

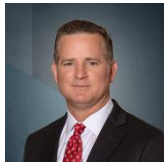


**Integer**<sup>®</sup>

# 2Q23 Earnings Conference Call

July 27, 2023

### Speakers:



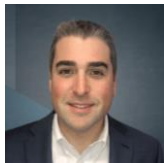
#### **Joe Dzedzic**

President and Chief Executive  
Officer



#### **Diron Smith**

Vice President, Financial  
Planning & Analysis and  
Interim Chief Financial Officer



#### **Andrew Senn**

Senior Vice President, Strategy,  
Business Development &  
Investor Relations

- A webcast of today's call can be accessed in the "Investor Relations" section of the Company's website:  
[investor.integer.net](https://investor.integer.net)
- To participate on the call, please dial:
  - (888) 330-3567 (U.S.)
  - (646) 960-0842 (International)
  - The conference ID is 9252310
- An online archive of the broadcast will be available at the website three hours after the live call, and will be available through Thursday, August 3, 2023, by dialing
  - (800) 770-2030 (U.S.)
  - (647) 362-9199 (International)
  - The conference ID is 9252310

# Presentation of Financial Information & Forward-Looking Statements



## Important Information

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

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

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

# Agenda



- Opening Remarks
- Financial Results
- 2023 Outlook
- Wrap-up
- Q&A

# Opening Remarks

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*2Q23 sales growth +14% versus 2Q22, with expanding adj. operating margins*

*Raising full year outlook for sales, profit, free cash flow*

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

## **Continued strong 2023 performance with 2Q23 financial results**

- 2Q23 organic sales up 14%, adjusted operating income up 20% vs. 2Q22
- Strong growth across all product lines, driven by strong customer demand
- Meaningful improvement in the supply chain and a stabilizing labor environment

## **Raising 2023 outlook: Sales +12% vs. 2022 at midpoint**

- Sales \$1,530 to \$1,550 million, up 11% to 13% vs. 2022
- Adjusted operating income \$224 to \$232 million, up 17% to 21% vs. 2022
- Free cash flow \$75 to \$95 million, up 77% to 125%

## **Executing strategy to achieve our financial objectives**

- Demonstrating above-market sales growth with a pipeline to sustain 200bps above the market
- Delivering adjusted operating income growth of 1.6x sales growth (midpoint), with the long-term objective of achieving 2x sales growth
- 2Q23 ending debt leverage 3.5x ... within target of 2.5x to 3.5x

# Financial Results

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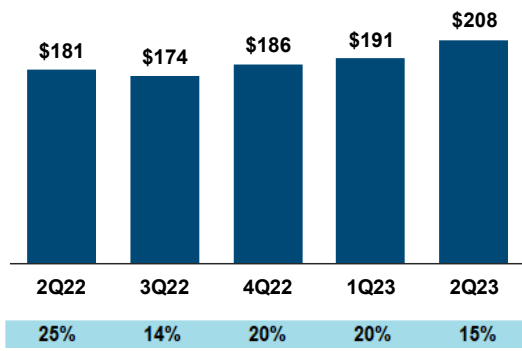


# Product Line Quarterly Sales Performance Trends

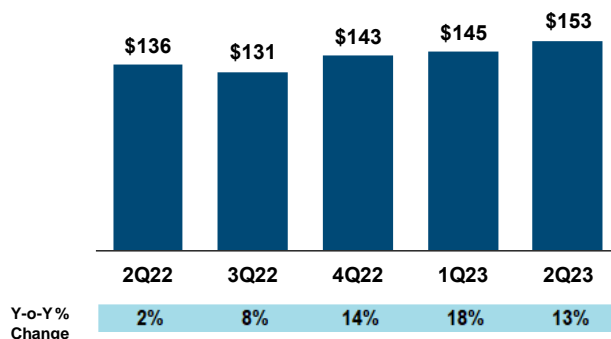


(\$ in millions)

