



Integer[®]

3Q21 Earnings Conference Call

October 28, 2021



Integer[®]

Integer Holdings Corporation

Third Quarter 2021 Earnings Conference Call

9 a.m. Eastern Time, October 28, 2021



Speakers:



Joe Dzedzic
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:
investor.integer.net
- To participate on the call, please dial:
 - (833) 236-5762 (U.S.)
 - (647) 689-4190 (International)
 - The conference ID is 7357789
- An online archive of the broadcast will be available at the website three hours after the live call, and will be available through Thursday, November 4, 2021, by dialing
 - (800) 585-8367 (U.S.)
 - (416) 621-4642 (International)
 - The conference ID is 7357789



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 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).

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 recovery from COVID-19 global pandemic; future sales, expenses, and profitability; future development and expected growth of our business and industry, including expansion of our manufacturing capacity; our ability to execute 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” 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
- Strategic Investments
- Financial Results
- Refinancing Update
- Product Line Review
- 2021 Outlook
- Wrap-up
- Q&A

Opening Remarks

The background features a large black triangle on the left side, with a cyan triangle at the top right and a light blue triangle at the bottom right. The rest of the background is a solid dark blue color.

Summary

Strong year-over-year sales and profit increase

Improved debt leverage ratio to 2.6x, lowest since Lake Region acquisition in 2015

Investing in our strategy

Increased 2021 full year outlook

3Q21 Financial Results

- Strong year-over-year increase:
 - Sales up \$70 million, +30% vs. 3Q20
 - Adjusted operating income up \$22 million, +86% vs. 3Q20
- Strong cash flow and debt management:
 - Improved debt leverage ratio to 2.6x adj. EBITDA
 - Debt refinancing generating ~\$0.15 annualized EPS improvement

Investing in Our Strategy and Growth

- Announced planned acquisition of Oscor, Inc.: adds complementary capability and low-cost mfg capacity, serves our current markets
- Constructing innovation & mfg facility in Ireland, a med-tech hub

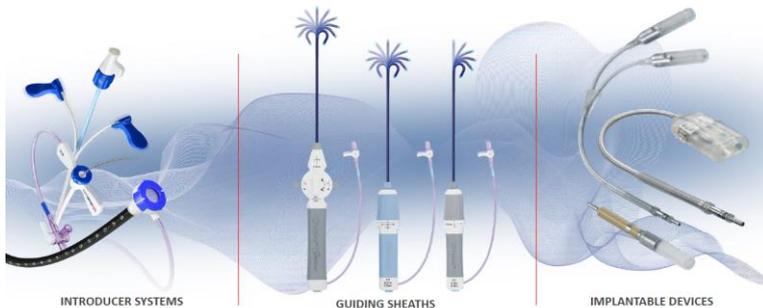
2021 Outlook Increased, excluding Oscor acquisition

- Sales \$1,205 - \$1,220 million, up 12% - 14% vs. last year
- Adjusted EBITDA \$245 - \$255 million, up 29% - 34% vs. last year
- Adjusted Net Income \$130 - \$138 million, up 41% - 50% vs. last year

Strategic Investments

The background features a large black triangle on the left side, pointing towards the bottom right. To its right is a vertical cyan triangle. The rightmost portion of the image is a solid dark blue area. At the bottom right corner, there is a light blue triangular shape pointing upwards.

Integer to Acquire Oscor, Inc.



- ✓ Signed agreement to acquire Oscor ... targeted to close in December ⁽¹⁾
- ✓ Excited to welcome ~900 associates to the Integer family upon closure
- ✓ 100% medical business, trusted brand serving Integer's end-markets
- ✓ Expansive portfolio of proprietary IP and manufacturing know-how
- ✓ Expect accretive sales growth and operating synergies ... EPS accretive in 2022



Palm Harbor, Florida



Santo Domingo,
Dominican Republic

Executing our acquisition strategy

⁽¹⁾ Subject to customary closing conditions

Compelling Rationale, Expect 2022 EPS Accretion



Oscor Highlights

- Private, owner-operated company headquartered in Florida
- ~40 years in medical technology development & manufacturing
- \$57 million 2020 sales ... historically high-single-digit sales growth



Strategic Fit

- Expands cardiovascular access & delivery finished product offering in strategic markets
- Significant lead and adapter brand equity in the active implantable space
- Integer's scale and manufacturing excellence creates opportunities for enhanced customer partnerships and operating efficiencies



Financials

- \$220 million purchase price (debt financed). The acquisition structure is expected to generate ~\$43 million of cash tax benefits over 15 years⁽¹⁾
- Expect post-acquisition debt leverage to be within range of 2.5 - 3.5x
- Accretive in 2022 ... increases EPS growth rate by low-single-digit

⁽¹⁾ The acquisition structure includes a tax election that is expected to offset cash taxes

Combination Delivers for Customers & Shareholders



Integer leadership

What **oscor**® Brings



**Cardio &
Vascular**



Extensive offering in guiding sheaths and introducers

Expanded presence in structural heart, electrophysiology, peripheral vascular



Broader steerable sheath & introducer product offering

Cardiac Rhythm Management & Neuromodulation



Broad leads portfolio with strategic and emerging customers

Brand credibility and complex system know-how



Comprehensive end-to-end active implantable capabilities

R&D and Manufacturing Excellence



Experienced engineering and innovation talent

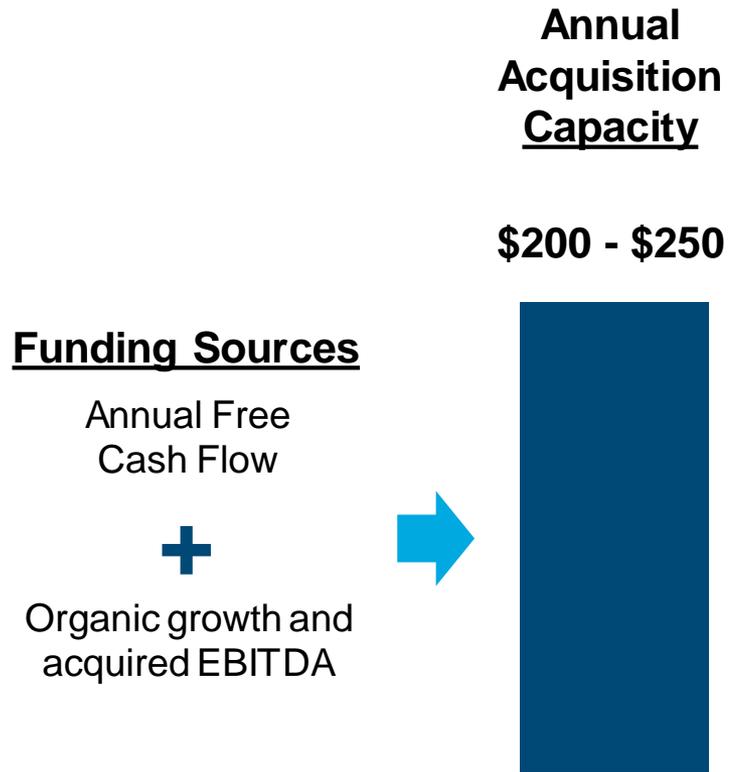
Dominican Republic manufacturing with expansion potential



Expanded R&D capabilities and low-cost manufacturing capacity

Capacity & Capability to Continue Acquisition Strategy

(\$ in millions)



Framework

- ✓ Our strategy is to use our capacity to execute acquisitions while maintaining debt leverage target
- ✓ Operational strategic imperatives reached a level of maturity to repeatably acquire, integrate and grow acquisitions
- ✓ \$200 - \$250 million of annual capacity:
 - Achieved debt leverage to initiate acquisitions strategy ... currently at the low-end of the target range
 - Growth of funding sources creates increasing acquisition capacity

\$200 – \$250 million of annual acquisition capacity ... maintaining 2.5 - 3.5x leverage

Building Innovation & Manufacturing Facility in Ireland

- ✓ Ireland is home to 300+ med-tech companies including Integer's largest customers
- ✓ Focused on the fastest growing end markets ... Structural Heart, Neurovascular
- ✓ Manufacturing and R&D co-location delivers speed to market



Largest Integer customers with locations in Galway, Ireland:

- Abbott
- Boston Scientific
- Medtronic



- ✓ ~\$15 million in 2022 and 2023 for building construction
- ✓ ~\$15 million over subsequent three years to fit out as sales grows
- ✓ Expect to begin delivering incremental revenue in 2024+

Investing to support long-term growth

Financial Results

The background features a large black triangle on the left side, with a cyan triangle at the top right and a light blue triangle at the bottom right. The rest of the background is a solid dark blue color.

