1Q21 Earnings Conference Call

April 29, 2021

Integer Holdings Corporation

First Quarter 2021 Earnings Conference Call
9 a.m. Eastern Time, April 29, 2021

Speakers:

Joe Dziedzic
President and Chief Executive Officer

Jason Garland
Executive Vice President, Chief Financial Officer

Tony Borowicz
Senior Vice President, Strategy, Corporate Development & Investor Relations

- A webcast of today's call can be accessed in the "Investor Relations" section of the Company's website: http://investor.integer.net

- To participate on the call, please dial:
  - 833-714-0898 (U.S.)
  - 778-560-2691 (International)
  - The conference ID is 4488968

- An online archive of the broadcast will be available at the website three hours after the live call, and will be available through Thursday, May 6, 2021, by dialing
  - 800-585-8367 (U.S.)
  - 416-621-4642 (International)
  - The conference ID is 4488968

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 ("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) and the SEC's website (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 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).

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 the impact of the COVID-19 global pandemic; future sales, expenses, and profitability; future development and expected growth of our business and industry; our ability to execute our business model and our business strategy; 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" 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 as of the 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
- Financial Results
- Product Line Review
- 2021 Outlook
- Wrap-up
- Q&A

Opening Remarks

Summary

Strong sequential sales and profit improvements, at high end of guidance

Cash flow from operations up 12% vs. last year

Increased 2021 full year outlook

1Q21 Financial Results

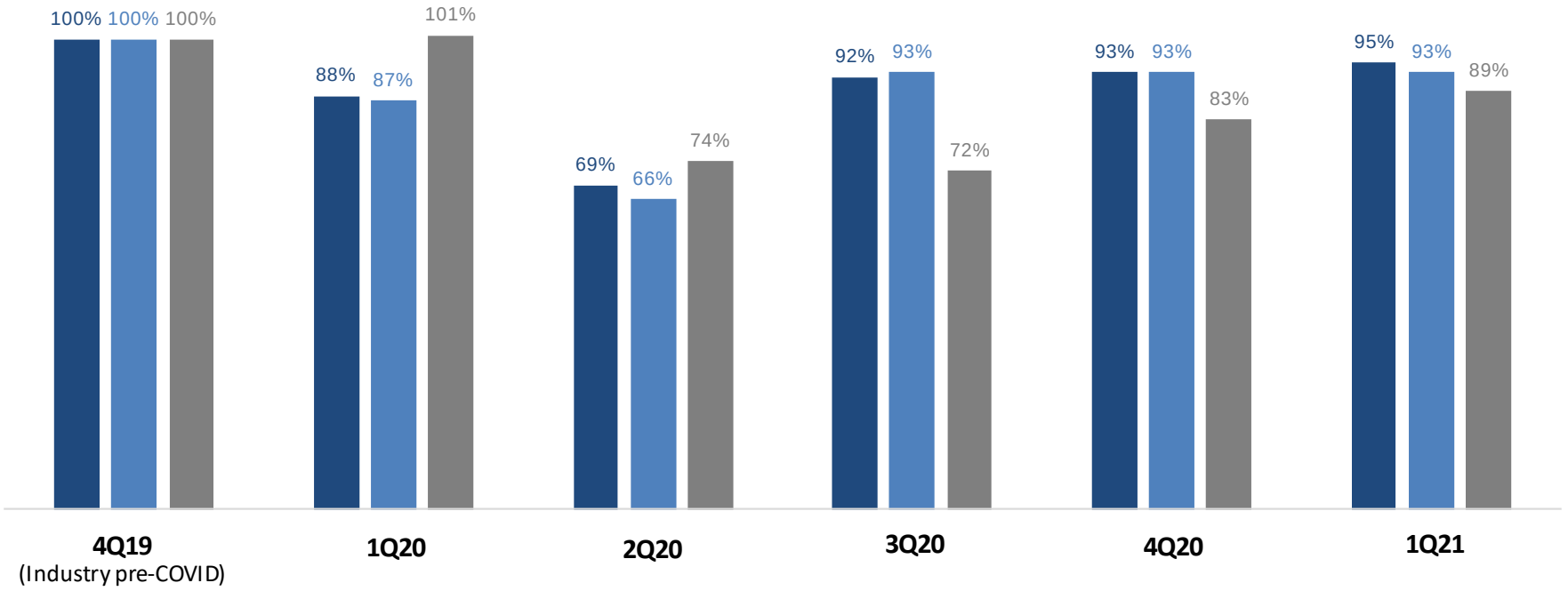
- Strong sequential improvement vs. 4Q, at high end of guidance:
  - Sales up $22 million, +8% vs. 4Q20
  - Profit up $8 million, +22% vs. 4Q20
- Year-over-year decline driven by pandemic:
  - Prior year (1Q20) Integer financial results not impacted by COVID
  - Sales down 12% and adjusted operating income down 21% vs. 1Q20
- Strong cash flow generation:
  - Cash flow from operations $36 million, up $4 million, up 12% vs. last year
  - Reduced net total debt by $25 million in 1Q21 to $664 million

2021 Outlook Increased

- Sales $1,175 - $1,205 million, up 10% - 12% vs. last year
- Adjusted op. income $175 - $190 million, up 22% - 32% vs. last year
- Adjusted EBITDA $235 - $250 million, up 24% - 32% vs. last year

Is the Industry Back to pre-COVID Sales Levels?

Quarterly reported sales[(1)] as % of 4Q19



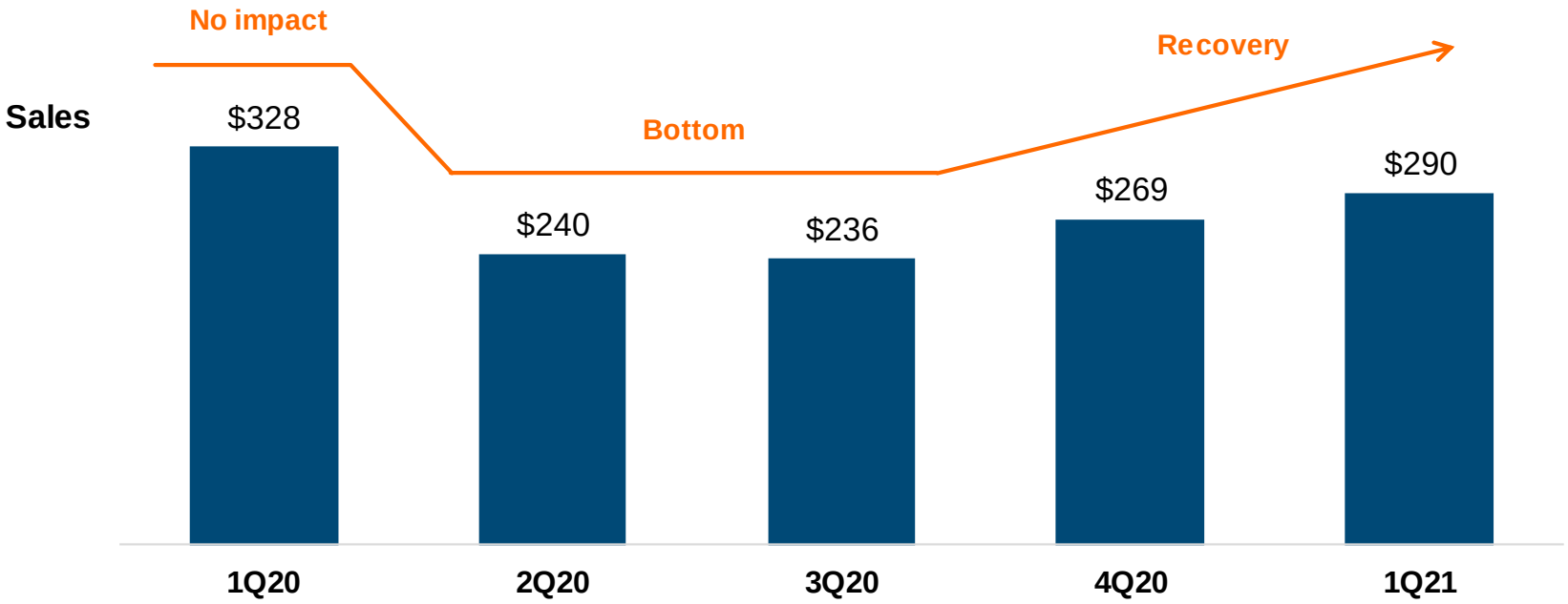
- ***Boston Scientific*** *quarterly reported sales*
- ***Abbott*** *medical devices segment quarterly reported sales excluding diabetes care*
- ***Integer*** *quarterly reported sales*