## Cardio & Vascular



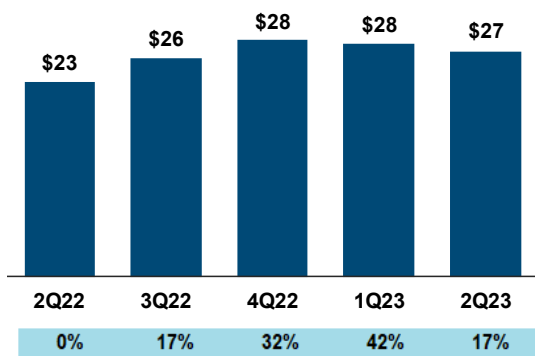
## CRM & Neuromodulation



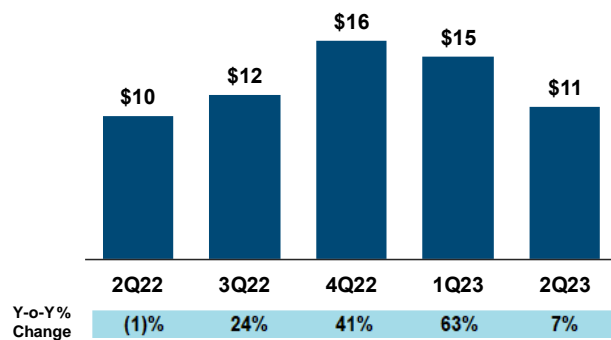
## 2Q23 Highlights

- ✓ Strong year-over-year growth across all product lines in 2Q23 ... strong customer demand and an improving supply chain
- ✓ Continued strong organic growth from C&V new product ramps in electrophysiology and demand for guidewire products
- ✓ Continued strong growth from emerging CRM&N customers with PMA products
- ✓ Portable Medical continues to benefit from demand & price associated with the multi-year product exit
- ✓ Electrochem growth from military and environmental markets

## Advanced Surgical, Orthopedics & Portable Medical

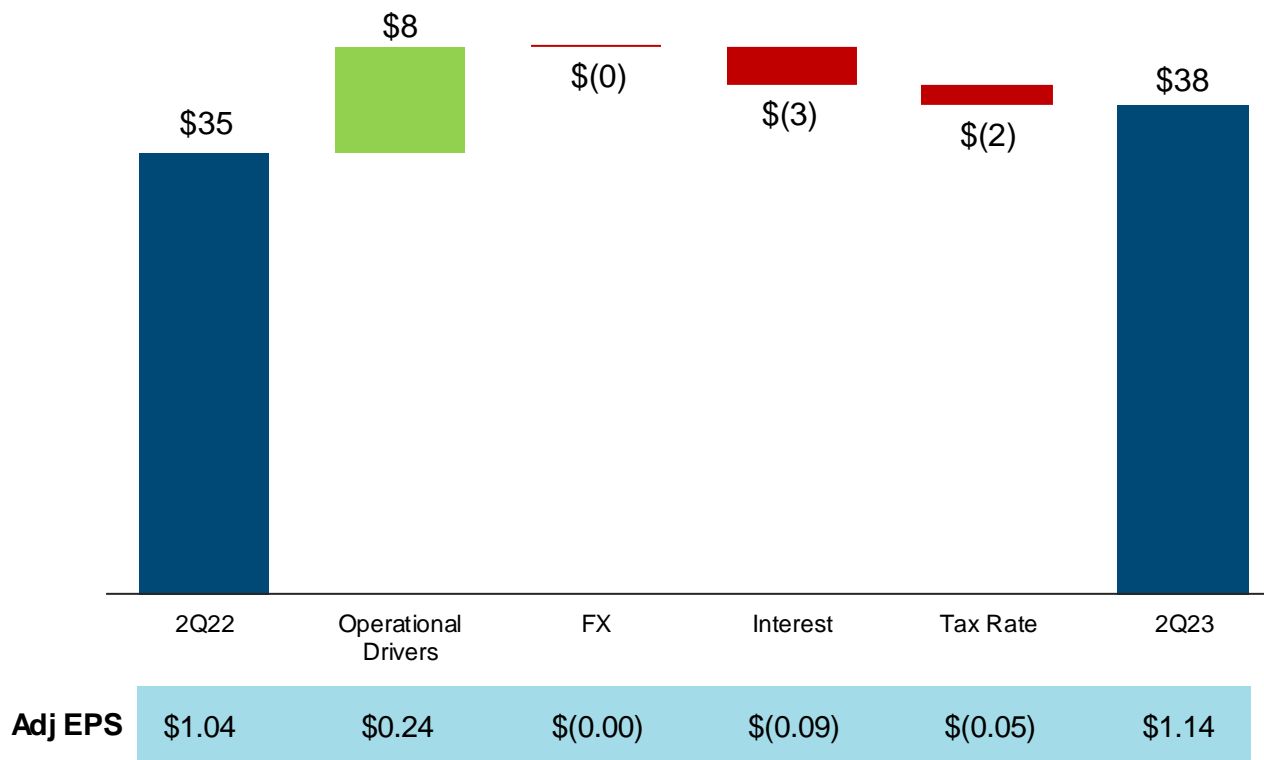


## Electrochem



# 2Q23 Adjusted Net Income<sup>(1)</sup>

(\$ in millions, except per share amounts)