3Q21 Financial Results⁽¹⁾

(\$ in millions, except per share amounts)



Sales

Adjusted Operating Income

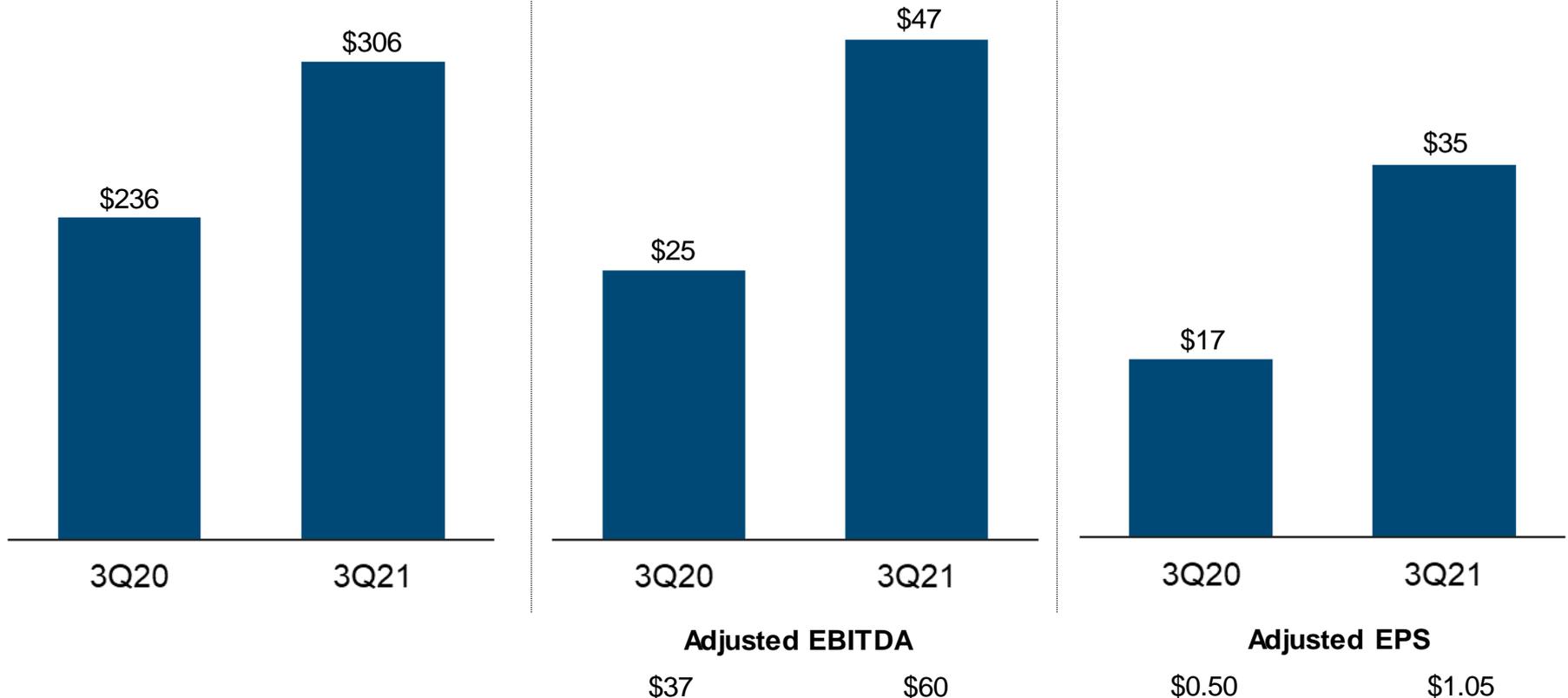
Adjusted Net Income

% Change

30%

86%

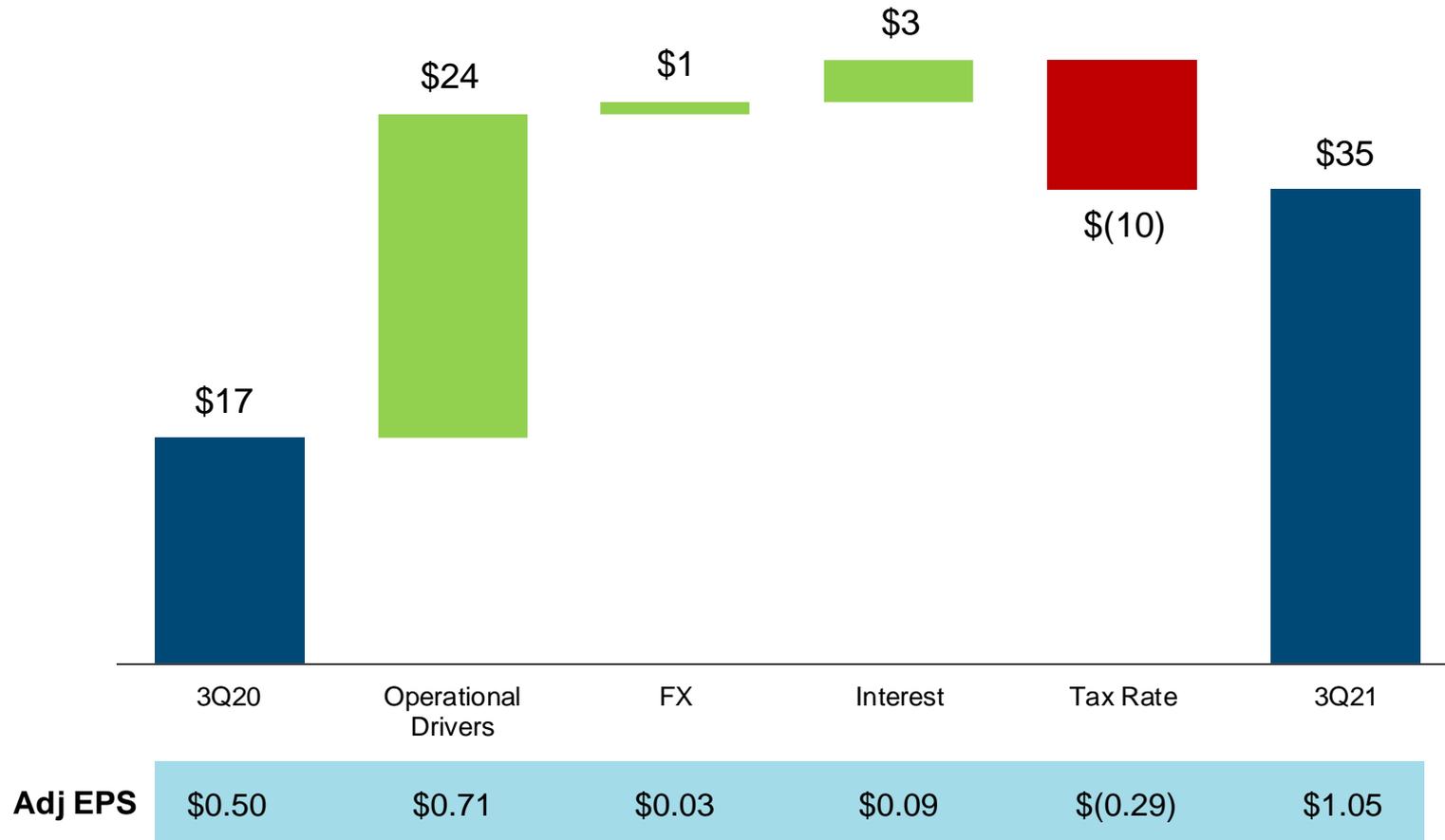
109%



⁽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

3Q21 Adjusted Net Income⁽¹⁾

(\$ in millions, except per share amounts)