- ✓ Industry sales approximately 5% to 7% below pre-COVID levels in 1Q 2021
- ✓ Integer ~5%pts lower driven by 2%pts non-medical segment and 3%pts calendar days

[(1)] Reported sales includes impact of foreign currency fluctuations and acquisitions/divestitures. Detailed reconciliation in the appendix

COVID Impact and Recovery of Integer Sales

($ in millions)



Sales change vs. prior year (%) and bridge between Industry and Integer

	1Q20	2Q20	3Q20	4Q20	1Q21
Industry estimated	~(6)%	~(34)%	~(3)%	~(4)%	~5%
COVID timing diff.	+10%	+15%	(16)%	(5)%	(13)%
Non-COVID	0%	(5)%	(3)%	(8)%	(4)%
Integer reported	+4%	(24)%	(22)%	(17)%	(12)%

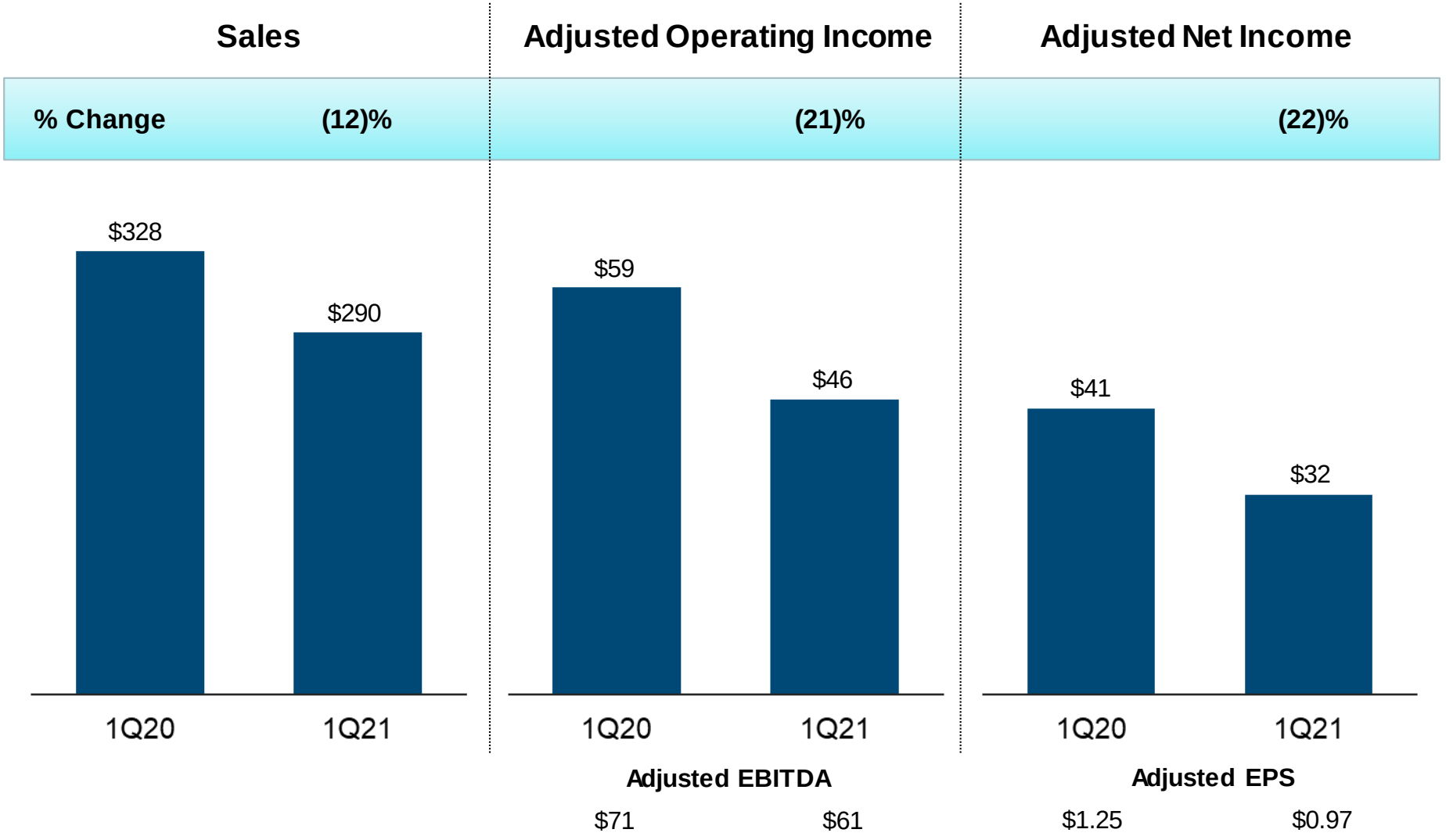
- ✓ Integer: bottom of pandemic in 2Q/3Q 2020 … recovery started 4Q20, continuing in 2021
- ✓ Prior year (1Q20) Integer sales not impacted by COVID … COVID impact on industry ~(10)%

This slide is intended to provide management's estimations of the impact of COVID on both the industry and Integer.

Financial Results

1Q21 Financial Results[1]

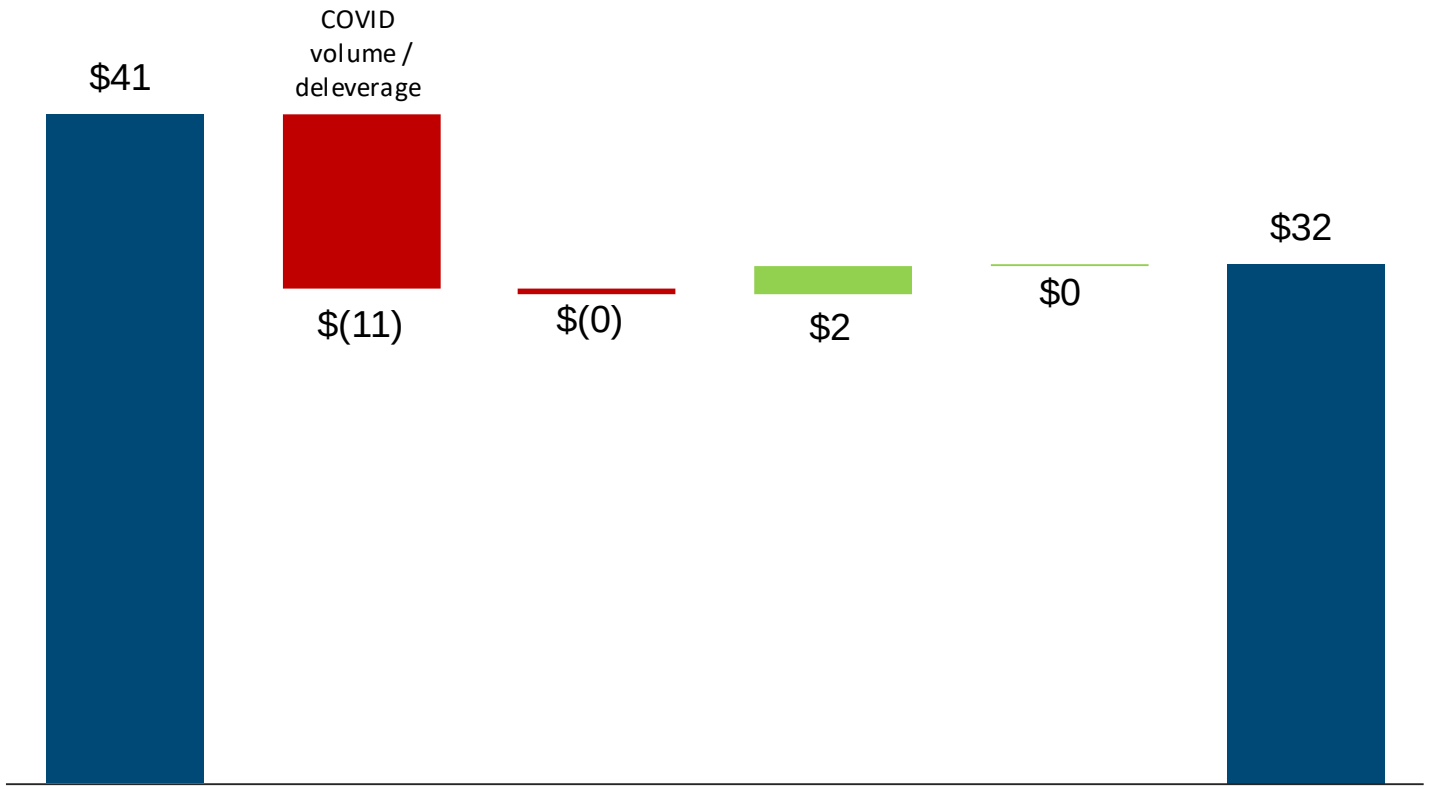
($ in millions, except per share amounts)