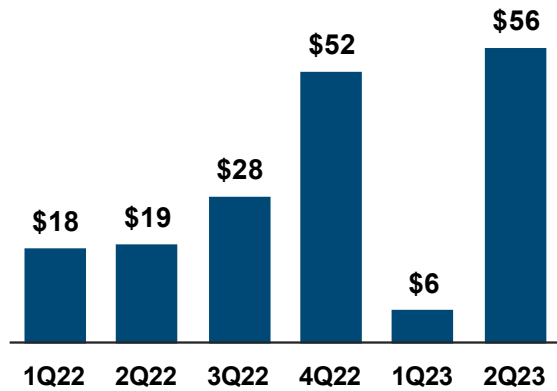
(1) Adjusted Net Income and Adjusted EPS are non-GAAP financial measures; refer to "Non-GAAP Financial Measures" in the Appendix

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

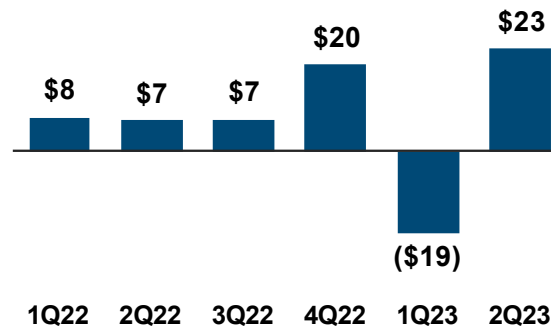
(\$ in millions)



## Cash Flow From Ops



## Free Cash Flow



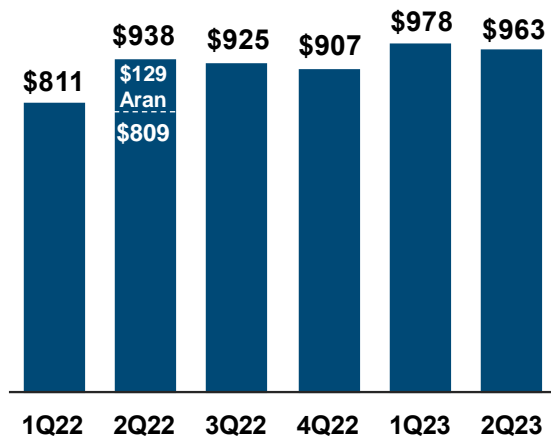
## Highlights

- ✓ Strong 2Q23 cash flow from ops driven by higher sales volume and working capital efficiency
- ✓ Executed AR factoring program, contributed approx. \$20 million cash flow from ops
- ✓ \$33 million of 2Q23 capex in line with rate of full year spend of \$100 to \$120 million
- ✓ Raising full year guidance to \$75 to \$95 million free cash flow
- ✓ Leverage ratio back within target of 2.5x – 3.5x

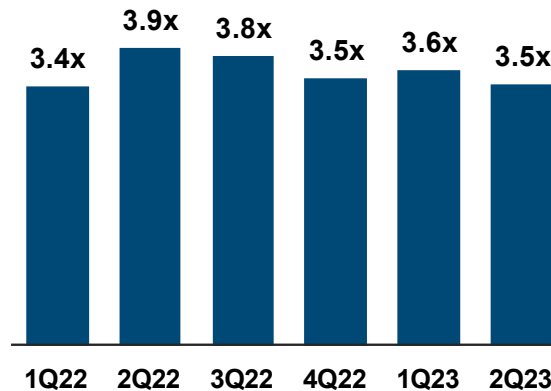
## Net Total Debt

Change vs. Prior Quarter

Quarter	Change vs. Prior Quarter (\$ million)
1Q22	\$127
2Q22	\$(13)
3Q22	\$(18)
4Q22	\$71
1Q23	\$(15)



