Integer™

1Q18 Earnings Conference Call

May 3, 2018

Presentation of Financial Information & Forward-Looking Statements

Historical financial and operating data in this presentation reflect the consolidated results of Integer for the periods indicated.

This presentation includes financial information prepared in accordance with accounting principles generally accepted in the United States, or GAAP, as well as other financial measures referred to as non-GAAP. The non-GAAP financial measures in this presentation, which include Adjusted Net Income, Adjusted Diluted EPS, Earnings Before Interest Taxes Depreciation and Amortization (EBITDA), Adjusted EBITDA, and organic growth rates should be considered in addition to, but not as substitutes 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 and the earnings release associated with this quarterly period which can be found in the investor relations section of our corporate website (investor.integer.net).

Statements made 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 Securities Exchange Act of 1934, as amended, and involve a number of risks and uncertainties. These statements can be identified by terminology such as "may," "will," "should," "could," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "potential" 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 **May 3, 2018**. The Company's actual results could differ materially from those stated or implied by such forward-looking statements. 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.

Agenda

- Opening Comments
- Financial Results
- Product Line Review
- Strategy Update
- Question & Answer Period

Opening Comments

Strong 1Q18, Increased 2018 Outlook, Executing Strategy

"Integer delivered another strong quarter of sales growth … net income and cash flow were even stronger …repaid $50 million of debt.

Announced planned AS&O sale for $600 million

First Quarter Highlights

- Organic sales up 9%, record sales growth
  - YOY sales growth across all product-lines
- Adjusted results
  - EBITDA increased 7% organically
  - Net Income increased 48% organically
  - EPS increased 46% organically
- Record cash flow…repaid $50 million of debt
- Increasing 2018 outlook

Strategy

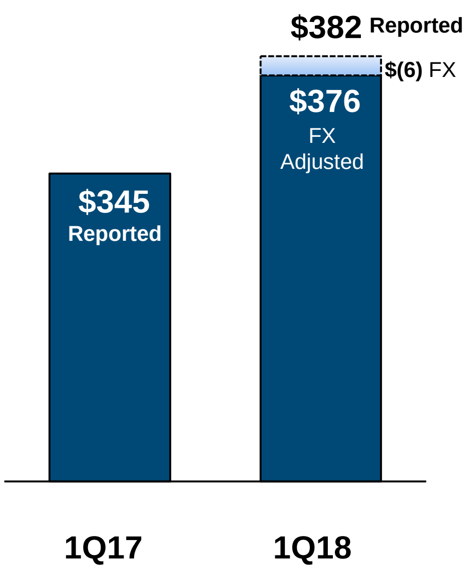
- Unlocking significant value through planned AS&O Sale
- Expecting more profitable and less leveraged Integer, with similar cash flow
- Post AS&O divestiture, Integer has clear market leadership positions with increased financial flexibility to invest for growth

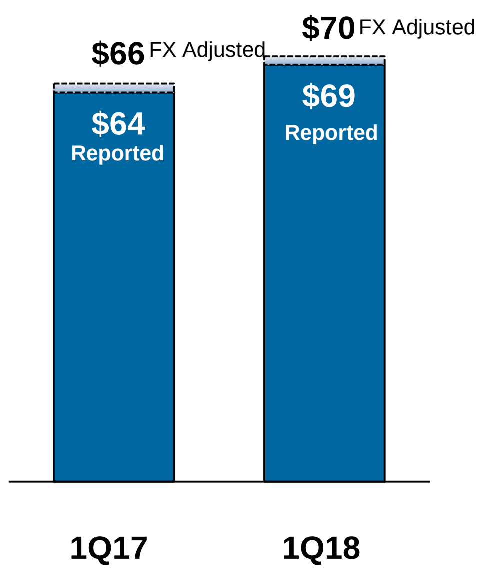
Financial Results

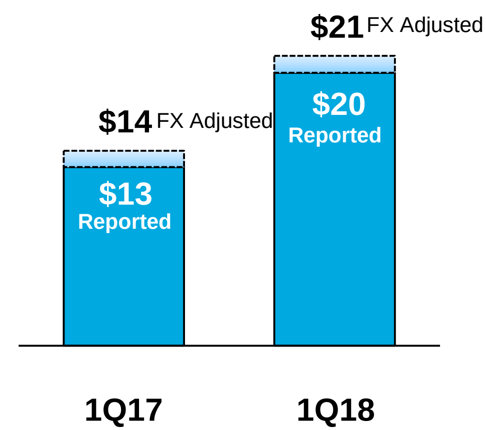
1Q18 Adjusted Financial Results[1]

($ in millions, except per share amounts)

	Sales	Adjusted EBITDA	Adjusted Net Income
% Growth	**8.8% organic[2]** **10.5% reported**	**7% organic[3]** **7% reported**	**48% organic[3]** **53% reported**







		1Q17	1Q18
Adj EPS	Reported	**$0.41**	**$0.61**
	FX Adjusted	**$0.44**	**$0.64**

- As reported GAAP and Non-GAAP numbers
- Foreign currency impact on reported GAAP and Non-GAAP numbers

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

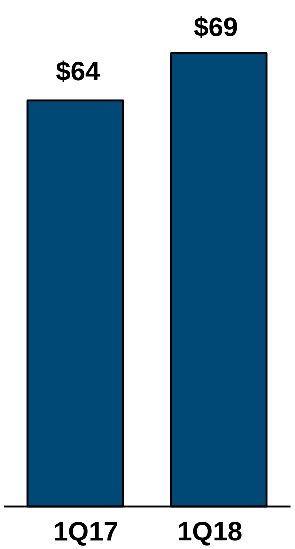
(2) Organic growth for Sales excludes the impact of foreign currency exchange rates

(3) Organic growth for Adjusted EBITDA, Adjusted Net Income, and Adjusted EPS exclude the impact of foreign currency reported in other loss, net

Adjusted EBITDA & Adjusted Net Income

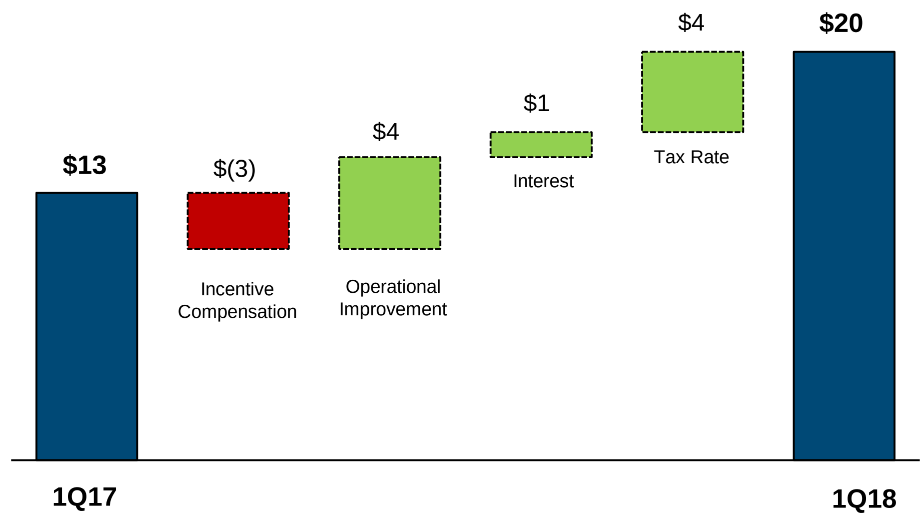
($ in millions except per share amounts)