[1] Refer to the appendix of this presentation for a reconciliation of Adjusted Operating Income, Adjusted EBITDA, Adjusted Net Income, and Adjusted EPS to the most directly comparable GAAP measure

2021 Adjusted Net Income[1]

($ in millions, except per share amounts)



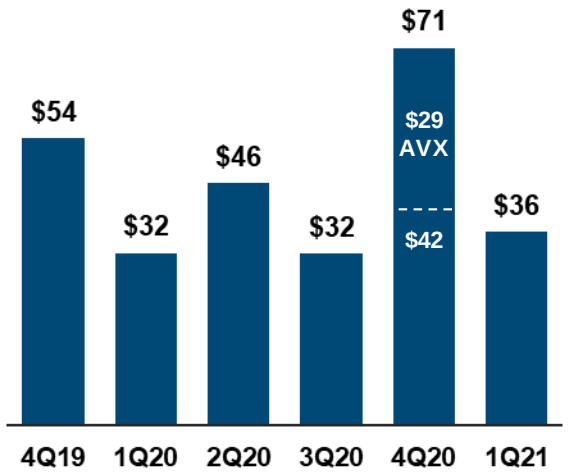
	1Q20	Operational Drivers	FX	Interest	Tax Rate	1Q21
Adj EPS	$1.25	$(0.33)	$(0.01)	$0.05	$0.00	$0.97

[1] Refer to the appendix of this presentation for a reconciliation of Adjusted Net Income and Adjusted EPS to the most directly comparable GAAP measure

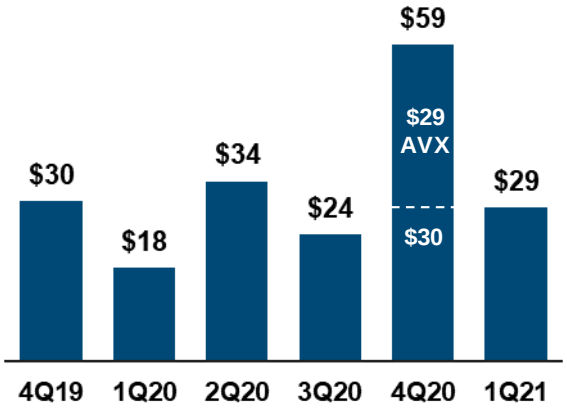
Cash Flow & Leverage Ratio[1]

($ in millions)

Cash Flow From Ops

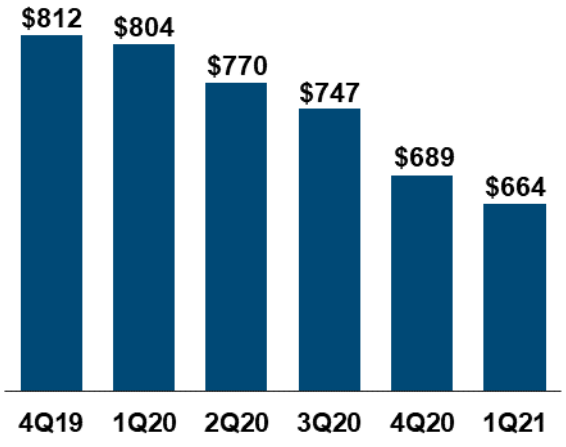


Free Cash Flow

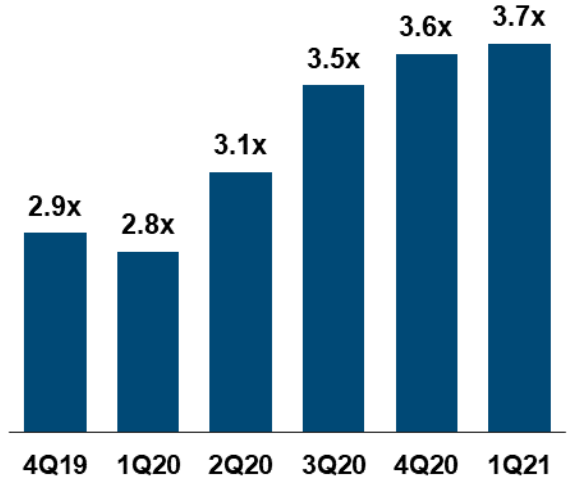


Net Total Debt

Change vs Prior Quarter: $(8) $(33) $(23) $(59) $(25)



Leverage



Highlights

- ✓ Strong cash flow from ops, $4 million better than last year
- ✓ Reduced Net Total Debt by $25 million in 1Q
- ✓ Continued investments in strategy … expect $50-$60 million 2021 full year CAPEX
- ✓ Leverage increase due to COVID impact on adjusted EBITDA … expect leverage to start improving in 2Q21

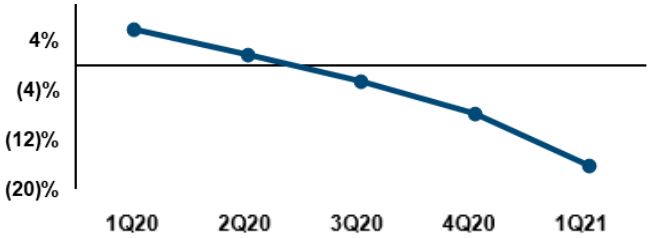
[1] Refer to the appendix of this presentation for a reconciliation of Free Cash Flow, Net Total Debt and Leverage to the most directly comparable GAAP measure

Product Line Review

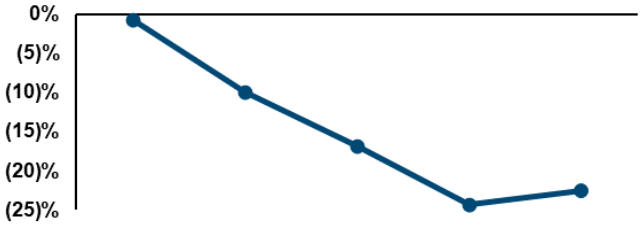
Year-over-Year Sales Trend[1]