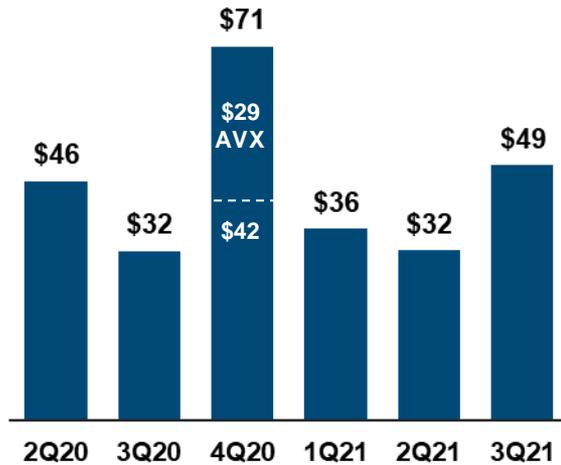


⁽¹⁾ Refer to the appendix of this presentation for a reconciliation of Adjusted Net Income and Adjusted EPS to the most directly comparable GAAP measure

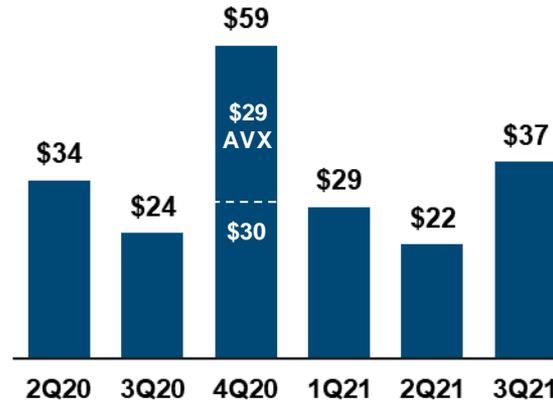
Cash Flow & Leverage Ratio⁽¹⁾

(\$ in millions)

Cash Flow From Ops



Free Cash Flow

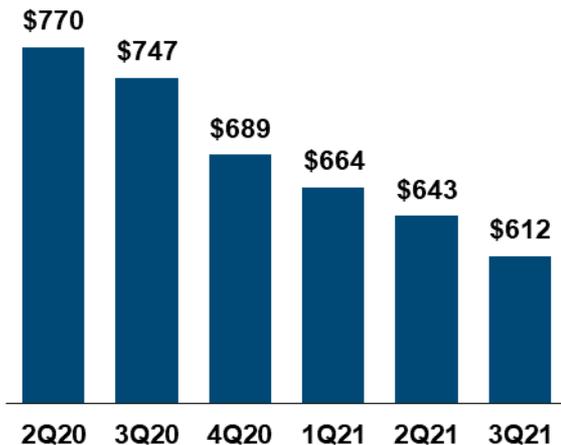


Highlights

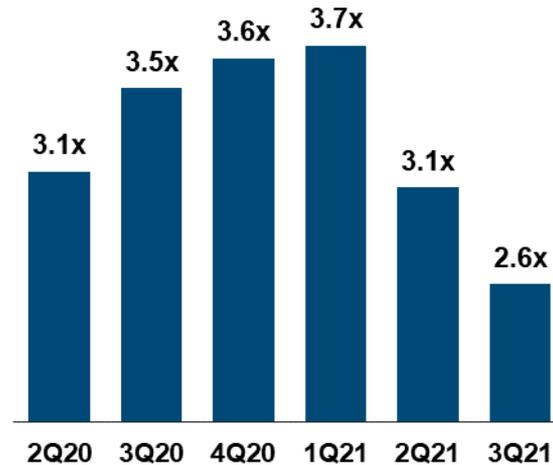
- ✓ Strong cash flow from ops
- ✓ Completed refinancing
- ✓ Lowest leverage ratio since 4Q15 Lake Region acquisition
- ✓ Continued investments in strategy ... expect \$50-\$55 million 2021 full year CAPEX
- ✓ Reduced net total debt by \$31 million in 3Q, \$77 million year-to-date

Net Total Debt

Change vs Prior Quarter: \$(23) \$(59) \$(25) \$(22) \$(31)



Leverage



⁽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

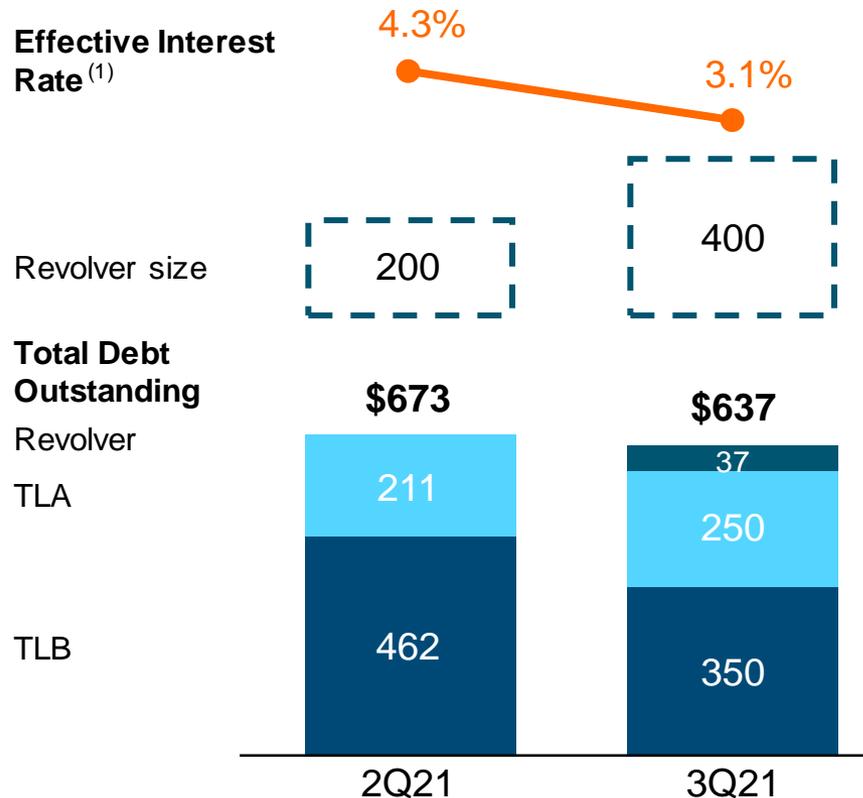
Refinancing Update

The background features a large black triangle on the left side, pointing towards the bottom right. To its right is a vertical cyan triangle pointing towards the top right. The rightmost portion of the image is a solid dark blue area. At the bottom right corner, there is a light blue triangular shape pointing towards the top right.

Refinancing Completed in 3Q 2021

(\$ in millions, except per share amounts)

Debt Profile



Highlights & Benefits

- ✓ Expect annualized EPS up by ~\$0.15⁽²⁾
- ✓ Reduced borrowing costs by ~120bps
- ✓ Upsized revolver to support acquisitions strategy
- ✓ Received rating agencies upgrades
- ✓ Average maturity extended to ~6 years

Expect to improve annualized EPS by approximately \$0.15

⁽¹⁾ Effective interest rate includes the weighted average interest rate on the outstanding borrowings plus the effect of commitment fee on unused revolver, and amortization of deferred issuance costs and original issue discounts

⁽²⁾ Annualized benefit of approximately \$0.15 diluted earnings per share based on 3Q21 outstanding debt, current interest rates and original issue discount savings

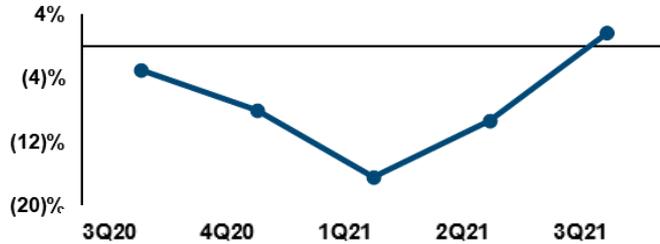
Product Line Review

The background features a large black triangle on the left side, pointing towards the bottom right. To its right is a vertical cyan triangle pointing towards the top right. The rightmost portion of the image is a solid dark blue area. At the bottom right corner, there is a light blue triangular shape pointing towards the top right.