Adjusted EBITDA



- +$5M YOY
  - Includes $4M unfavorable incentive compensation impact 1Q18 vs 1Q17

Adjusted Net Income



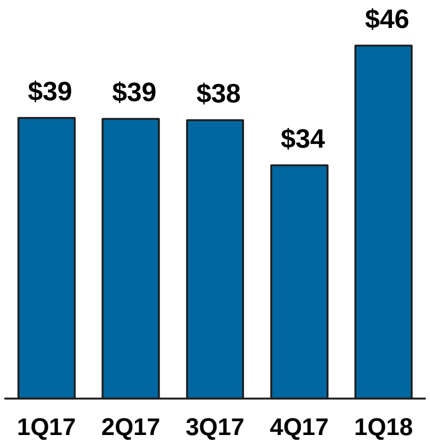
Adj. EPS	**$0.41**	**$(0.08)**	**$0.14**	**$0.04**	**$0.12**	**$0.61[(1)]**

(1) Includes $0.01 impact due to year-over-year share dilution

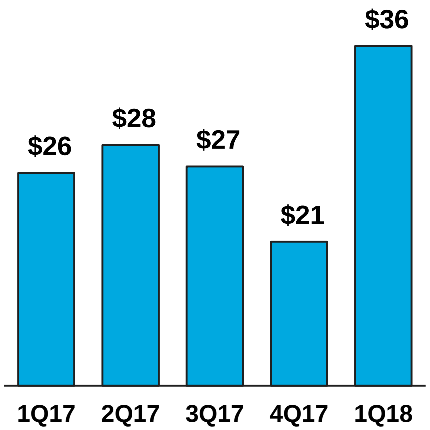
note: Amounts may not sum due to rounding

Continued Strong & Steady Cash Flow Generation

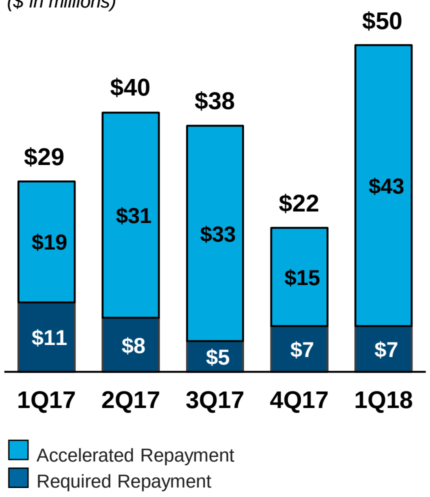
Cash Flow From Ops
($ in millions)



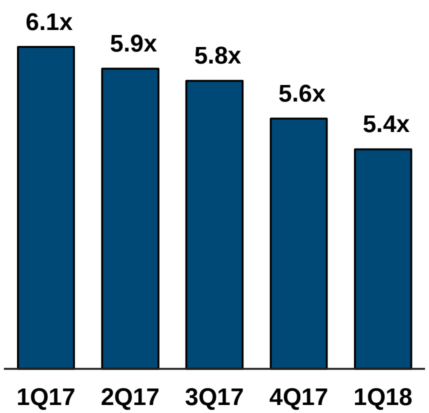
Free Cash Flow (1)
($ in millions)



Debt Payments
($ in millions)



Leverage (2)



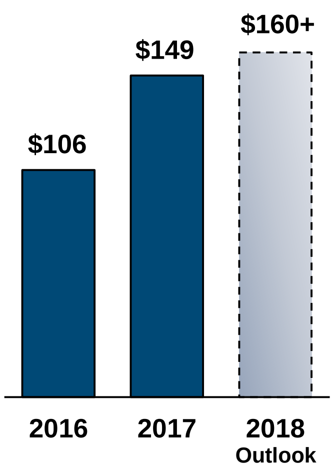
- Record cash flows - highest since acquisition in 2015
- Reduced leverage to 5.4x
- No significant maturities until 2020; well within covenants
- 35% of debt at fixed rate

(1) Free Cash Flow defined as Cash Flow from Operations less Capital Expenditures, net

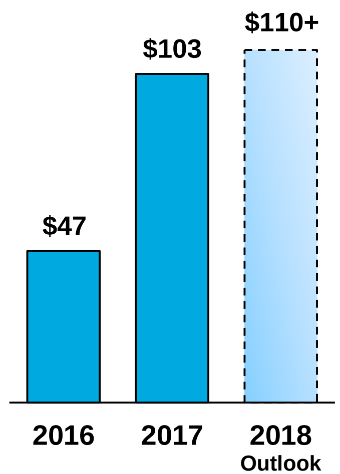
(2) Leverage calculated as Total Debt less Cash and Cash Equivalents divided by Adjusted EBITDA

Increased Cash Flow Outlook

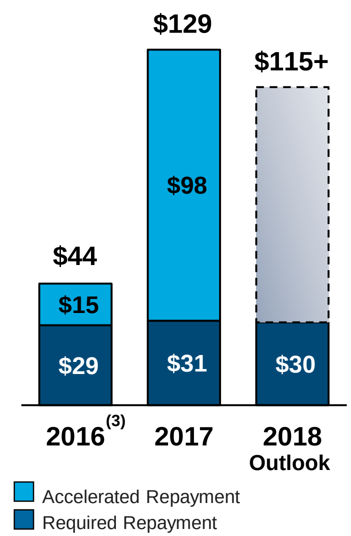
Cash Flow From Ops
($ in millions)



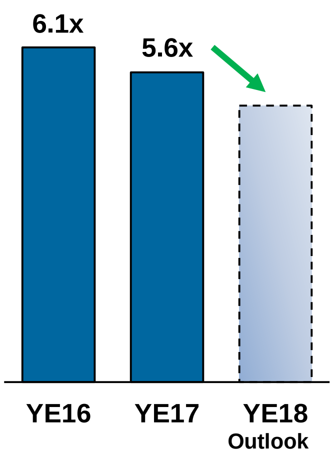
Free Cash Flow(1)
($ in millions)



Debt Payments
($ in millions)



Leverage(2)



Prior Outlook	**$150+**	**$100+**	**$100+**

(1) Free Cash Flow defined as Cash Flow from Operations less Capital Expenditures, net

(2) Leverage calculated as Total Debt less Cash and Cash Equivalents divided by Adjusted EBITDA