Trailing 4 Quarters

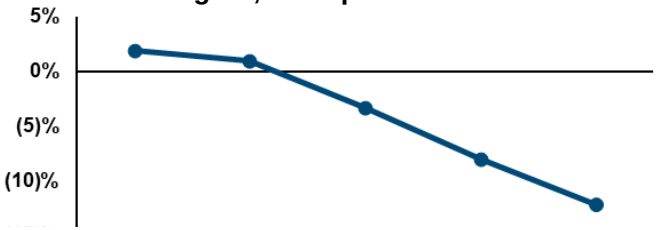
Cardio & Vascular



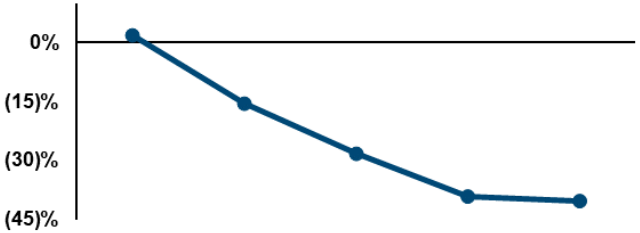
Cardiac & Neuromodulation



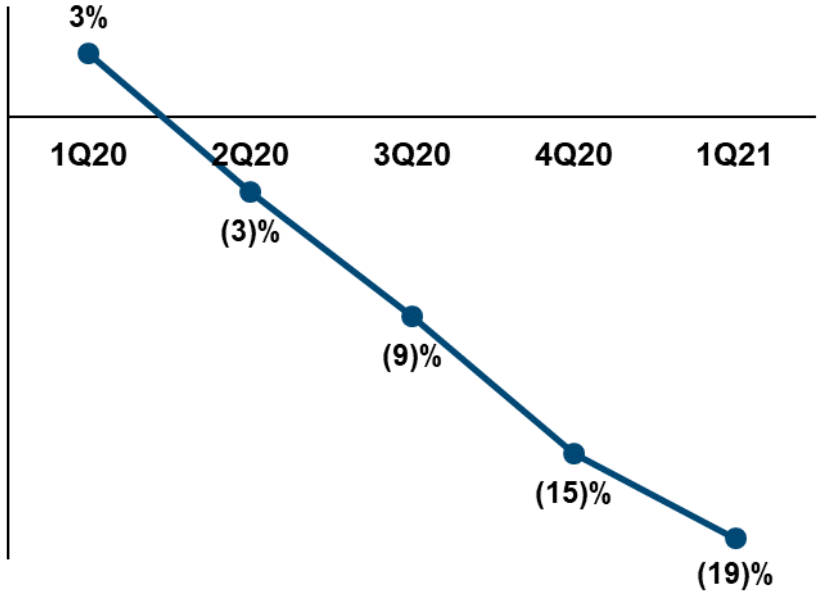
Advanced Surgical, Orthopedic & Portable Medical



Electrochem (Non-Medical)



Integer



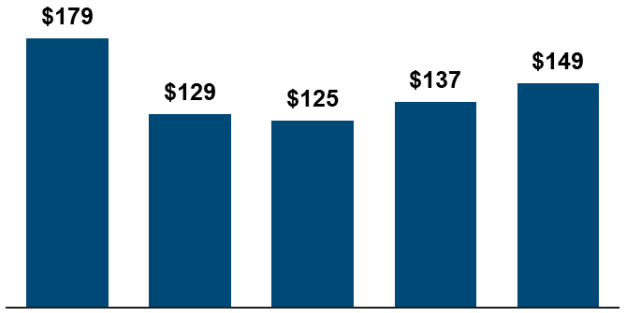
[1] Excludes impact from changes in foreign currency exchange rates and acquisition

Cardio & Vascular

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

Reported Quarterly Sales

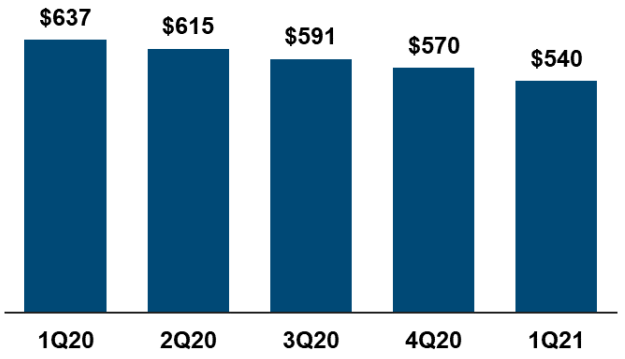
($ in millions)



Organic[1] Y-o-Y% Change	1Q20	2Q20	3Q20	4Q20	1Q21
	17%	(15)%	(18)%	(14)%	(17)%

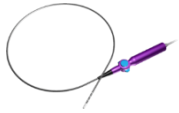
Reported Trailing 4 Quarter Sales

($ in millions)



Y-o-Y% Change	1Q20	2Q20	3Q20	4Q20	1Q21
	6%	2%	(2)%	(7)%	(15)%

Steerable Sheaths



Catheters & Sheaths

Guidewires, Stylets & Accessories

Introducers

- 1Q21 sales vs. prior year continued to be negatively impacted by COVID. Prior year sales include the benefit of the first quarter 2020 signing of a customer contract on existing business.
- 1Q21 sales sequentially increased 9% from 4Q20 across all C&V markets, with structural heart increasing single-digit and electrophysiology and peripheral vascular increasing low double-digits.
- Trailing 4 quarter sales decline driven by COVID.
- Expect C&V product line trailing four quarter sales to grow year-over-year in the second half of the year.

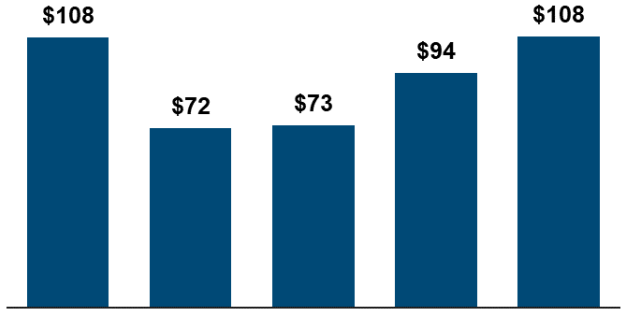
(1) Non-GAAP measure. Refer to Notes in this appendix.

CRM & Neuromodulation

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

Reported Quarterly Sales

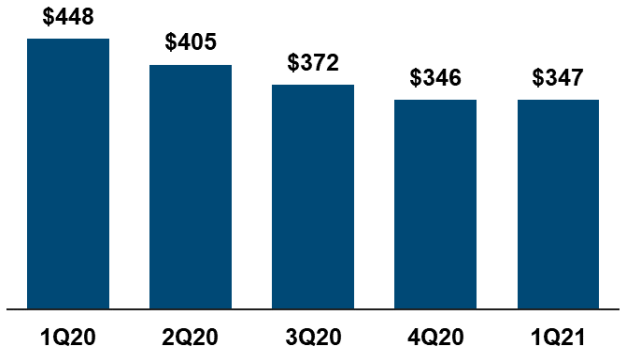
($ in millions)



Organic[1] Y-o-Y% Change	1Q20	2Q20	3Q20	4Q20	1Q21
	(8)%	(37)%	(32)%	(21)%	1%

Reported Trailing 4 Quarter Sales

($ in millions)



Y-o-Y% Change	1Q20	2Q20	3Q20	4Q20	1Q21
	(1)%	(10)%	(17)%	(24)%	(23)%

Pulse Generator Components & Assemblies

Leads & Lead Components, Adaptors & Assemblies

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

- 1Q21 sales vs. prior year continued to be negatively impacted by COVID.
- 1Q21 sales sequentially increased 16% from 4Q20 driven by double-digit growth in the CRM market. Neuromodulation grew single-digit sequentially.
- Trailing 4 quarter sales decline driven by COVID.
- Expect CRMN product line trailing four quarter sales to grow year-over-year in the second half of the year.

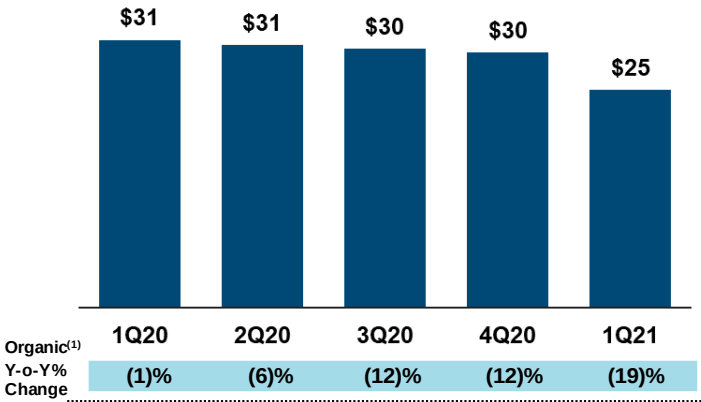
[1] Non-GAAP measure. Refer to Notes in this appendix.