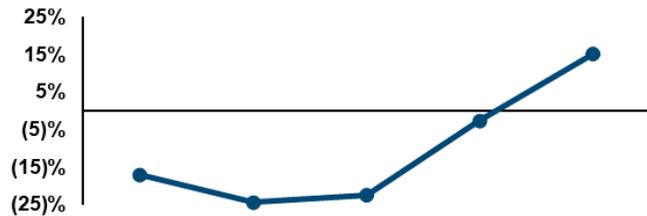
Year-over-Year Sales Trend⁽¹⁾

Trailing 4 Quarters

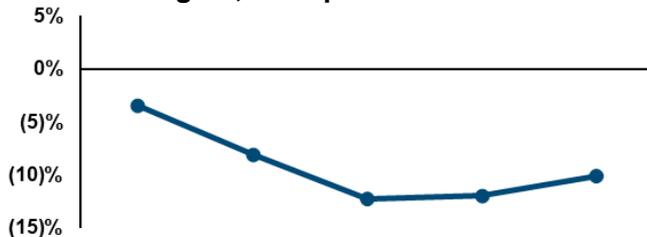
Cardio & Vascular



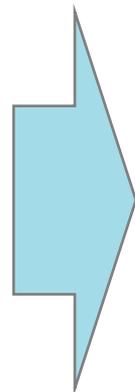
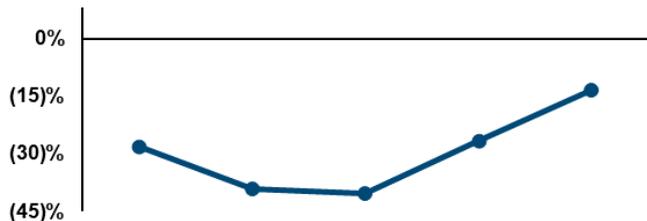
Cardiac & Neuromodulation



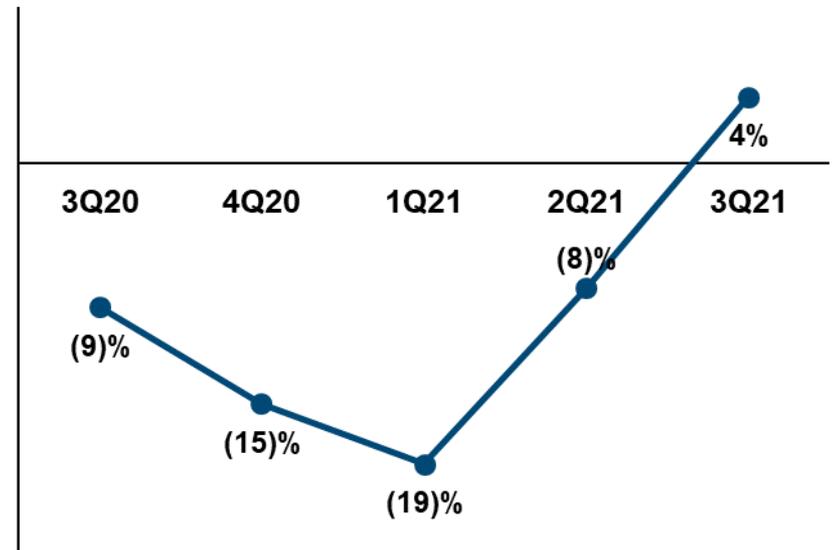
Advanced Surgical, Orthopedic & Portable Medical



Electrochem (Non-Medical)



Integer

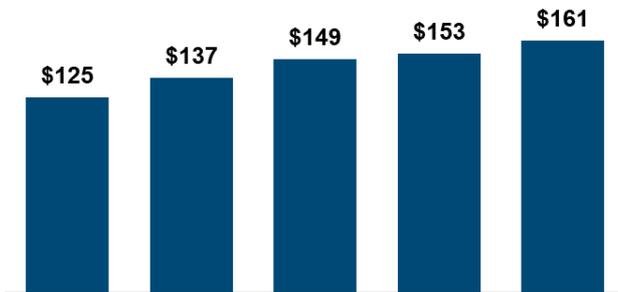


⁽¹⁾ Excludes impact from changes in foreign currency exchange rates and acquisition

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

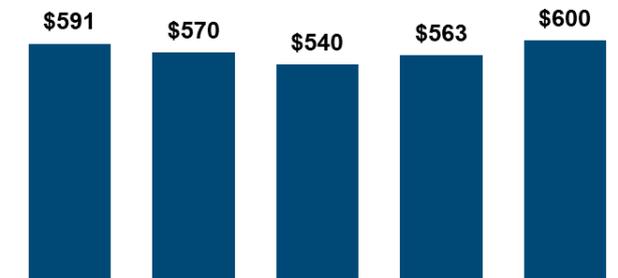
(\$ in millions)



	3Q20	4Q20	1Q21	2Q21	3Q21
Organic ⁽¹⁾ Y-o-Y% Change	(18)%	(14)%	(17)%	17%	29%

Reported Trailing 4 Quarter Sales

(\$ in millions)



	3Q20	4Q20	1Q21	2Q21	3Q21
Y-o-Y% Change	(2)%	(7)%	(15)%	(8)%	1%



Steerable Sheaths



Catheters & Sheaths



Guidewires, Stylets & Accessories



Introducers

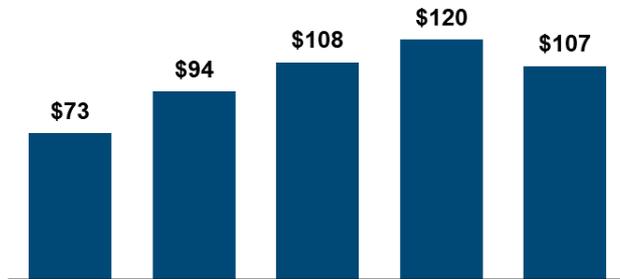
- 3Q21 strong double-digit year-over-year sales increase across all C&V markets, on continued market demand, with particular strength in the peripheral vascular and electrophysiology markets.
- Trailing 4 quarter sales increased 1% year-over-year in 3Q21 and continues to recover from pandemic.
- Expect C&V product line trailing four quarter sales to grow high-single digit year-over-year in 4Q21.

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

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)

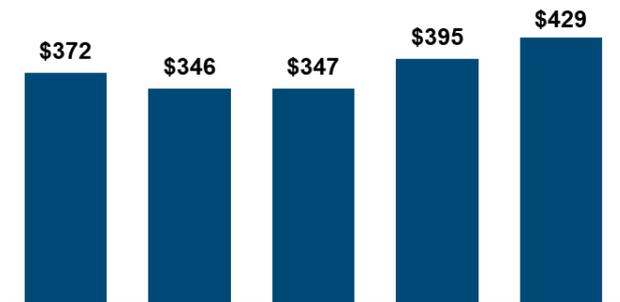


Organic⁽¹⁾
Y-o-Y%
Change

Quarter	Y-o-Y% Change
3Q20	(32)%
4Q20	(21)%
1Q21	1%
2Q21	67%
3Q21	46%

Reported Trailing 4 Quarter Sales

(\$ in millions)



Y-o-Y%
Change

Quarter	Y-o-Y% Change
3Q20	(17)%
4Q20	(24)%
1Q21	(23)%
2Q21	(3)%
3Q21	15%



Pulse Generator
Components &
Assemblies



Leads & Lead Components,
Adaptors & Assemblies



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

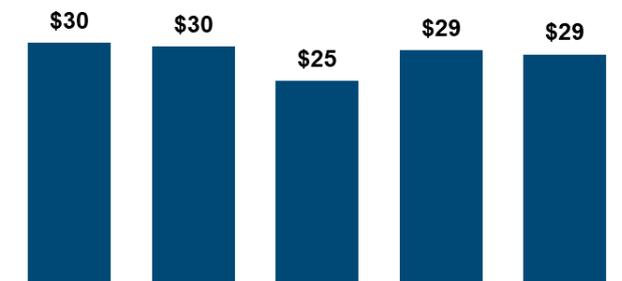
- 3Q21 very strong year-over-year sales increase across all markets on continued customer demand. Both Cardiac Rhythm Management and Neuromodulation sales increased high-double digits.
- Trailing 4 quarter sales returned to year-over-year growth, after pandemic impact in prior quarters.
- Expect CRMN product line trailing four quarter sales to continue to grow strong double-digit year-over-year in 4Q21.