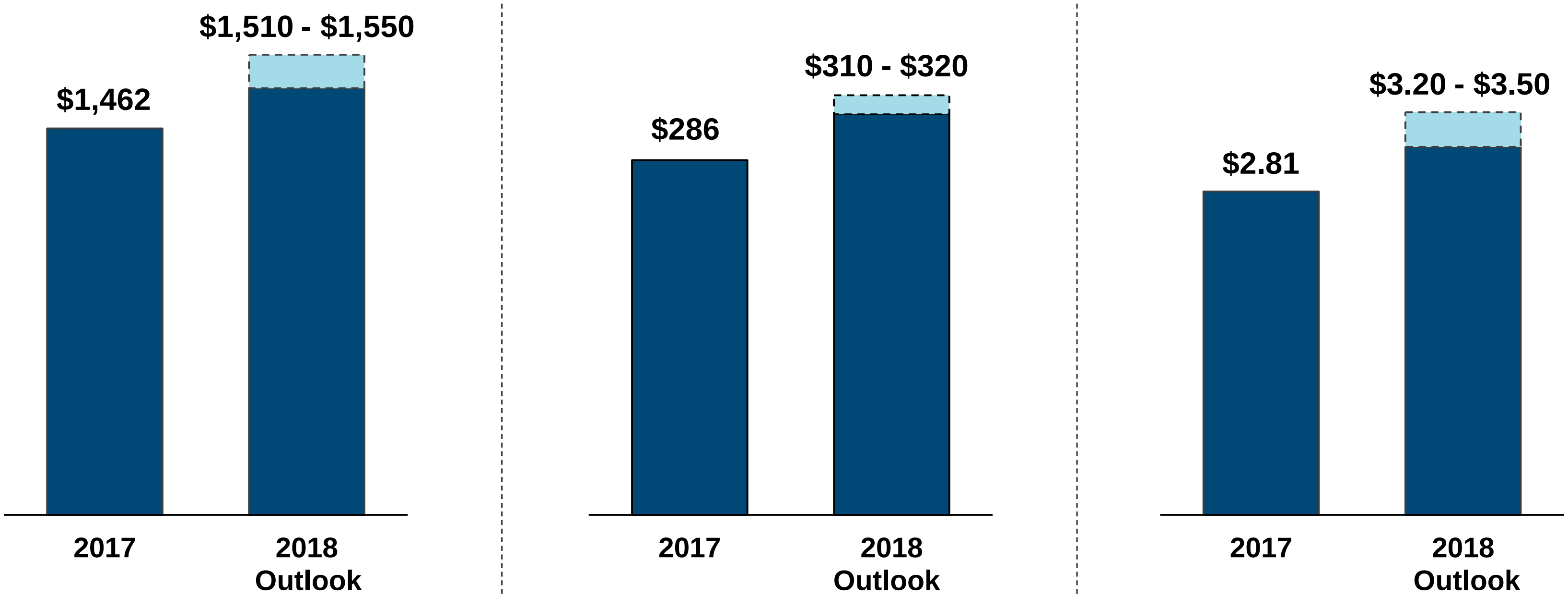
(3) Reflects debt payments excluding $55M of borrowings used to fund $76M of cash provided to Nuvectra as part of the spin-off on March 14, 2016.

NOTE: Current guidance does not reflect the potential impact of the planned divestiture of the Advanced Surgical and Orthopedics product lines that was announced on May 3, 2018

Updated Full-Year 2018 Outlook

($ in millions except per share amounts)

	Sales	Adjusted EBITDA	Adjusted EPS
Growth %	3% - 6%	9% - 12%	14% - 25%



	2017	2018 Outlook
Adj. Effective Tax Rate	20%	21% - 24%

	Sales	Adjusted EBITDA	Adjusted EPS
Prior Outlook	$1,490 - $1,530	$305 - $315	$3.15 - $3.45

See Slide 34 in the Appendix of this presentation for Outlook on Supplemental Items affecting Cash Flow in FY18

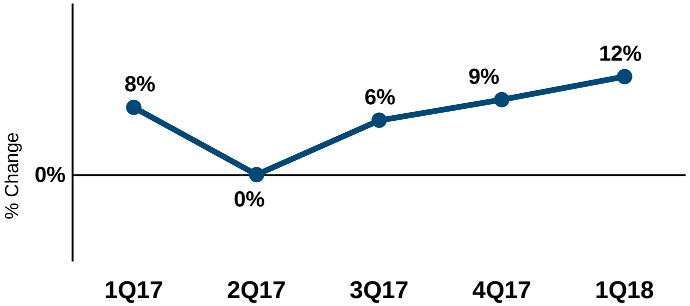
NOTE: Current guidance does not reflect the potential impact of the planned divestiture of the Advanced Surgical and Orthopedics product lines that was announced on May 3, 2018

Product Line Review

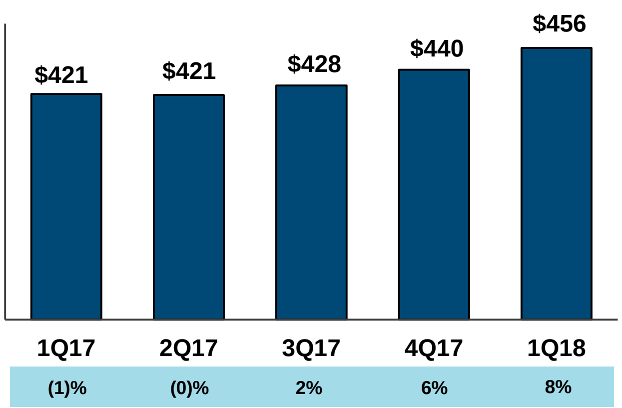
Advanced Surgical, Orthopedics & Portable Medical

Providing a wide range of technologies and solutions to the Advanced Surgical and Orthopedic markets

Organic Quarterly YOY Growth



Trailing 4-Quarter Sales
($ in millions)



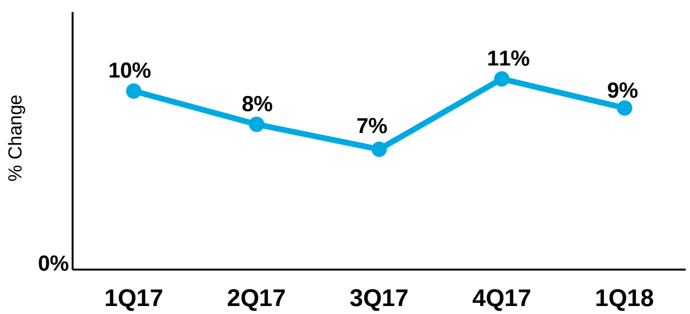
Orthopedic Implants & Instruments | Laparoscopy & General Surgery | Arthroscopy Products | Biopsy & Drug Delivery | Portable Medical (Power Solutions)

- 1Q18 sales increase driven by growth in Portable Medical, spinal implants, ramping of new products, and support of a customer inventory build program
- Trailing 4-quarter sales growth primarily driven by market demand for new product launches and a continued short-term customer inventory build program
- Expect continued sales growth but at slower pace as customer inventory build plans slow and new product launches stabilize