Advanced Surgical, Orthopedics & Portable Medical

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

Reported Quarterly Sales

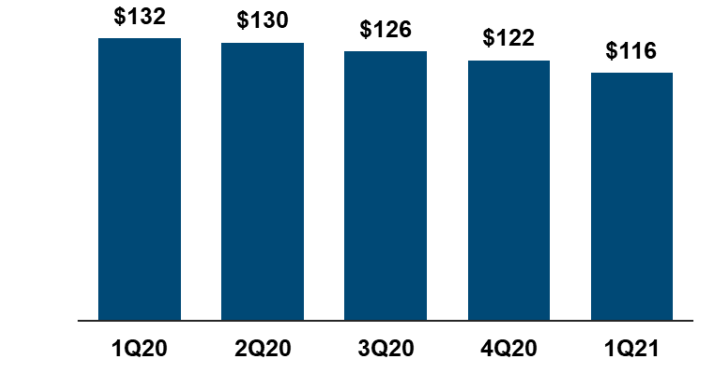
($ in millions)



Organic[1] Y-o-Y% Change	1Q20	2Q20	3Q20	4Q20	1Q21
	(1)%	(6)%	(12)%	(12)%	(19)%

Reported Trailing 4 Quarter Sales

($ in millions)

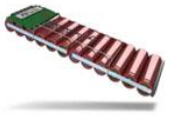


Y-o-Y% Change	1Q20	2Q20	3Q20	4Q20	1Q21
	2%	1%	(3)%	(8)%	(12)%

Orthopedic Implants & Instruments

Electrosurgical Accessories

Li-Ion Battery Packs



Core Battery Pack Assemblies

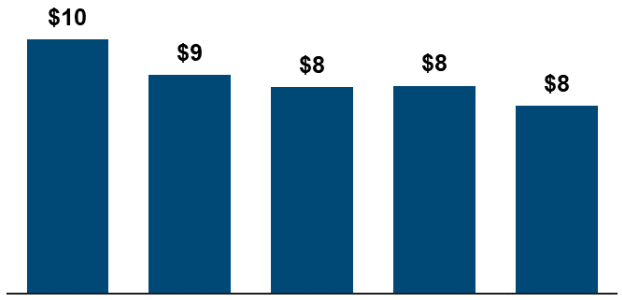
- 1Q21 sales vs. prior year continued to be negatively impacted by COVID.
- 1Q21 sales sequentially decreased 15% from 4Q20. Portable medical sales declined after a higher demand for ventilator and patient monitoring components in prior periods driven by the pandemic.
- Trailing 4 quarter sales trend reflects modest growth in Portable Medical while Advanced Surgical and Orthopedics declined due to the pandemic.
- Expect trailing 4 quarter sales to remain flat to slightly declining.

[1] Non-GAAP measure. Refer to Notes in this appendix.

Electrochem

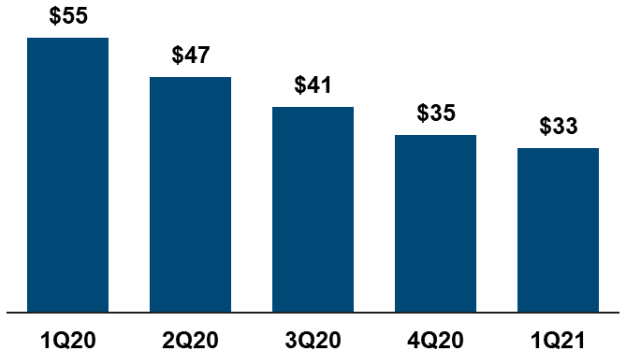
Enhancing lives worldwide by providing superior power solutions that enable the success and advancement of our customers' critical applications

Reported Quarterly Sales
($ in millions)



Organic[1] Y-o-Y% Change	1Q20	2Q20	3Q20	4Q20	1Q21
	(25)%	(48)%	(42)%	(41)%	(26)%

Reported Trailing 4 Quarter Sales
($ in millions)



Y-o-Y% Change	1Q20	2Q20	3Q20	4Q20	1Q21
	2%	(15)%	(28)%	(39)%	(40)%

Battery Cells

Battery Packs

Battery Chargers

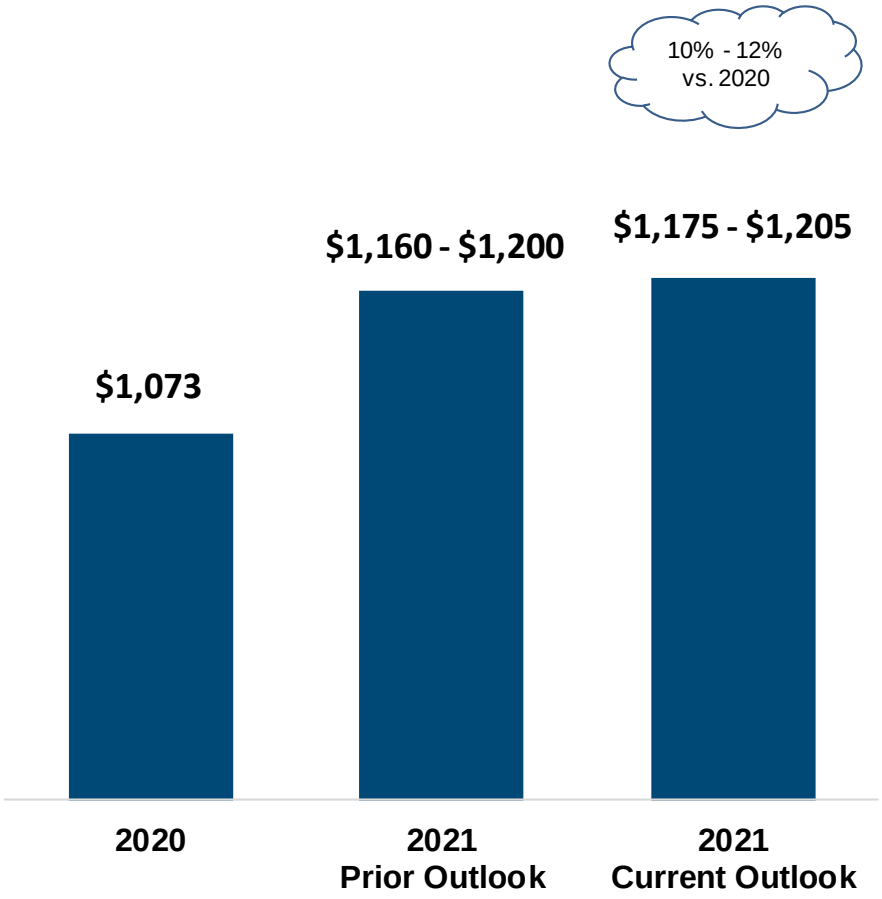
- 1Q21 declined approximately $3 million vs. 1Q20, driven by a decline in the energy market and demand fall-out from the COVID pandemic.
- 1Q21 sales sequentially decreased 10% from 4Q20. High-single digit energy market growth was more than offset by military decline.
- Trailing 4 quarter sales decline driven by energy market contraction and reduced demand in environmental and military markets.
- Expect energy market recovery in 2022.

[1] Non-GAAP measure. Refer to Notes in this appendix.

2021 Outlook

2021 Sales Outlook Increased

($ in millions)



2021 Sales Outlook

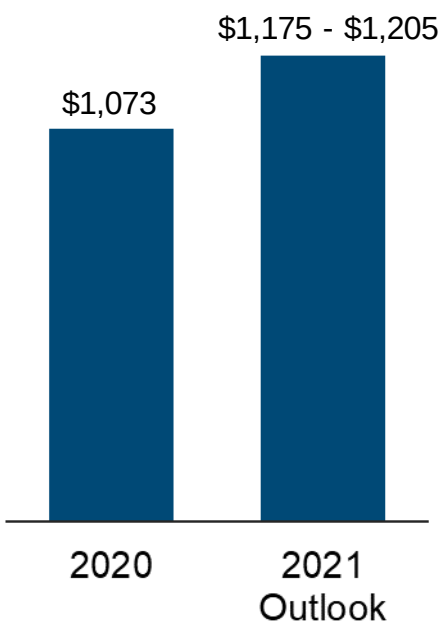
- 1Q21 actual sales at $290 million … high-end of prior outlook range $280 - $290 million
- Expect modest sequential sales improvement in 2Q, supported by orders backlog
- Expect continued improvement in the second half; magnitude of improvement to be determined by pace of COVID recovery
- Quarterly year-over-year growth rates will differ from Industry due to 2020 COVID timing differences

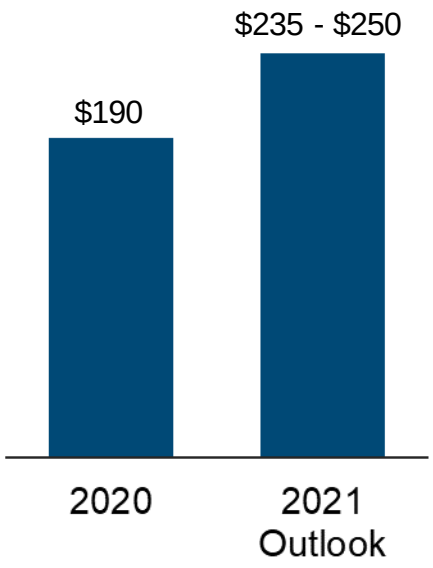
Improved 2021 sales outlook … expect 10% to 12% growth year-over-year