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

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)

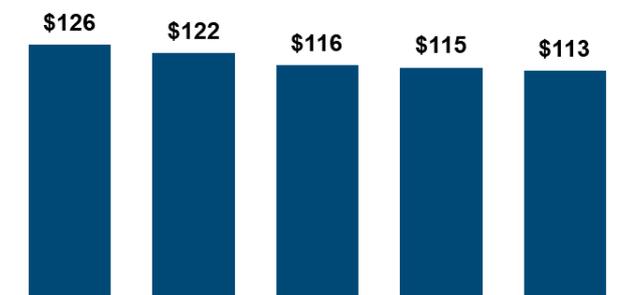


Organic⁽¹⁾
Y-o-Y%
Change

Quarter	Y-o-Y% Change
3Q20	(12)%
4Q20	(12)%
1Q21	(19)%
2Q21	(4)%
3Q21	(5)%

Reported Trailing 4 Quarter Sales

(\$ in millions)



Y-o-Y%
Change

Quarter	Y-o-Y% Change
3Q20	(3)%
4Q20	(8)%
1Q21	(12)%
2Q21	(12)%
3Q21	(10)%



Orthopedic Implants & Instruments



Electrosurgical Accessories



Li-Ion Battery Packs



Core Battery Pack Assemblies

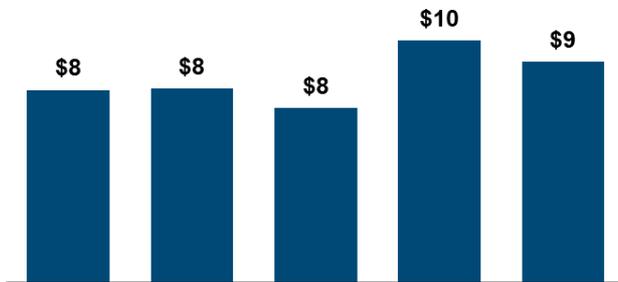
- 3Q21 sales vs. prior year decreased as ventilator and patient monitoring components sales declined.
- Trailing 4 quarter 10% sales decline reflects double-digit decline in Advanced Surgical and Orthopedics, the divested product line currently under supply agreement, partially offset by modest growth in Portable Medical.
- Expect trailing four quarter sales to decline high single-digit year-over-year in 4Q21.

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

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

Reported Quarterly Sales

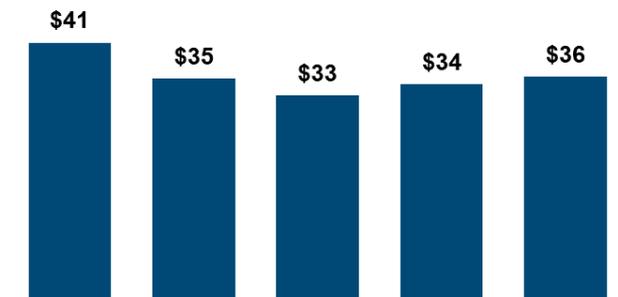
(\$ in millions)



	3Q20	4Q20	1Q21	2Q21	3Q21
Organic ⁽¹⁾ Y-o-Y% Change	(42)%	(41)%	(26)%	19%	14%

Reported Trailing 4 Quarter Sales

(\$ in millions)



	3Q20	4Q20	1Q21	2Q21	3Q21
Y-o-Y% Change	(28)%	(39)%	(40)%	(27)%	(13)%



Battery Cells



Battery Packs



Battery Chargers

- 3Q21 increased approximately \$1 million vs. 3Q20, as the energy market continues to recover.
- Trailing 4 quarter sales decline year-over-year reflects the energy market contraction and pandemic impact in prior quarters.
- Expect further energy market recovery in 2021 and 2022 with the trailing four quarter sales to increase high-single digit year-over-year in 4Q21.

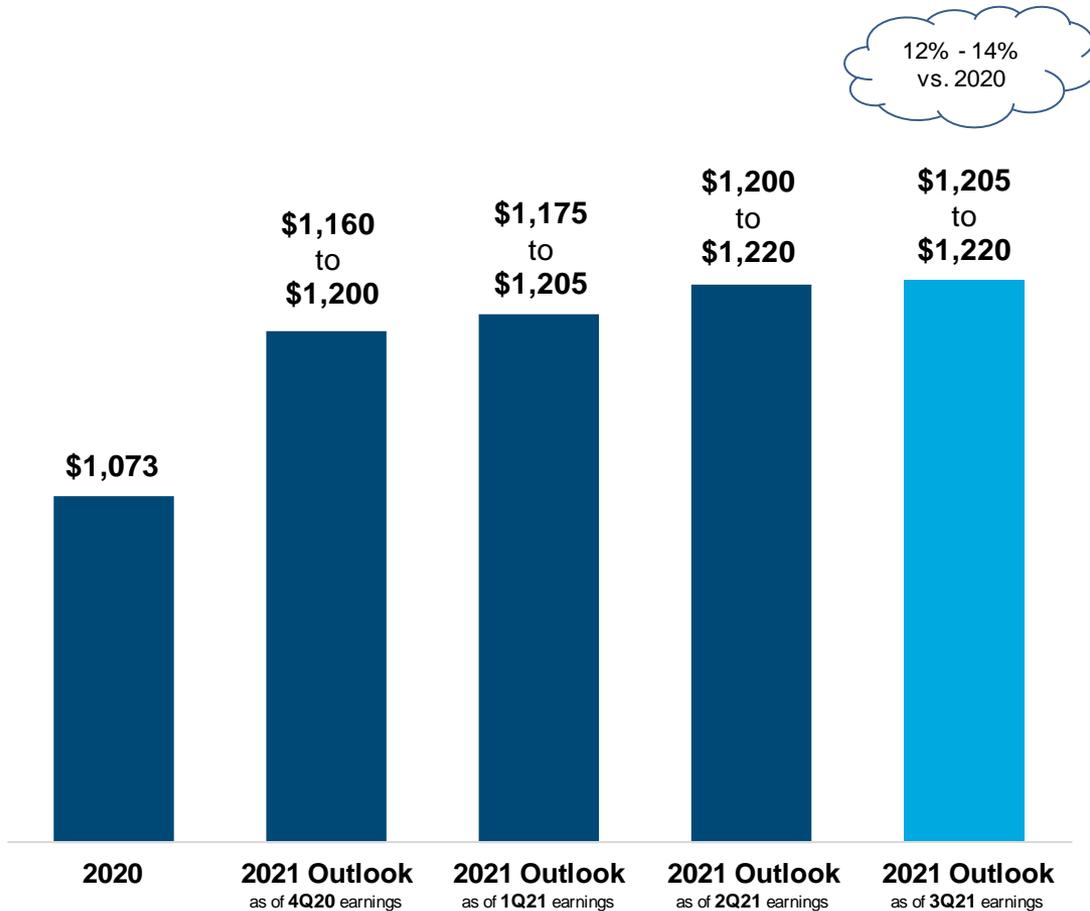
⁽¹⁾ Non-GAAP measure. Refer to Notes in this appendix.

2021 Outlook

The background features a large black triangle on the left side, pointing towards the bottom right. To its right is a vertical cyan triangle pointing towards the top right. The right half of the image is a solid dark blue rectangle. At the bottom right corner, there is a light blue triangular shape pointing towards the bottom left.