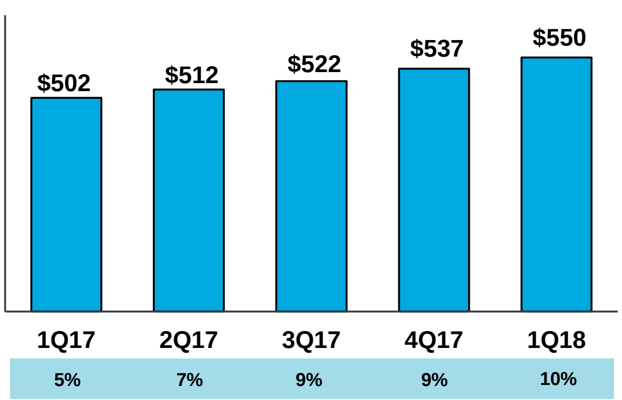
Cardio & Vascular

Offering a full-range of services for the design, development, and manufacturing of diagnostic and interventional cardiac and endovascular delivery and retrieval devices, along with comprehensive supply-chain solutions

Organic Quarterly YOY Growth



Trailing 4-Quarter Sales
($ in millions)



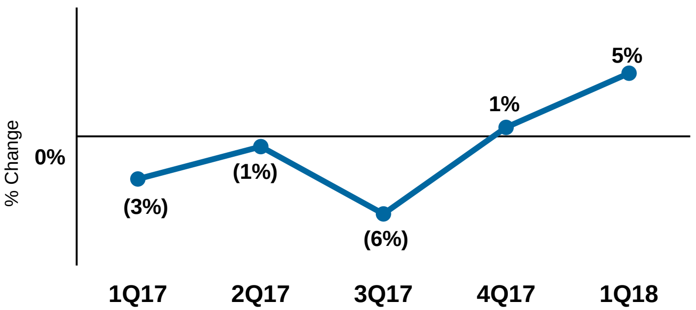
Steerable Sheaths | Catheters & Sheaths | Guidewires, Stylets & Accessories | Introducers

- 1Q18 sales increase driven by continued strong demand for Integer-owned product lines from new and existing customers and increased demand for contract manufactured products
- Trailing 4-quarter sales improvement primarily driven by continued strength of Integer's product offering in most recent quarters
- Expect additional strong growth based on Integer-owned product line market momentum and existing customer demand

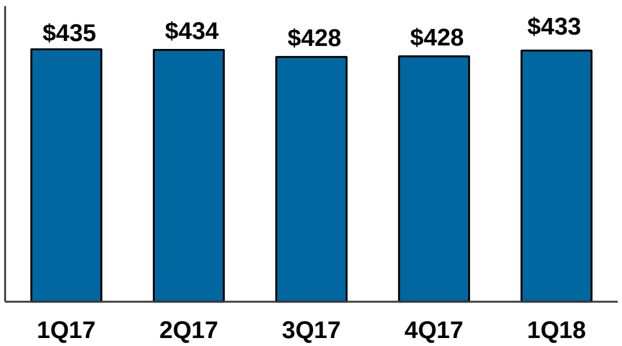
Cardiac & Neuromodulation

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 to high-volume manufacturing

Organic Quarterly YOY Growth



Trailing 4-Quarter Sales
($ in millions)



1Q17	2Q17	3Q17	4Q17	1Q18
(5)%	(2)%	(4)%	(2)%	0%

Advanced technology and manufacturing capabilities to support the full breadth of active implantable device components and assembly

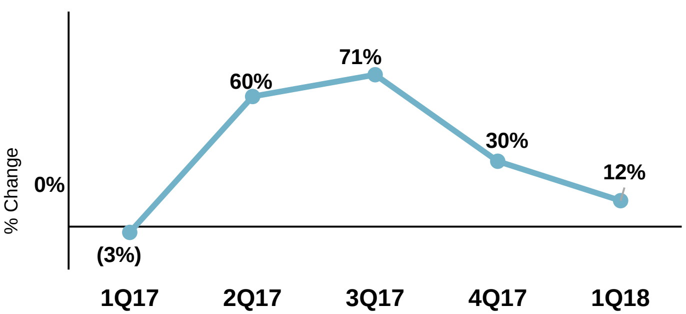
Fully customizable platforms to accelerate time to market

- 1Q18 sales increase driven by continued strength and the resolution of a prior year supply constraint in Neuromodulation
- Trailing 4-quarter sales stable as growth in Neuromodulation offsets declines in CRM
- Expect continued sales growth from strength in Neuromodulation

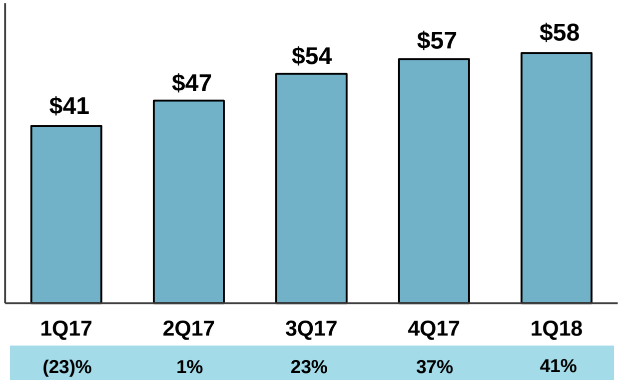
Electrochem

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

Organic Quarterly YOY Growth



Trailing 4-Quarter Sales
($ in millions)



Battery Cells

Battery Packs

Battery Chargers

- 1Q18 sales growth driven by new business wins in stable energy market
- Trailing 4-quarter improvement primarily driven by energy market recovery and new business. Growth trend slowing driven by shift from recovery to stabilization in energy market
- Stable to positive outlook for 2018 as team continues to deliver growth initiatives

Strategy Update

Strategy to Drive Long-Term Growth

Portfolio Strategy

Invest to Grow

Cardio & Vascular

Neuromodulation

Electrochem

Protect & Preserve

Cardiac Rhythm Management

Improve Profitability

Advanced Surgical

Orthopedics

Portable Medical

Operational Strategy – Strategic Imperatives

- Sales Force Excellence
- Market Focused Innovation

- Manufacturing Excellence
- Business Process Excellence

- Performance Excellence
- Leadership Capability

Announced Planned Sale of Advanced Surgical and Orthopedics (AS&O) Product Lines

Integer™

Transaction Rationale

- 2H17 Integer strategic review identified opportunity to unlock value in AS&O
- Highly fragmented AS&O CMO market poised for consolidation
- AS&O and MedPlast combination creates market leader and one of largest MDO's serving AS&O market
- AS&O valuation multiple slightly above both Integer's and the Lake Region acquisition multiple (4Q15)

Deal Summary

- Signed agreement on May 3, 2018 with MedPlast LLC
- Cash sale price $600 million
- Expect to close in 3Q18
- MedPlast LLC receiving ~$400 million of sales (2017 basis)
- Integer sales reduction (2017 basis) of ~$350 million after signing long-term supply agreement with MedPlast LLC
- 2017 AS&O AEBITDA ~13%