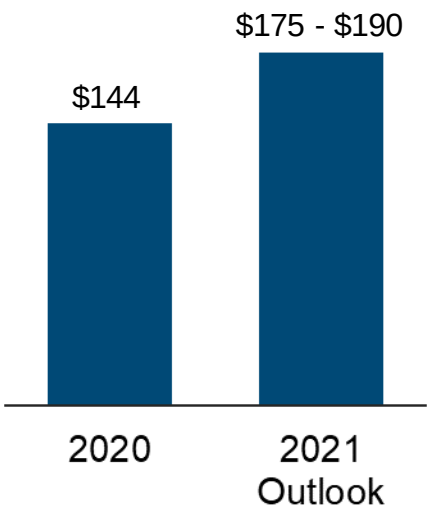
2021 Full-Year Outlook[1]

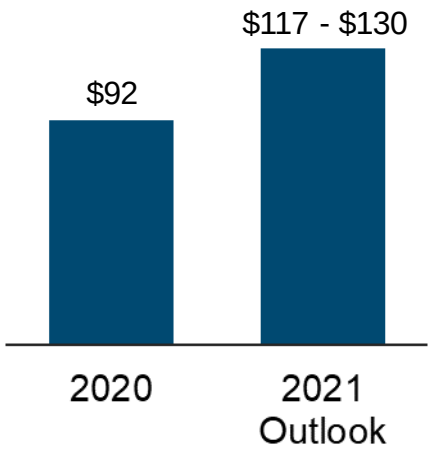
($ in millions, except per share amounts)

	Sales	Adjusted EBITDA	Adj. Operating Income	Adjusted Net Income
% Change	10% - 12%	24% - 32%	22% - 32%	28% - 41%









Adjusted EPS

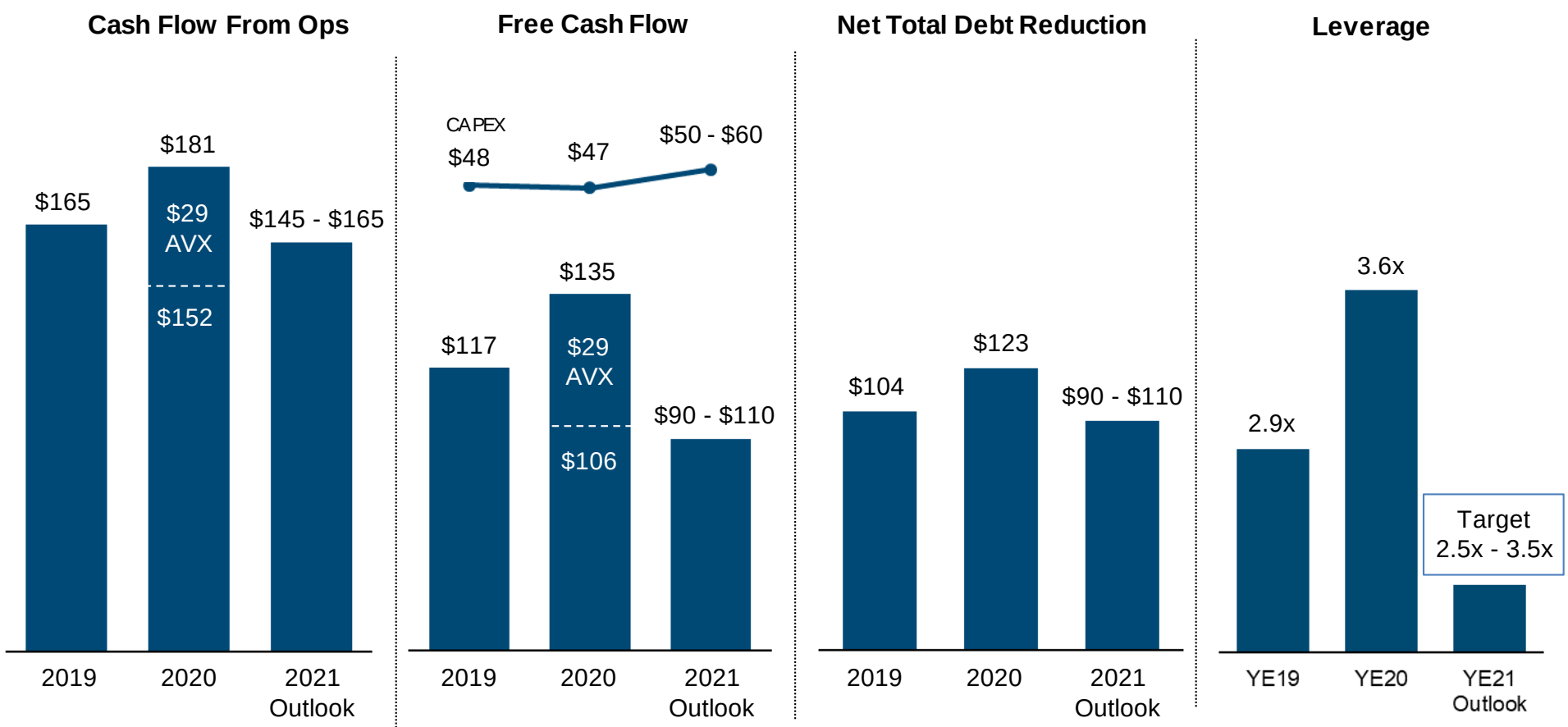
$2.77 $3.52 - $3.90

Prior Guidance	$1,160 - $1,200	$230 - $250	$170 - $190	ANI	$113 - $130
				Adj EPS	$3.40 - $3.90

[1] Refer to the appendix of this presentation for a reconciliation of Adjusted Operating Income, Adjusted EBITDA, Adjusted Net Income, and Adjusted EPS to the most directly comparable GAAP measure

2021 Cash Flow Outlook[(1)]

($ in millions, except per share amounts)



Prior Guidance	$145 - $165	$90 - $110	$90 - $110

[(1)] Refer to the appendix of this presentation for a reconciliation of Free Cash Flow, Net Total Debt, and Leverage to the most directly comparable GAAP measure

Wrap-up

Wrap-up

- ✓ **Strong 1Q21 financial results**
  - At the high end of guidance
  - Sequential sales and profit improvement
  - Strong cash flow generation

- ✓ **Improved 2021 outlook … raised guidance**
  - Sales: $1,175 - $1,205 million
  - Adjusted operating income: $175 - $190 million
  - Adjusted EBITDA: $235 - $250 million

- ✓ **Executing strategy to generate premium valuation**

Integer Investment Thesis

Portfolio Strategy

Invest to Grow

Cardio & Vascular
Neuromodulation
Electrochem
Portable Medical

Protect & Preserve

Cardiac Rhythm Management

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
- ✓ Barriers to entry: long development cycle, high switching costs & regulatory