2021 Sales Outlook ⁽¹⁾

(\$ in millions)



2021 Sales Outlook

- Increased low-end of the full year outlook by \$5 million
- 3Q actual sales at \$306 million, in line with prior outlook of slightly below 2Q
- Expect 4Q sales to be similar to 3Q
 - Customer demand and orders backlog support current outlook
 - Continuing to manage global supply chain disruptions and direct labor constraints

Improved 2021 sales outlook ... expect 12% to 14% growth year-over-year

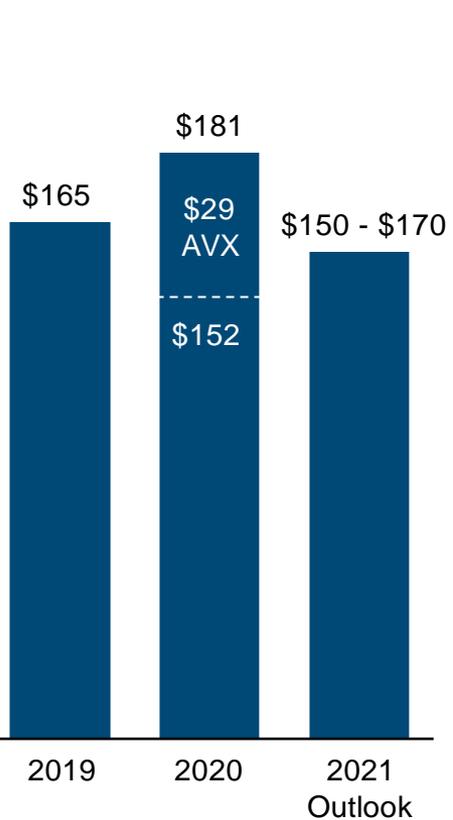
⁽¹⁾ Outlook excludes impact of Oscor acquisition

2021 Cash Flow Outlook⁽¹⁾

(\$ in millions)



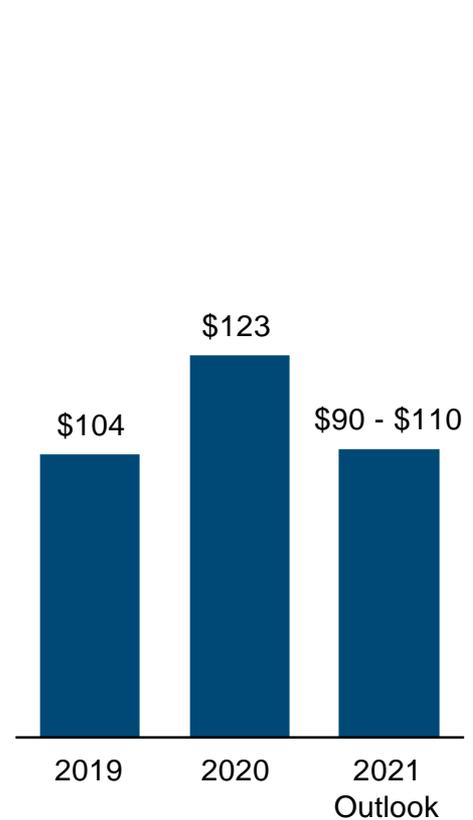
Cash Flow From Ops



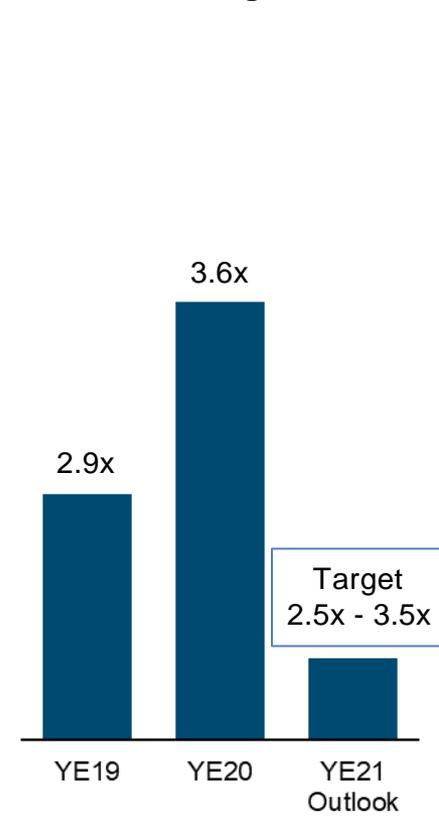
Free Cash Flow



Net Total Debt Reduction



Leverage



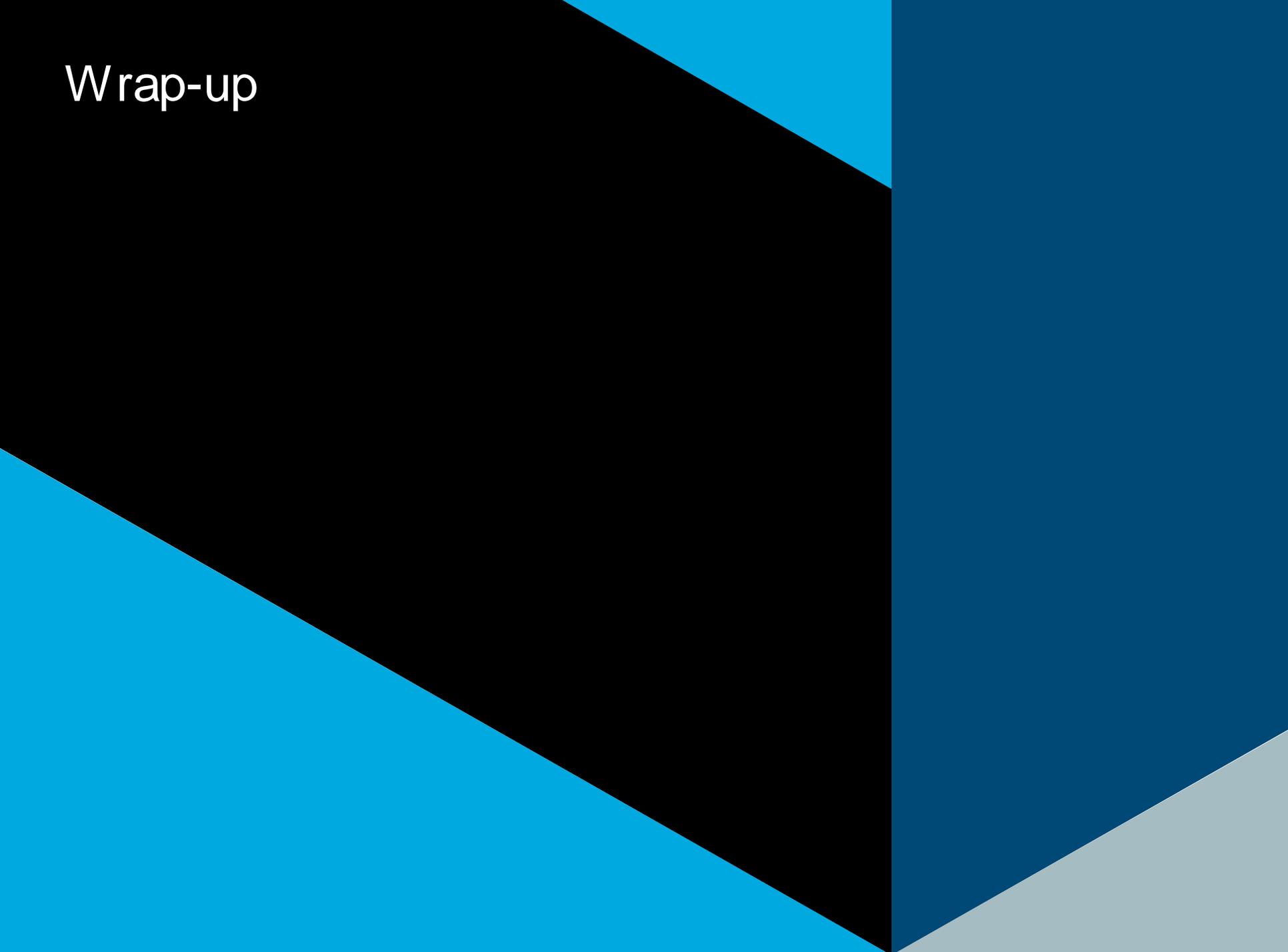
Prior Guidance \$150 - \$170

\$95 - \$115

\$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; Outlook excludes impact of Oscar acquisition

Wrap-up

The background features a large black trapezoidal shape on the left side. To its right is a vertical cyan strip. The bottom-left corner is a cyan triangle, and the bottom-right corner is a light blue triangle. The top-right area is a dark blue trapezoid.