Selling AS&O, lower operating margin Product Lines …

… at slightly <u>more than</u> Integer's current EBITDA multiple

Impact of AS&O Sale on Integer

Positioning Integer to Earn a Valuation Premium

Strategic

- Clear leader in remaining product lines with differentiated technology
  - Cardio & Vascular, Cardiac & Neuromodulation, Electrochem
- Creates financial flexibility to invest more aggressively in faster growing markets where Integer is differentiated
- Post divestiture customer overlap limited to a few major customers
- Integer valuation metrics improved

Financial Impact

- Margin expansion of ~200bps to 250bps
- After planned debt reduction of ~$550 million, expect:
  - EPS accretion
  - Debt leverage less than 4x
  - Free cash flow similar to pre-divestiture
  - Increased ROIC

Summary

Vision

Enhance patient's lives by being our customers partner of choice

Strategic Imperatives

- Sales Force Excellence

- Market Focused Innovation

- Manufacturing Excellence

- Business Process Excellence

- Performance Excellence

- Leadership Capability

Clear Goals

- Sales Growth Above Market

- Profit Growth 2x Sales Growth

- Earn a Valuation Premium

First Quarter 2018

- Strong growth in sales, profit and cash flow
- Increased 2018 outlook

Portfolio Strategy

- Unlocking significant value through planned AS&O Sale
- Expecting more profitable and less leveraged Integer, with similar cash flow
- Post AS&O divestiture, Integer has clear market leadership positions with increased financial flexibility to invest for growth

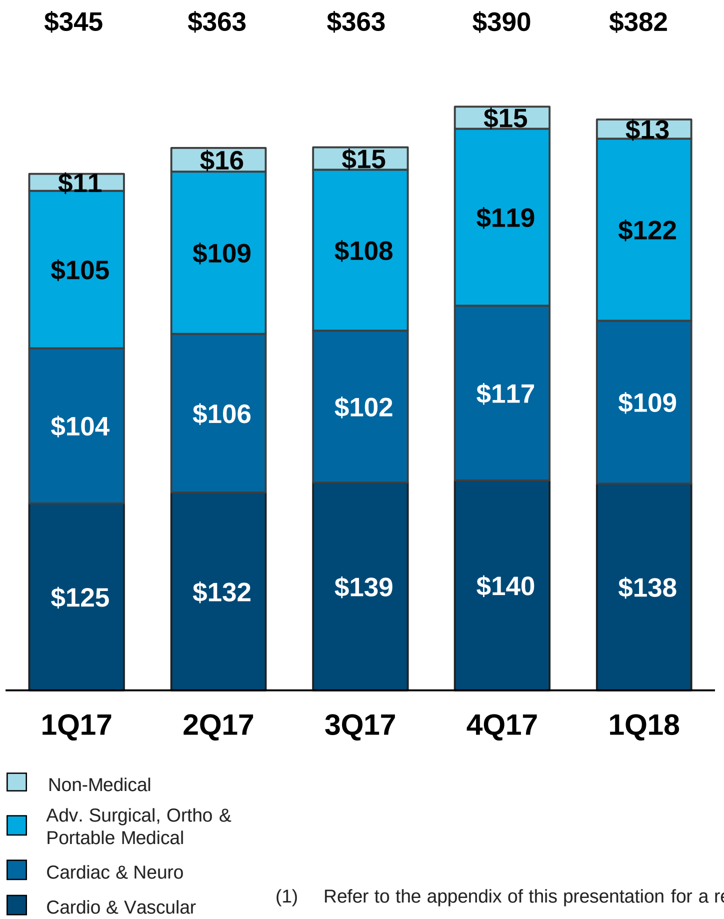
Question & Answer Period

APPENDIX

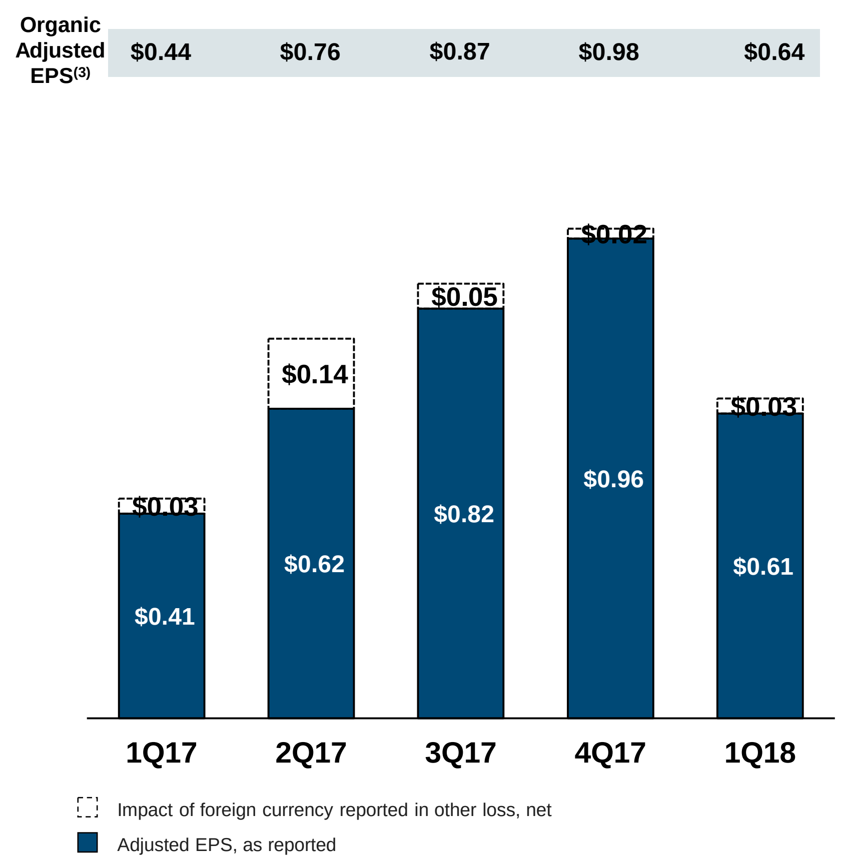
Historical Financial Results

($ in millions, except per share amounts)

Sales



Adjusted EPS(1)(2)