Compelling Growth Strategy

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

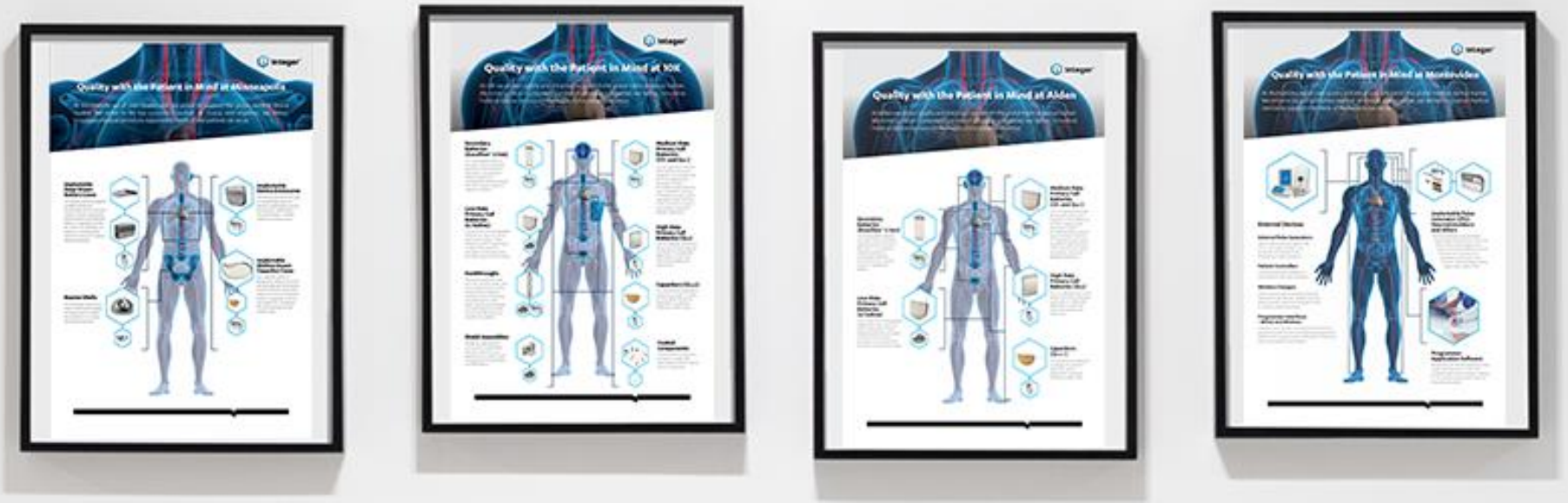
Performance Culture

- ✓ 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?


Quality with the Patient in Mind at Minneapolis
Quality with the Patient in Mind at Alden
Quality with the Patient in Mind at Monticello

APPENDIX

2021 Outlook[a]

(dollars in millions, except per share amounts)	GAAP		Non-GAAP[b]	
	As Reported	Change	Adjusted	Change
Sales	$1,175 to $1,205	10% to 12%	$1,175 to $1,205	10% to 12%
Operating income	$121 to $136	1% to 13%	$175 to $190	22% to 32%
EBITDA	N/A	N/A	$235 to $250	24% to 32%
Net income	$78 to $91	1% to 18%	$117 to $130	28% to 41%
Diluted earnings per share	$2.36 to $2.74	1% to 17%	$3.52 to $3.90	27% to 41%

(a) 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"), included in our "2021 Outlook" above, and Adjusted effective tax rate 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.

(b) Adjusted operating income for 2021 is expected to consist of GAAP operating income, excluding items such as intangible amortization, certain legal expenses, reorganization and realignment costs, asset dispositions and severance, totaling approximately $54 million, pre-tax. Adjusted net income and Adjusted EPS for 2021 are expected to consist of GAAP net income and diluted EPS, excluding items such as intangible amortization, certain legal expenses, reorganization and realignment costs, asset dispositions, severance, gains and losses on equity investments and loss on extinguishment of debt totaling approximately $49 million, pre-tax. The after-tax impact of these items is estimated to be approximately $39 million, or approximately $1.16 per diluted share.

Adjusted EBITDA is expected to consist of Adjusted net income, excluding items such as depreciation, interest, stock-based compensation and taxes totaling approximately $117 million to $120 million.

Supplemental Financial Information

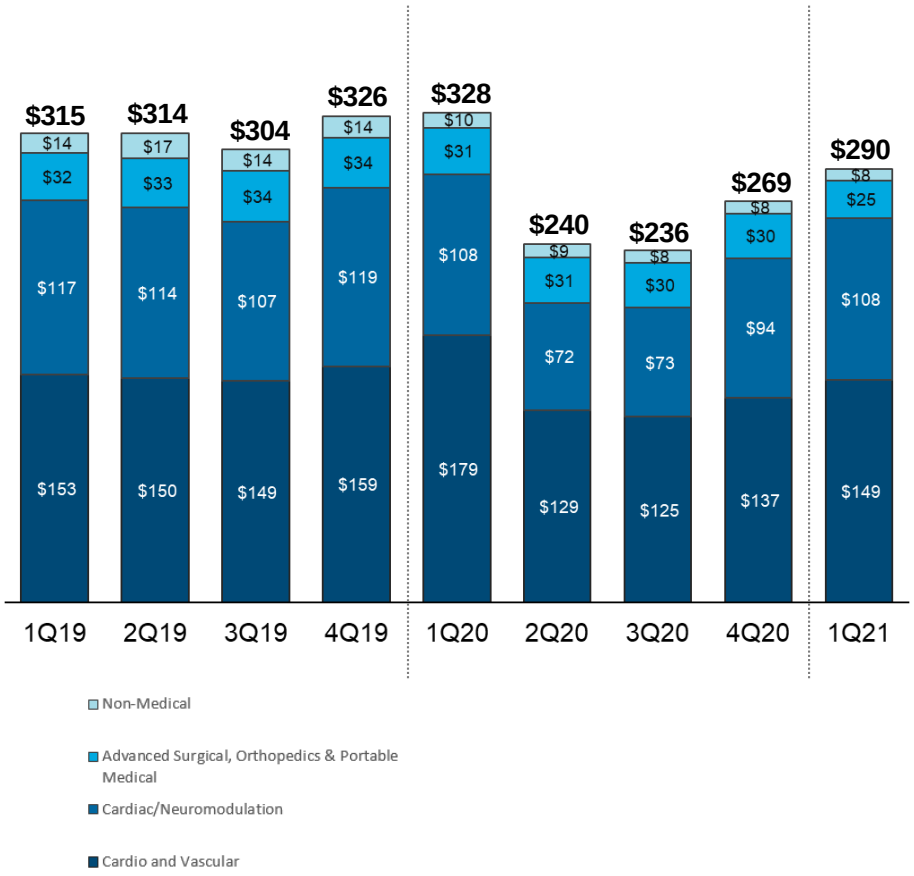
(dollars in millions)	2021 Outlook	2020 Actual
Capital expenditures, net	$50 - $60	$47
Depreciation and amortization	$80 - $90	$79
Stock-based compensation	$17 - $19	$9
Other operating expense	$8 - $12	$8
Adjusted effective tax rate[a]	15.5% - 17.5%	12.2%
Cash tax payments	$20 - $27	$18

(a) Adjusted effective tax rate refers to our full-year GAAP effective tax rate, expected to range from 11% to 13% for 2021, adjusted to reflect the full-year impact of the items that are excluded in providing adjusted net income and certain other identified items.

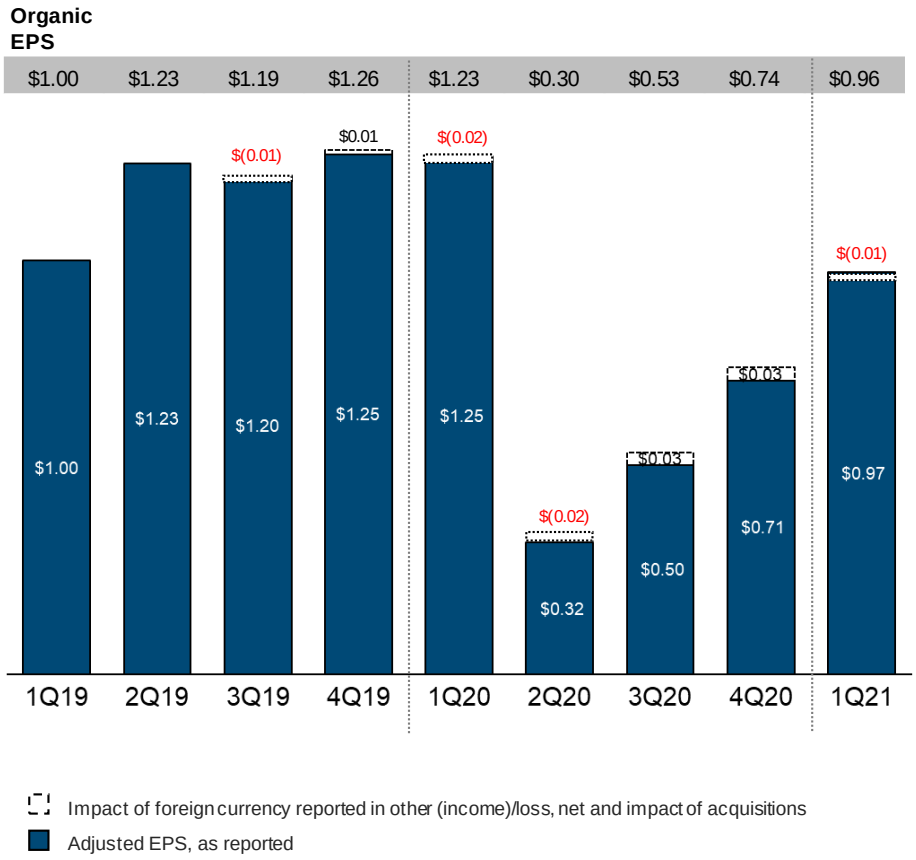
Historical Financial Results[1]