## Leverage



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

# 2023 Outlook

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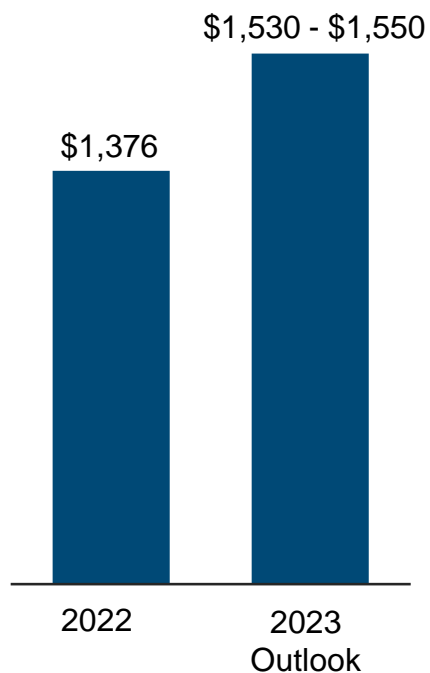
# 2023 Full Year Outlook<sup>(1)</sup>

(\$ in millions, except per share amounts)



## Sales

**% Change**      **11% - 13%**



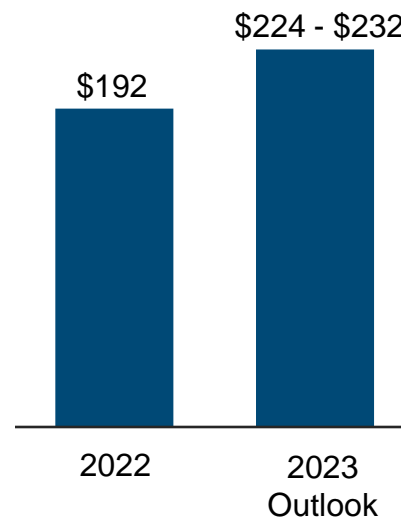
## Adj. EBITDA

**15% - 18%**



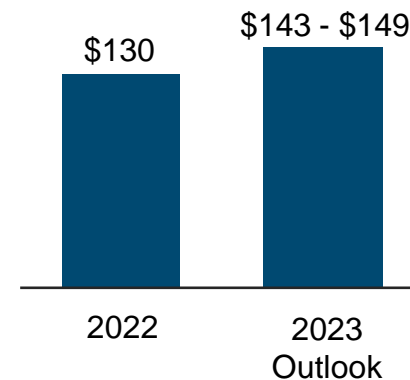
## Adj. Operating Income

**17% - 21%**



## Adj. Net Income

**10% - 15%**



## Adjusted EPS

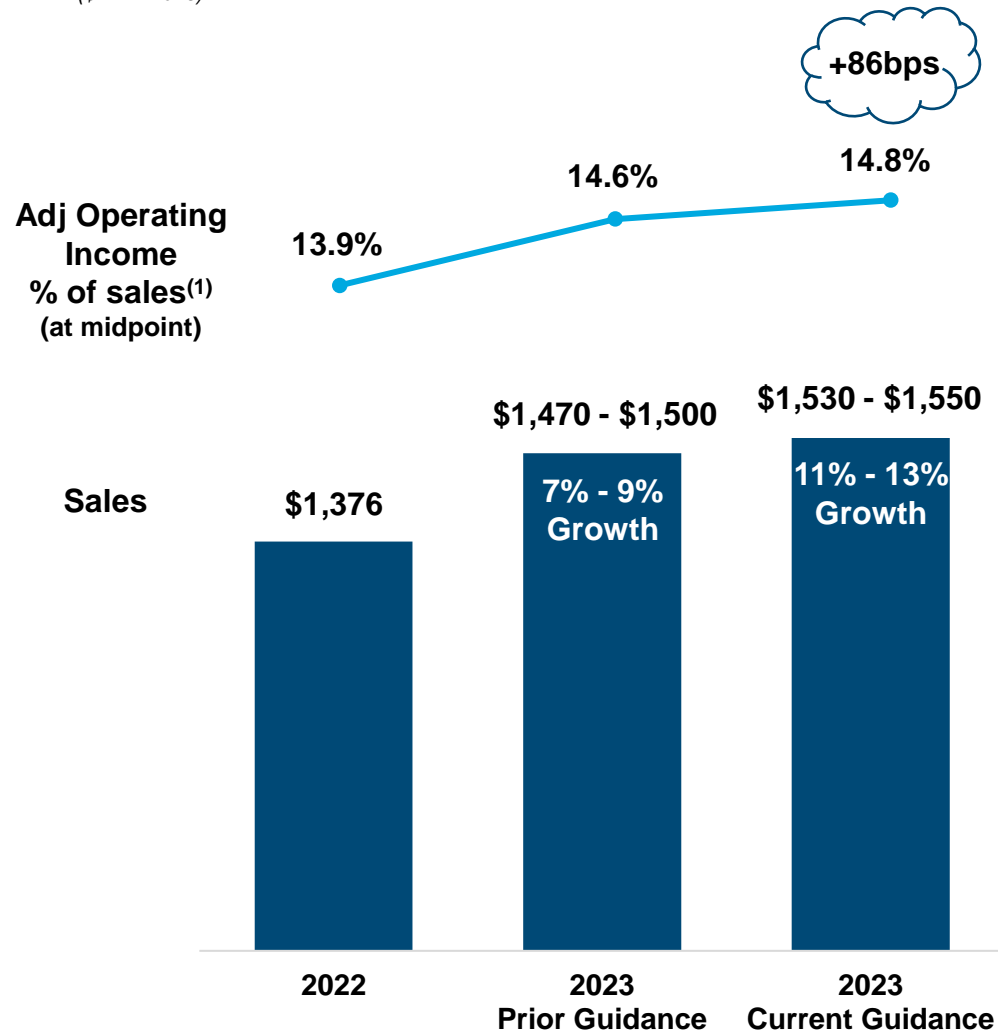
**\$3.88      \$4.23 - \$4.43**

Organic Sales Change: 10% - 12%

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

# 2023 Financial Outlook

(\$ in millions)



