)	-	61,646	59,207
Restructuring and other charges	11,569	(638)	(5,377)	(3,444)	(2,110)	-	-	-	-	-
Total operating expenses	250,959	(36,908)	(8,137)	(3,444)	(2,110)	-	(2,559)	-	197,801	185,089
Operating income	167,330	53,168	9,806	3,444	2,110	-	5,610	-	241,468	191,951
Operating margin	10.5%	3.3%	0.6%	0.2%	0.1%	0.0%	0.4%	0.0%	15.1%	13.9%
Interest expense	53,370	-	-	-	-	(4,518)	-	-	48,852	38,518
Loss on equity investments	5,691	-	-	-	-	(5,691)	-	-	-	-
Other (gain) loss, net	975	-	-	-	-	-	-	-	975	(899)
Income before taxes	107,294	53,168	9,806	3,444	2,110	10,209	5,610	-	191,641	154,332
Provision for income taxes	16,644	11,146	1,587	838	673	2,144	1,178	(365)	33,845	24,784
Effective tax rate	15.5%	21.0%	16.2%	24.3%	31.9%	21.0%	21.0%	n/a	17.7%	16.1%
Net income	\$ 90,650	\$ 42,022	\$ 8,219	\$ 2,606	\$ 1,437	\$ 8,065	\$ 4,432	\$ 365	\$ 157,796	\$ 129,548
Diluted earnings per share	\$ 2.69	\$ 1.24	\$ 0.24	\$ 0.08	\$ 0.04	\$ 0.24	\$ 0.13	\$ 0.01	\$ 4.67	\$ 3.88
Weighted average shares - Diluted	33,758	33,758	33,758	33,758	33,758	33,758	33,758	33,758	33,758	33,357

<sup>NM</sup> Calculated amount not meaningful

<sup>(1)</sup> Includes Medical device regulations, Other adjustments and Inventory step-up amortization.

# Contact Information



## **Andrew Senn**

Senior Vice President, Strategy, Business Development & Investor Relations

Andrew.Senn@Integer.net

(O) 763.951.8312

[www.integer.net](http://www.integer.net)