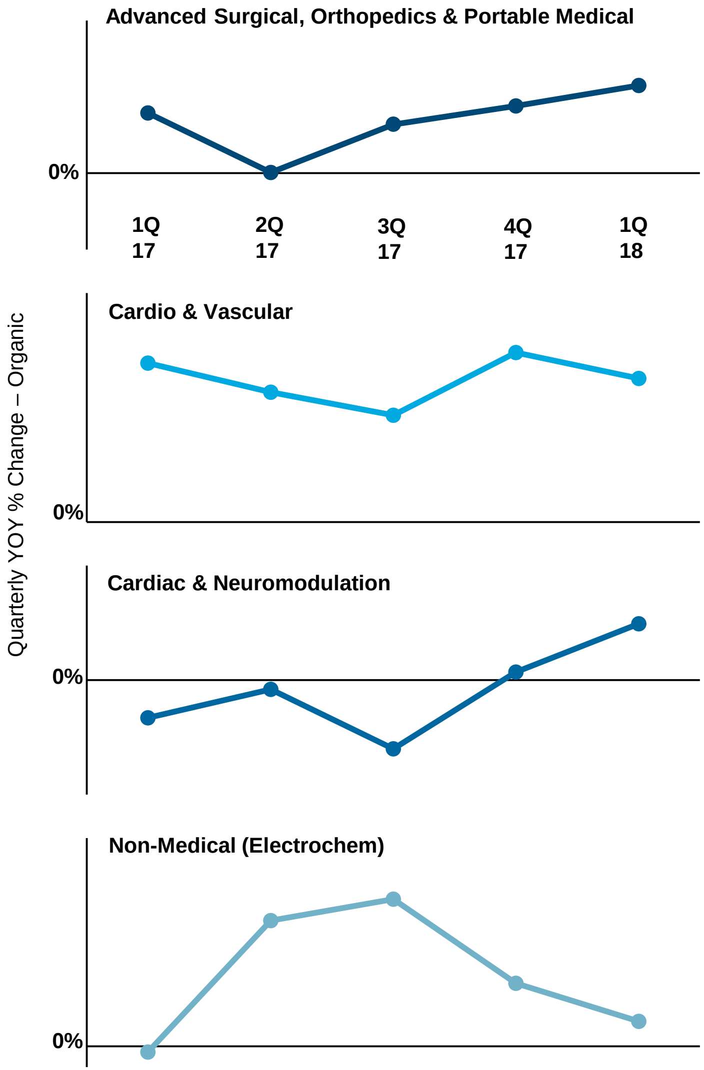


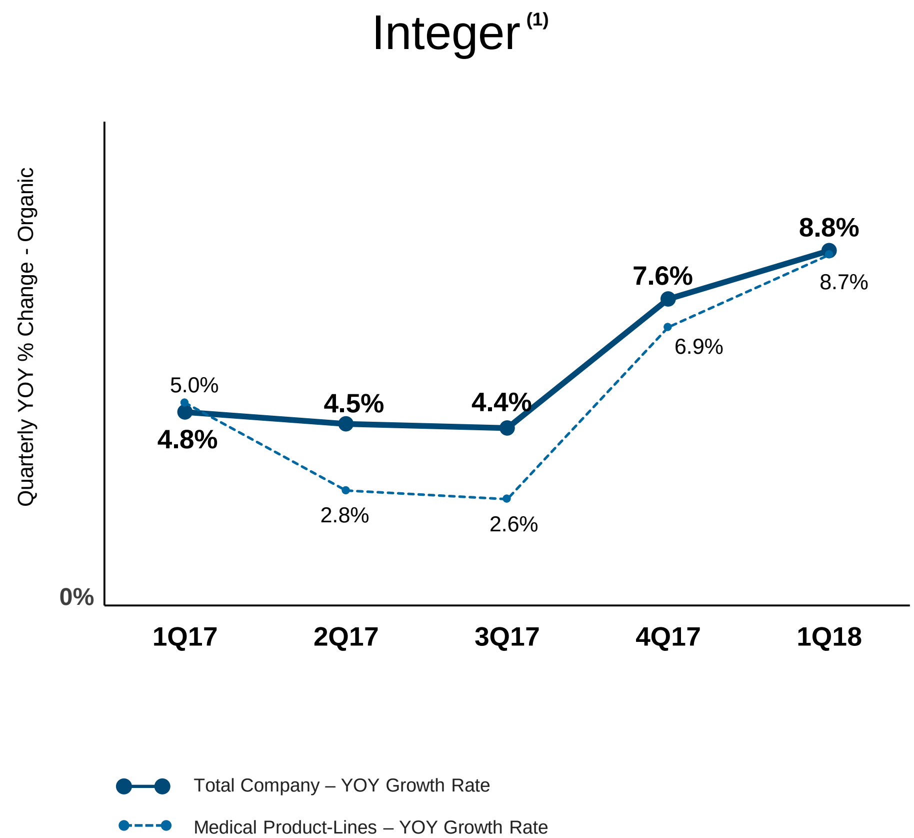
(1) Refer to the appendix of this presentation for a reconciliation of Adjusted EPS to the most directly comparable GAAP measure

(2) The quarterly and annual EPS numbers are calculated independently and may not sum to the total

(3) Excludes impact of foreign currency reported in other loss, net

YOY Sales Improvement Continues in 1Q18



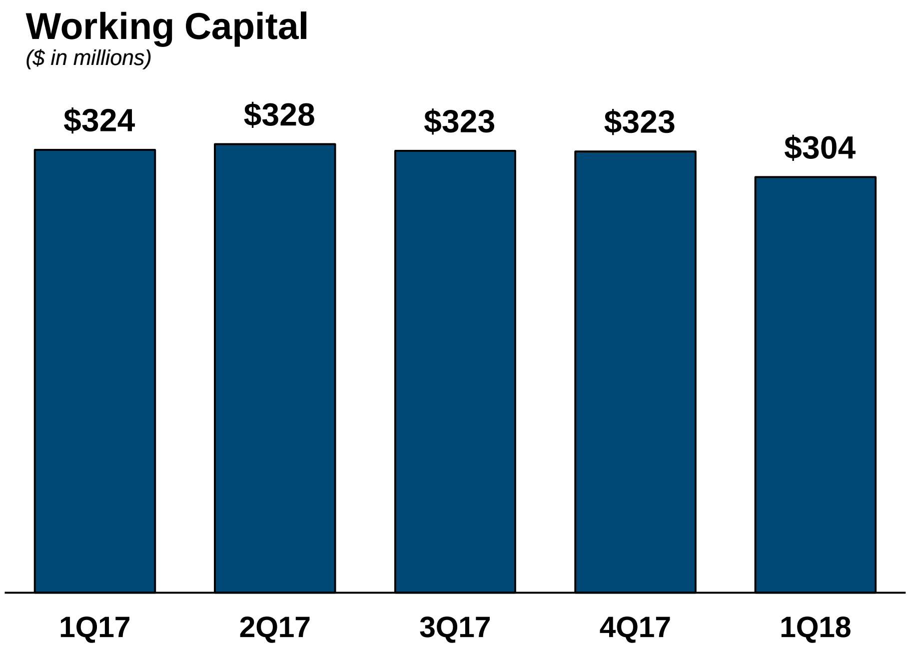


(1) Excludes impact from changes in foreign currency exchange rates

Working Capital

($ in millions)

	1Q17	2Q17	3Q17	4Q17	1Q18
Inventory	$231	$236	$247	$228	$239
Inventory Turns[1]	4.5	4.5	4.4	4.8	4.9
Capital Expenditures	$12	$10	$12	$13	$10