## Full year outlook

- 11% to 13% year-over-year reported growth with 10% to 12% organic growth
- +86bps AOI as a % of sales improvement at mid-point of 2023 guidance

## Quarterly profile

- 2Q23 sales up 14% on strong customer demand and new product introductions, enabled by an improving supply chain
- 1H23 average sales of \$389 million, is comprised of an approximate \$380 million quarterly run-rate plus recovery of prior year supply chain delays
- Expect 2H23 quarterly sales similar to 1H23 run rate of approximately \$380 million

Delivering strong above-market sales growth at 11% to 13% year-over-year

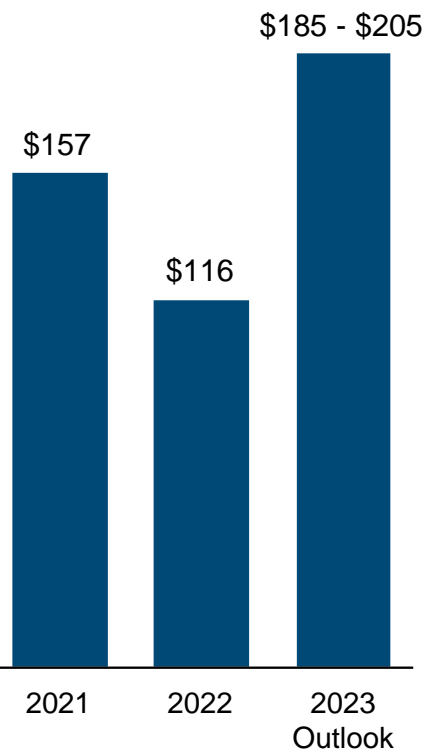
(1) Adjusted operating income % of sales is a non-GAAP financial measures; refer to "Non-GAAP Financial Measures" in the Appendix