($ in millions, except per share amounts)

Sales



Adjusted EPS



[1] Refer to the appendix of this presentation for a reconciliation of Adjusted EPS and Organic EPS to the most directly comparable GAAP measure; The quarterly and annual EPS numbers are calculated independently and may not sum to the total

Non-GAAP Reconciliation

1Q21 Income from Continuing Operations and Diluted EPS Reconciliation – Detailed View

($ in thousands, except per share amounts)

	2021								2020	
	GAAP	Adjustments						Non-GAAP	Non-GAAP	
	As Reported	Amortization of intangibles	Certain legal expenses	Other operating expenses	Debt / Investment Adjustments	Medical device regulations	Customer bankruptcy	Adjusted	Adjusted	CHANGE
Sales	$ 290,467	$ -	$ -	$ -	$ -	$ -	$ -	$ 290,467	$ 328,426	-11.6%
Cost of sales	205,981	(3,268)	-	-	-	(121)	23	202,615	227,633	-11.0%
Gross profit	84,486	3,268	-	-	-	121	(23)	87,852	100,793	-12.8%
Gross margin	*29.1%*	*1.1%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*30.2%*	*30.7%*	*-0.5 pts*
Operating expenses:										
Selling, general and administrative	35,502	(7,182)	(257)	-	-	-	1	28,064	28,648	-2.0%
SG&A as a % of sales	*12.2%*	*-2.5%*	*-0.1%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*9.7%*	*8.7%*	*1.0 pts*
Research, development and engineering	13,461	-	-	-	-	-	-	13,461	13,241	1.7%
RD&E as a % of sales	*4.6%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*4.6%*	*4.0%*	*0.6 pts*
Other operating expenses	915	-	-	(915)	-	-	-	-	-	0.0%
Total operating expenses	49,878	(7,182)	(257)	(915)	-	-	1	41,525	41,889	-0.9%
Operating income	34,608	10,450	257	915	-	121	(24)	46,327	58,904	-21.4%
Operating margin	*11.9%*	*3.6%*	*0.1%*	*0.3%*	*0.0%*	*0.0%*	*0.0%*	*15.9%*	*17.9%*	*-2.0 pts*
Interest expense	8,532	-	-	-	(346)	-	-	8,186	10,361	-21.0%
Loss on equity investments	1,335	-	-	-	(1,335)	-	-	-	-	0.0%
Other income, net	(237)	-	-	-	-	-	-	(237)	(999)	-76.3%
Income before taxes	24,978	10,450	257	915	1,681	121	(24)	38,378	49,542	-22.5%
Provision for income taxes	3,458	2,185	54	197	353	26	(5)	6,268	8,258	-24.1%
Effective tax rate	*13.8%*	*20.9%*	*21.0%*	*n/a*	*21.0%*	*21.5%*	*20.8%*	*16.3%*	*16.7%*	*-0.4 pts*
Income	$ 21,520	$ 8,265	$ 203	$ 718	$ 1,328	$ 95	$ (19)	$ 32,110	$ 41,284	-22.2%
Diluted earnings per share	$ 0.65	$ 0.25	$ 0.01	$ 0.02	$ 0.04	$ 0.00	$ (0.00)	$ 0.97	$ 1.25	-22.4%
Weighted average shares - Diluted	33,188	33,188	33,188	33,188	33,188	33,188	33,188	33,188	33,117	0.2%

Capitalization

($ in millions)

		04/02/21 As Reported	Original Rate	04/02/21 Rate
Cash & Cash Equivalents	$	28		
$200M Revolver [Due 2022]	$	-	L + 325	L + 225
TLA [Due 2022]	$	220	L + 325	L + 225
TLB [Due 2022]	$	472	L + 425	L + 250
Total Principal Amount of Debt Outstanding	**$**	**693** [2]		
Deferred Fees and OID	**$**	**(5)**		
Total Debt (Principal Amount of Debt Outstanding Less Deferred Fees and Discounts)	**$**	**687**		
Net Total Debt (Principal Amount of Debt Outstanding Less Cash)	**$**	**664**		
Continuing Operations Statistics				
Trailing 4 Quarter Adjusted EBITDA [1]	$	180		
Trailing 4 Quarter Cash Interest Expense	$	31		
Trailing 4 Quarter Capital Expenditures	$	40		
Credit Statistics				
Leverage Ratio[1]: Net Total Debt / Trailing 4 Quarter Adjusted EBITDA		3.7x		

[1] Non-GAAP measure. Refer to Notes in the appendix of this presentation.

[2] Principal amount of debt outstanding, not reduced for unamortized discount and debt issuance costs

Reconciliation for page 7

("Is the Industry Back to pre-COVID Sales Levels?")

($ in millions)

Quarterly reported sales[(1)]

	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21
Boston Scientific	$2,905	$2,543	$2,003	$2,659	$2,708	$2,752
% of 4Q19	100%	88%	69%	92%	93%	95%
Abbott:						
Medical Devices Segment	$3,204	$2,937	$2,423	$3,170	$3,257	$3,320
Less Reported Diabetes Care	($691)	($752)	($755)	($843)	($917)	($980)
Medical Devices Segment Less Diabetes Care	$2,513	$2,185	$1,668	$2,327	$2,340	$2,340
% of 4Q19 (Medical Devices Segment Less Diabetes Care)	100%	87%	66%	93%	93%	93%
Integer	$326	$328	$240	$236	$269	$290
% of 4Q19	100%	101%	74%	72%	83%	89%

(1) ***Note:***

- ***Boston Scientific*** *quarterly reported sales based on: https://investors.bostonscientific.com/financials-and-filings/sec-filings*
- ***Abbott*** *quarterly reported medical devices segment sales less diabetes care sales based on: https://www.abbottinvestor.com/financials/sec-filings*
- ***Integer*** *quarterly reported sales*

Notes

Non-GAAP Financial Measures

This presentation may contain the non-GAAP financial measures defined 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 and the Investor Relations section of the Company's website at investor.integer.net.

Adjusted Net Income	Calculated by adding back amortization of intangible assets, certain legal expenses (gains), other operating expenses, (gain) loss on equity investments, extinguishment of debt charges, customer bankruptcy expenses, certain tax items that are outside the normal provision for the period, unusual or infrequently occurring items, and the income tax provision (benefit) related to these adjustments, to income from continuing operations.
Adjusted EPS	Calculated by adding or subtracting from diluted EPS from continuing operations the per share impact of Non-GAAP adjustments to arrive at adjusted income.
Organic EPS	Calculated by adding or subtracting from diluted EPS from continuing operations the per share impact of Non-GAAP adjustments to arrive at adjusted income and the per share impact of foreign currency and the contribution of acquisitions.
Adjusted Operating Income	Calculated by adding back amortization of intangible assets, certain legal expenses (gains), other operating expenses, customer bankruptcy expenses and Long-term Supply Agreements ("LSA") adjustments, to operating income from continuing operations.
Adjusted sales	Sales adjusted for the net impact of the LSAs entered into between the Company and Viant as of the closing of the divestiture of the AS&O product line.
Organic sales change	Sales growth adjusted for the impact of foreign currency and the contribution of acquisitions.
Earnings before interest, taxes, depreciation and amortization ("EBITDA")	Calculated by adding back interest expense, provision (benefit) for income taxes, depreciation and amortization expense, to income from continuing operations, which is the most directly comparable GAAP measure.
Adjusted EBITDA	EBITDA from continuing operations plus stock-based compensation, certain legal expenses (gains), other operating expenses, (gain) loss on equity investments, and unusual or infrequently occurring items.
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 investor.integer.net 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).

Contact Information

Tony Borowicz
SVP, Strategy, Business Development & Investor Relations

Integer
Tony.Borowicz@Integer.net
(O) 716.759.5809

www.integer.net