(1) Inventory Turns calculated as "COGS divided by quarterly Average Inventory multiplied by "4" to reach an annualized number

Other Operating Expenses – Historical

($ in millions)

	Three Months Ended				YTD	Three Mos.
	1Q17	**2Q17**	**3Q17**	**4Q17**	**FY17**	**1Q18**
Strategic Reorganization and Alignment	--	--	--	$5.9	**$5.9**	$3.5
Manufacturing and Alignment to Support Growth	--	--	--	--	**--**	$0.5
Consolidation and Optimization Initiatives	$2.4	$2.8	$3.2	$4.9	**$13.3**	$0.6
Acquisition and Integeration Costs	$4.8	$3.0	$2.2	$0.8	**$10.8**	--
Asset Dispositions, Severance, and other	$4.6	$1.1	$0.8	$0.7	**$7.2**	$0.7
TOTAL OOE	**$11.8**	**$6.9**	**$6.2**	**$12.3**	**$37.2**	**$5.3**

Non-GAAP Reconciliation

Net Income and Diluted EPS Reconciliation – QTD

($ in thousands, except per share amounts)

	Three Months Ended					
	March 30, 2018			March 31, 2017		
	Pre-Tax	**Net Income**	**Per Diluted Share**	**Pre-Tax**	**Net Income (Loss)**	**Per Diluted Share**
As reported (GAAP)	$ 12,209	$ 8,118	$ 0.25	$ (4,195)	$ (4,339)	$ (0.14)
Adjustments:						
Amortization of intangibles[a]	11,713	9,304	0.29	10,978	7,746	0.24
IP related litigation (SG&A)[a][b]	321	254	0.01	377	245	0.01
Strategic reorganization and alignment (OOE)[a][c]	3,492	2,779	0.09	—	—	—
Manufacturing alignment to support growth (OOE)[a][d]	513	369	0.01	—	—	—
Consolidation and optimization expenses (OOE)[a][e]	605	473	0.01	2,395	1,899	0.06
Acquisition and integration expenses (OOE)[a][f]	—	—	—	4,820	3,133	0.10
Asset dispositions, severance and other (OOE)[a][g]	667	489	0.02	4,556	2,957	0.09
(Gain) loss on cost and equity method investments, net[a]	(4,970)	(3,926)	(0.12)	398	259	0.01
Loss on extinguishment of debt[a][h]	1,057	835	0.03	1,559	1,013	0.03
Tax adjustments[i]	—	1,021	0.03	—	—	—
Adjusted (Non-GAAP)	$ 25,607	$ 19,716	$ 0.61	$ 20,888	$ 12,913	$ 0.41
Diluted weighted average shares for adjusted EPS[j]		32,423			31,685	

See the Footnotes to this table on Slide 30 of this presentation

Non-GAAP Reconciliation

1Q18 QTD Net Income and Diluted EPS Reconciliation – Detailed View

($ in thousands, except per share amounts)

Income Statement	GAAP	Non-GAAP Adj.[a]								Non-GAAP
	1Q18 Actual	Amortization	Litigation Related Charges[b]	Strategic Reorganization & Alignment[c]	Manufacturing Alignment to Support Growth[d]	Consolidation & Optimization[e]	Asset Disposition, Severance & Other[g]	Debt / Investment Related Charges[h]	Tax Adjustment[i]	1Q18 Adjusted
Sales	$ 381,745									$ 381,745
Cost of sales	285,975	(4,069)								281,906
Gross profit	$ 95,770	$ 4,069	$ -	$ -		$ -		$ -	$ -	$ 99,839
Gross margin	*25.1%*									*26.2%*
Operating expenses:										
SG&A	41,238	(7,606)	(321)							33,311
SG&A as a % of revenues	*10.8%*									*8.7%*
Research, development & engineering	14,538	(38)								14,500
RD&E as a % of revenues	*3.8%*									*3.8%*
Other operating expense	5,277			(3,492)	(513)	(605)	(667)			-
Operating income	$ 34,717	$ 11,713	$ 321	$ 3,492	$ 513	$ 605	$ 667	$ -	$ -	$ 52,028
Operating margin	*9.1%*									*13.6%*
Other (income) & expenses:										
Interest expense	26,445							(1,057)		25,388
Other (income) loss, net	(3,937)							4,970		1,033
Income before taxes	$ 12,209	$ 11,713	$ 321	$ 3,492	$ 513	$ 605	$ 667	$ (3,913)		$ 25,607
Provision for income taxes	4,091	2,409	67	713	144	132	178	(822)	(1,021)	5,891
Effective tax rate	*33.5%*									*23.0%*
Net income (loss)	$ 8,118	$ 9,304	$ 254	$ 2,779	$ 369	$ 473	$ 489	$ (3,091)	$ 1,021	$ 19,716
Net margin	*2.1%*									*5.2%*
Weighted Average Shares O/S[j]	32,423	32,423	32,423	32,423	32,423	32,423	32,423	32,423	32,423	32,423
EPS	$ 0.25	$ 0.29	$ 0.01	$ 0.09	$ 0.01	$ 0.01	$ 0.02	$ (0.10)	$ 0.03	$ 0.61

See the Footnotes to this table on Slide 30 of this presentation

Non-GAAP Reconciliations

Footnotes to “Net Income and Diluted EPS Reconciliations”

(a) The difference between pre-tax and net income (loss) amounts is the estimated tax impact related to the respective adjustment. Net income amounts are computed using a 21% U.S. tax rate (35% U.S. tax rate for 2017 periods), and the statutory tax rates in Mexico, Germany, France, Netherlands, Uruguay, Ireland and Switzerland, as adjusted for the existence of NOLs. Amortization of intangibles and OOE expense have also been adjusted to reflect the estimated impact relating to our disallowed deduction of the GILTI tax, as described in note (i) below. Expenses that are not deductible for tax purposes (i.e. permanent tax differences) are added back at 100%.

(b) In 2013, we filed suit against AVX Corporation alleging they were infringing our intellectual property. Given the complexity and significant costs incurred pursuing this litigation, we are excluding these litigation expenses from adjusted amounts. This matter proceeded to trial during the first quarter of 2016 and again in the third quarter of 2017 that resulted in a jury awarding damages in the amount of $37.5 million. In March 2018, the court vacated that damage award and ordered a new trial on damages, which is scheduled for January 2019. To date, no gains have been recognized in connection with this litigation.

(c) As a result of the strategic review of our customers, competitors and markets we undertook during the fourth quarter of 2017, we began to take steps to better align our resources in order to invest to grow, protect, preserve and to enhance the profitability of our portfolio of products. This will include focusing our investment in RD&E and manufacturing, improving our business processes and redirecting investments away from projects where the market does not justify the investment. As a result, during the first quarter of 2018 we incurred charges related to this strategy, which primarily consisted of severance and fees for professional services.