# 2023 Cash Flow Outlook<sup>(1)</sup>

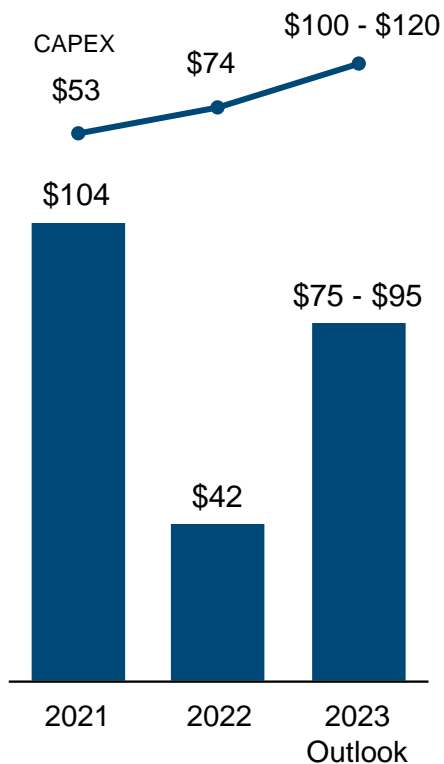
(\$ in millions)



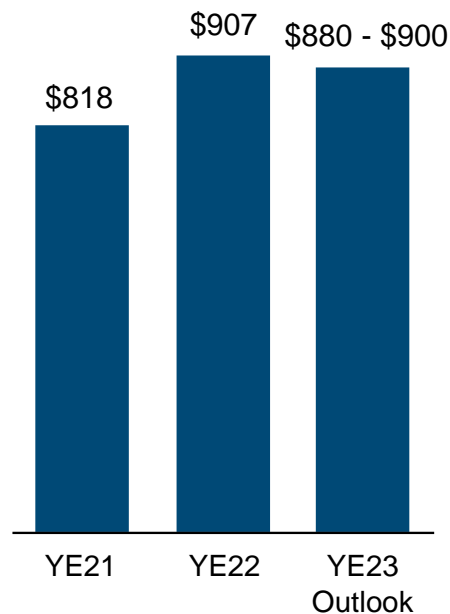
## Cash Flow From Ops



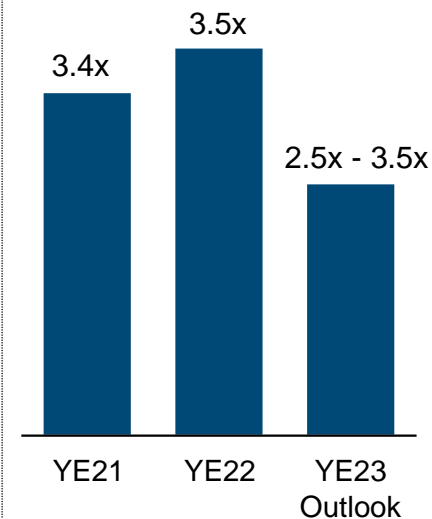
## Free Cash Flow



## Net Total Debt



## Leverage



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

Wrap-up

## ✓ **Continued strong 2023 performance with 2Q23 financial results**

- 2Q23 organic sales up 14%, adjusted operating income up 20% vs. 2Q22
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# Integer Investment Thesis



## Portfolio Strategy

### Product Lines

- Cardio & Vascular
- Cardiac Rhythm Management
- Neuromodulation
- Electrochem
- Portable Medical

*How We Win In The Markets We Serve*

## Operational Strategy



*How We Achieve Excellence In Everything We Do*

## Integer Values



*How We Engage With Each Other*

## Strategy Financial Objectives

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

### Resilient Business Model

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

### Compelling Strategy for Growth

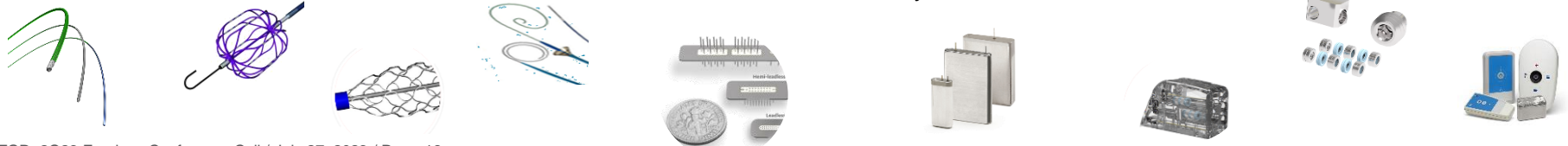
- ✓ ~70% sales under multi-year agreements
- ✓ Favorable outsourcing trends
- ✓ World-class research & development capabilities