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



✓ **Strong 3Q21 financial results**

- Sales up +30% vs 3Q20, adjusted operating income up +86% vs. 3Q20
- Strong cash flow ... lowest leverage since Lake Region acquisition
- Refinanced debt ... expect to increase annualized EPS by \$0.15

✓ **Improved 2021 outlook⁽¹⁾ ... raised guidance**

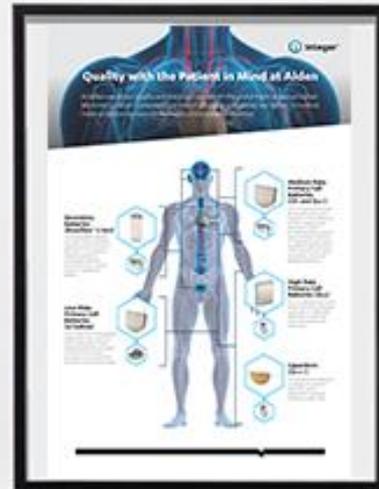
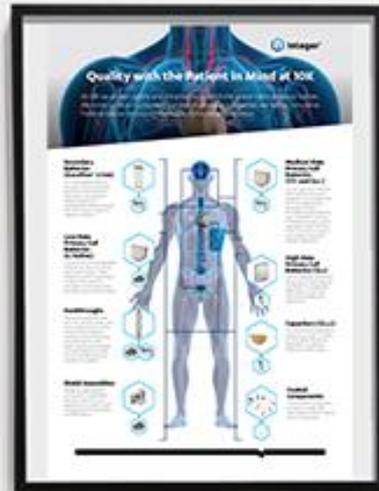
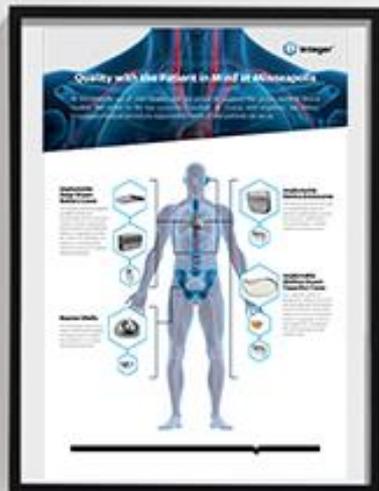
- Sales: \$1,205 - \$1,220 million
- Adjusted EBITDA: \$245 - \$255 million
- Total year adjusted EPS: \$3.90 - \$4.15 ... up 5% at mid-point vs. prior guidance

✓ **Executing strategy to generate premium valuation**

- Announced agreement to acquire Oscor, Inc.
- Constructing innovation and manufacturing facility in Ireland
- Capacity and capability to continue acquisition strategy

⁽¹⁾ Outlook excludes impact of Oscor acquisition

Questions?



APPENDIX

The background features a large black triangle on the left side, pointing towards the bottom right. To its right is a vertical cyan triangle pointing towards the top right. The rightmost portion of the image is a solid blue area. At the bottom right corner, there is a small light blue triangular shape.

2021 Outlook (excludes impact of Oscor acquisition)^(a)



(dollars in millions, except per share amounts)	GAAP		Non-GAAP ^(b)	
	As Reported	Change from Prior Year	Adjusted	Change from Prior Year
Sales	\$1,205 to \$1,220	12% to 14%	\$1,205 to \$1,220	12% to 14%
Operating income	\$136 to \$146	13% to 21%	\$185 to \$195	29% to 36%
EBITDA	N/A	N/A	\$245 to \$255	29% to 34%
Net income	\$89 to \$98	16% to 26%	\$130 to \$138	41% to 50%
Diluted earnings per share	\$2.69 to \$2.94	15% to 26%	\$3.90 to \$4.15	41% to 50%

^(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 interest expense 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 \$49 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 \$55 million, pre-tax. The after-tax impact of these items is estimated to be approximately \$40 million or approximately \$1.21 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 \$115 million to \$117 million.

Supplemental Financial Information

(dollars in millions)	2021 Outlook	2020 Actual
Capital expenditures, net	\$50 - \$55	\$47
Depreciation and amortization	\$80 - \$85	\$79
Stock-based compensation	\$16 - \$17	\$9
Other operating expense	\$5 - \$6	\$8
Adjusted interest expense ^(a)	\$27 - \$28	\$38
Adjusted effective tax rate ^(b)	14.5% - 15.5%	12.2%
Cash tax payments	\$18 - \$22	\$18

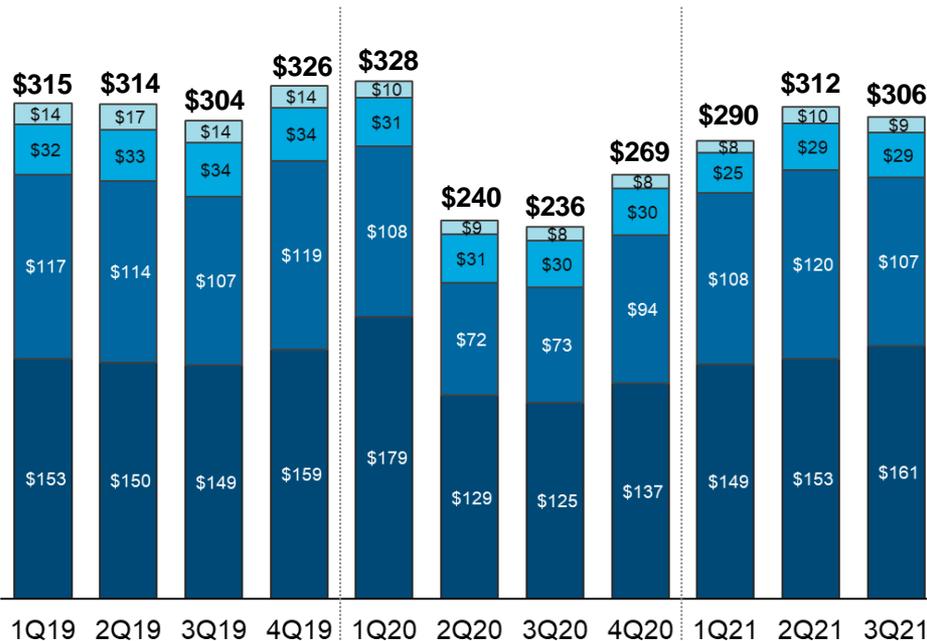
^(a) Adjusted interest expense refers to our expected full-year GAAP interest expense, expected to range from \$31 million to \$32 million for 2021, adjusted to remove the full-year impact of charges associated with the accelerated write-off of deferred issuance costs and unamortized discounts (loss on extinguishment of debt) included in GAAP interest expense.

^(b) Adjusted effective tax rate refers to our full-year GAAP effective tax rate, expected to range from 9% to 10% 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⁾

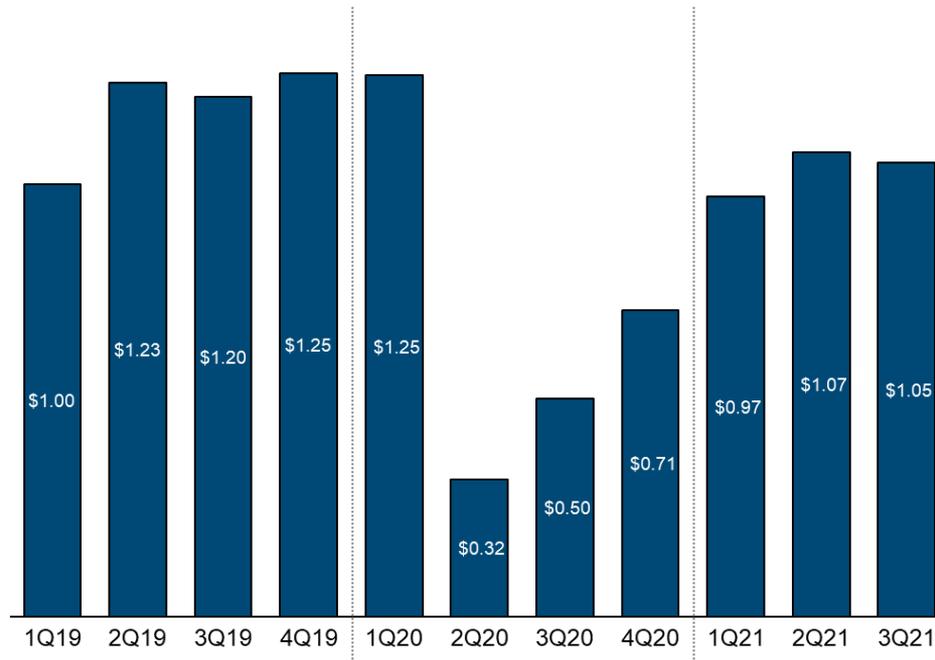
(\$ in millions, except per share amounts)