(d) In 2017, we initiated several initiatives designed to reduce costs, improve operating efficiencies and increase manufacturing capacity to accommodate growth. The plan involves the relocation of certain manufacturing operations and expansion of certain of our facilities.

(e) During 2018 and 2017, we incurred costs primarily related to the closure of our Clarence, NY facility and the transfer of our Beaverton, OR portable medical and Plymouth, MN vascular manufacturing operations to Tijuana, Mexico.

(f) Reflects acquisition and integration costs related to the acquisition of Lake Region Medical, which occurred in October 2015.

(g) Amounts for 2017 primarily include expenses related to our CEO and CFO transitions.

(h) Represents debt extinguishment charges in connection with pre-payments made on our Term B Loan Facility which are included in interest expense.

(i) Tax adjustments primarily includes the estimated impact relating to our disallowed deduction of the GILTI tax, as mandated by the Tax Reform Act. This disallowed deduction of the GILTI tax (approximately 50% of the total GILTI tax) is due to the Company making use of its U.S. NOLs, and will be eliminated once the Company’s U.S. NOLs are fully utilized, which is expected to be in approximately three to five years. This adjustment makes our Adjusted Diluted EPS more comparable with other global companies that are not subject to this disallowed GILTI tax deduction and more comparable to the Company’s results following the full utilization of its U.S. NOLs.

(j) The diluted weighted average shares for adjusted EPS for the three month period ended March 31, 2017 includes 669,000 of potentially dilutive shares not included in the computation of diluted weighted average common shares for GAAP diluted EPS purposes because their effect would have been anti-dilutive in that period.

Non-GAAP Reconciliations

EBITDA and Adjusted EBITDA Reconciliation

($ in thousands)

	Three Months Ended	
	March 30, 2018	March 31, 2017
Net Income (loss) (GAAP)	$ 8,118	$ (4,339)
Interest expense	26,445	28,893
Benefit for income taxes	4,091	144
Depreciation	14,621	13,628
Amortization	11,713	10,978
EBITDA	64,988	49,304
IP related litigation	321	377
Stock-based compensation (excluding OOE)	3,218	2,406
Strategic reorganization and alignment	3,492	—
Manufacturing alignment to support growth	513	—
Consolidation and optimization expenses	605	2,395
Acquisition and integration expenses	—	4,820
Asset dispositions, severance and other	667	4,556
Noncash (gain) loss on cost and equity method investments	(4,970)	398
Adjusted EBITDA (Non-GAAP)	$ 68,834	$ 64,256

Non-GAAP Reconciliations
Organic Sales Growth Rate Reconciliation (% Change)

	GAAP Reported Growth	Impact of Foreign Currency[(a)]	Non-GAAP Organic Growth
QTD Change (1Q 2018 vs. 1Q 2017)			
Medical Sales			
Cardio & Vascular	10.6%	(1.2)%	9.4%
Cardiac & Neuromodulation	4.9%	—	4.9%
Advanced Surgical, Orthopedics & Portable Medical	15.8%	(4.3)%	11.5%
Total Medical Sales	**10.5%**	**(1.8)%**	**8.7%**
Non-Medical Sales	**12.0%**	**—**	**12.0%**
Total Sales	**10.5%**	**(1.7)%**	**8.8%**

(a) First quarter 2018 Cardio & Vascular and Advanced Surgical, Orthopedics & Portable Medical product lines sales were positively impacted by $1.5 million and $4.5 million, respectively, due to foreign currency exchange rate fluctuations.

Non-GAAP Reconciliations

Non-GAAP Organic Growth Rate Reconciliation (% Change)

	GAAP Reported Growth	Impact of Non-GAAP Adjustment[(a)]	Impact of Foreign Currency[(b)]	Non-GAAP Organic Growth
QTD Change (1Q 2018 vs. 1Q 2017)				
EBITDA	31.8%	(24.7)%	(0.3)%	6.8%
Net Income	NM	52.7%	(4.5)%	48.2%
Diluted EPS	NM	48.8%	(3.3)%	45.5%

NM calculated change not meaningful

(a) Represents the impact to our growth rate from our Non-GAAP adjustments. See slides 28-31 for further detail on these items.

(b) Represents the impact to our growth rate due to changes in foreign currency exchange rates

Non-GAAP Reconciliations

2018 Full-Year Outlook

($ in millions, except per share amounts)

2018 Outlook	GAAP		Non-GAAP	
	As Reported	Growth	Adjusted	Growth
Revenue	$1,510 - $1,550	3% - 6%	$1,510 - $1,550	3% - 6%
Net Income	$50 - $60	(25)% - (10)%	$103 - $113	14% - 25%
EBITDA	N/A	N/A	$310 - $320	9% - 12%
Earnings per Diluted Share	$1.55 - $1.85	(26)% - (11)%	$3.20 - $3.50	14% - 25%

Integer's 2018 Outlook does not reflect the potential impact of the planned divestiture of the Advanced Surgical and Orthopedics product lines that was announced on May 3, 2018.

Except as described below, further reconciliations by line item to the closest corresponding GAAP financial measure for Adjusted Net Income, Adjusted Earnings per Diluted Share and Adjusted EBITDA, included in our "2018 Outlook" above, are not available without unreasonable efforts on a forward-looking basis due to the high variability, complexity and visibility of the charges excluded from this non-GAAP financial measure.

Adjusted Net Income and EPS for 2018 is expected to consist of GAAP Net Income and EPS, excluding items such as intangible amortization, IP-related litigation costs, consolidation and realignment costs, asset disposition and write-down charges, and loss on extinguishment of debt totaling approximately $63 million. The after-tax impact of these items is estimated to be approximately $50 million, or approximately $1.54 per diluted share. Additionally, Adjusted Net Income and EPS is expected to exclude the estimated impact relating to our disallowed deduction of the Global Intangible Low-Taxed Income ("GILTI") tax, as mandated by the U.S. Tax Cuts and Jobs Act (the "Tax Reform Act"). This disallowed deduction of the GILTI tax (approximately 50% of the total GILTI tax) is due to the Company making use of its U.S. net operating losses ("NOLs"), and will be eliminated once the Company's U.S. NOLs are fully utilized, which is expected to be in approximately three to five years. This adjustment makes our Adjusted Diluted EPS more comparable with other global companies that are not subject to this disallowed GILTI tax deduction and more comparable to the Company's results following the full utilization of its U.S. NOLs.

Adjusted EBITDA is expected to consist of Adjusted Net Income, excluding items such as depreciation, interest, stock-based compensation and taxes totaling approximately $207 million.

Supplemental Financial Items Affecting Cash Flow:

(in millions, except effective tax rate)

	2018 Outlook	2017 Actual
Capital Expenditures	$50 - $55	$47
Depreciation and amortization	$106 - $108	$103
Stock-based compensation	$10 - $12	$15
Other operating expense	$10 - $15	$37
Effective tax rate, as adjusted	21% - 24%	20%
Cash taxes, excluding any refunds	$13 - $15	$9

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