Sales



- Non-Medical
- Advanced Surgical, Orthopedics & Portable Medical
- Cardiac/Neuromodulation
- Cardio and Vascular

Adjusted EPS



- Adjusted EPS, as reported

⁽¹⁾ Refer to the appendix of this presentation for a reconciliation of Adjusted 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

3Q21 Income from Continuing Operations and Diluted EPS Reconciliation – Detailed View

(\$ in thousands, except per share amounts)

	2021								2020		CHANGE
	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	Tax Adjustments	Adjusted	Adjusted	
Sales	\$ 305,574	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 305,574	\$ 235,942	29.5%
Cost of sales	223,702	(3,216)	-	-	-	(59)	7	-	220,434	174,453	26.4%
Gross profit	81,872	3,216	-	-	-	59	(7)	-	85,140	61,489	38.5%
<i>Gross margin</i>	26.8%	1.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	27.9%	26.1%	1.8 pts
Operating expenses:											
Selling, general and administrative	34,269	(7,068)	(734)	-	-	-	(17)	-	26,450	24,484	8.0%
<i>SG&A as a % of sales</i>	11.2%	-2.3%	-0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	8.7%	10.4%	-1.7 pts
Research, development and engineering	12,050	-	-	-	-	(125)	-	-	11,925	11,892	0.3%
<i>RD&E as a % of sales</i>	3.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.9%	5.0%	-1.1 pts
Other operating expenses	2,463	-	-	(2,463)	-	-	-	-	-	-	0.0%
Total operating expenses	48,782	(7,068)	(734)	(2,463)	-	(125)	(17)	-	38,375	36,376	5.5%
Operating income	33,090	10,284	734	2,463	-	184	10	-	46,765	25,113	86.2%
<i>Operating margin</i>	10.8%	3.4%	0.2%	0.8%	0.0%	0.1%	0.0%	0.0%	15.3%	10.6%	4.7 pts
Interest expense	10,053	-	-	-	(3,346)	-	-	-	6,707	9,368	-28.4%
Loss on equity investments	(152)	-	-	-	152	-	-	-	-	-	0.0%
Other loss, net	10	-	-	-	-	-	-	-	10	1,224	-99.2%
Income before taxes	23,179	10,284	734	2,463	3,194	184	10	-	40,048	14,521	175.8%
Provision (benefit) for income taxes	1,113	2,151	155	544	671	39	2	548	5,223	(2,135)	-344.6%
<i>Effective tax rate</i>	4.8%	20.9%	21.1%	n/a	21.0%	21.2%	20.0%	n/a	13.0%	-14.7%	27.7 pts
Income	\$ 22,066	\$ 8,133	\$ 579	\$ 1,919	\$ 2,523	\$ 145	\$ 8	\$ (548)	\$ 34,825	\$ 16,656	109.1%
Diluted earnings per share	\$ 0.66	\$ 0.24	\$ 0.02	\$ 0.06	\$ 0.08	\$ 0.00	\$ 0.00	\$ (0.02)	\$ 1.05	\$ 0.50	110.0%
Weighted average shares - Diluted	33,309	33,309	33,309	33,309	33,309	33,309	33,309	33,309	33,309	33,076	0.7%

Non-GAAP Reconciliation

YTD Income from Continuing Operations and Diluted EPS Reconciliation – Detailed View

(\$ in thousands, except per share amounts)

	2021								2020		CHANGE
	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	Tax Adjustments	Adjusted	Adjusted	
Sales	\$ 908,064	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 908,064	\$ 804,483	12.9%
Cost of sales	652,960	(9,717)	-	-	-	(266)	371	-	643,348	581,222	10.7%
Gross profit	255,104	9,717	-	-	-	266	(371)	-	264,716	223,261	18.6%
<i>Gross margin</i>	28.1%	1.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	29.2%	27.8%	1.4 pts
Operating expenses:											
Selling, general and administrative	105,150	(21,356)	(1,279)	-	-	-	4	-	82,519	79,575	3.7%
<i>SG&A as a % of sales</i>	11.6%	-2.4%	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	9.1%	9.9%	-0.8 pts
Research, development and engineering	39,249	-	-	-	-	(208)	-	-	39,041	37,879	3.1%
<i>RD&E as a % of sales</i>	4.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.3%	4.7%	-0.4 pts
Other operating expenses	3,657	-	-	(3,657)	-	-	-	-	-	-	0.0%
Total operating expenses	148,056	(21,356)	(1,279)	(3,657)	-	(208)	4	-	121,560	117,454	3.5%
Operating income	107,048	31,073	1,279	3,657	-	474	(375)	-	143,156	105,807	35.3%
<i>Operating margin</i>	11.8%	3.4%	0.1%	0.4%	0.0%	0.1%	0.0%	0.0%	15.8%	13.2%	2.6 pts
Interest expense	26,117	-	-	-	(3,774)	-	-	-	22,343	29,002	-23.0%
Gain on equity investments	1,867	-	-	-	(1,867)	-	-	-	-	-	0.0%
Other (income) loss, net	129	-	-	-	-	-	-	-	129	(233)	-155.4%
Income before taxes	78,935	31,073	1,279	3,657	5,641	474	(375)	-	120,684	77,038	56.7%
Provision for income taxes	5,916	6,498	269	811	1,185	100	(79)	3,491	18,191	8,613	111.2%
<i>Effective tax rate</i>	7.5%	20.9%	21.0%	22.2%	21.0%	21.1%	21.1%	n/a	15.1%	11.2%	3.9 pts
Income	\$ 73,019	\$ 24,575	\$ 1,010	\$ 2,846	\$ 4,456	\$ 374	\$ (296)	\$ (3,491)	\$ 102,493	\$ 68,425	49.8%
Diluted earnings per share	\$ 2.20	\$ 0.74	\$ 0.03	\$ 0.09	\$ 0.13	\$ 0.01	\$ (0.01)	\$ (0.10)	\$ 3.08	\$ 2.07	48.9%
Weighted average shares - Diluted	33,250	33,250	33,250	33,250	33,250	33,250	33,250	33,250	33,250	33,107	0.4%

Capitalization

(\$ in millions)



	10/01/21 As Reported	Original Rate	10/01/21 Rate
Cash & Cash Equivalents	\$ 25		
\$400M Revolver [Due 2026]	\$ 37	L + 175	L + 175
TLA [Due 2026]	\$ 250	L + 175	L + 175
TLB [Due 2028]	\$ 350	L + 250	L + 250
Total Principal Amount of Debt Outstanding	\$ 637 ⁽²⁾		
Deferred Fees and OID	\$ (7)		
Total Debt (Principal Amount of Debt Outstanding Less Deferred Fees and Discounts)	\$ 631		
Net Total Debt (Principal Amount of Debt Outstanding Less Cash)	\$ 612		
<u>Continuing Operations Statistics</u>			
Trailing 4 Quarter Adjusted EBITDA ⁽¹⁾	\$ 234		
Trailing 4 Quarter Cash Interest Expense	\$ 27		
Trailing 4 Quarter Capital Expenditures	\$ 41		
<u>Credit Statistics</u>			
Leverage Ratio ⁽¹⁾ : Net Total Debt / Trailing 4 Quarter Adjusted EBITDA			2.6x

⁽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

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, medical device regulations costs, 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 dividing adjusted net income by diluted weighted average shares outstanding. 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 diluted weighted average shares outstanding.
Adjusted Operating Income	Calculated by adding back amortization of intangible assets, certain legal expenses (gains), other operating expenses, medical device regulations costs and customer bankruptcy expenses, to operating income.
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 plus stock-based compensation, certain legal expenses (gains), other operating expenses, (gain) loss on equity investments, medical device regulations costs and unusual or infrequently occurring items.
Adjusted interest expense	Defined as GAAP interest expense less accelerated write-offs of deferred issuance costs and unamortized discounts (loss 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 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