### Performance Culture

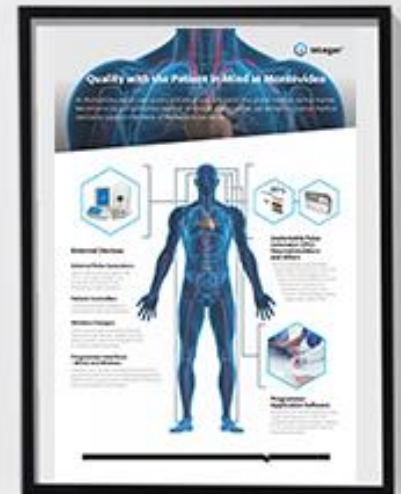
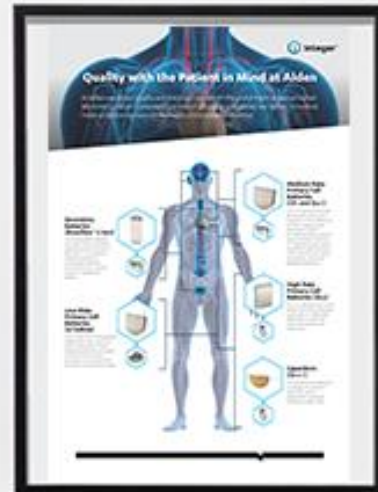
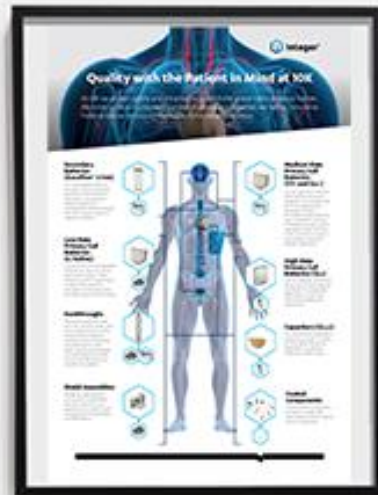
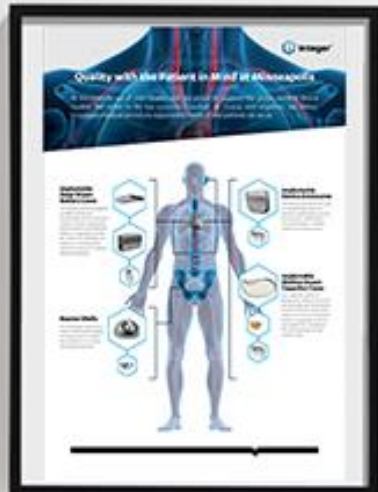
- ✓ Leadership capability:
  - Selection, development, evaluation, succession
- ✓ Performance excellence:
  - Engagement, assessment, organization effectiveness
- ✓ Diversity & Inclusion

### Financial Strength

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



# Questions?



# Appendix

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# 2023 Outlook<sup>(a)</sup>

(\$ in millions, except per share amounts)



	GAAP		Non-GAAP <sup>(b)</sup>	
	As Reported	Change from Prior Year	Adjusted	Change from Prior Year
Sales	\$1,530 to \$1,550	11% to 13%	N/A	N/A
Operating income	\$152 to \$160	25% to 32%	\$224 to \$232	17% to 21%
EBITDA	N/A	N/A	\$294 to \$302	15% to 18%
Net income	\$83 to \$89	26% to 37%	\$143 to \$149	10% to 15%
Diluted earnings per share	\$2.45 to \$2.65	25% to 35%	\$4.23 to \$4.43	9% to 14%
Cash flow from operating activities	\$185 to \$205	59% to 76%	N/A	N/A

<sup>(a)</sup> Except as described below, further reconciliations by line item to the closest corresponding GAAP financial measure for Adjusted operating income, Adjusted EBITDA, Adjusted net income and Adjusted Earnings per Share (“EPS”) included in our “2023 Outlook” above, and Adjusted total interest expense, Adjusted effective tax rate and Leverage ratio in “Supplemental Financial Information” below, are not available without unreasonable efforts on a forward-looking basis due to the high variability, complexity and visibility of the charges excluded from these non-GAAP financial measures.

<sup>(b)</sup> Adjusted operating income for 2023 consists of GAAP operating income, excluding items such as amortization of intangible assets, restructuring and restructuring-related charges, and acquisition and integration costs, totaling approximately \$72 million, pre-tax. Adjusted net income and Adjusted EPS for 2023 consist of GAAP net income and diluted EPS, excluding items such as amortization of intangible assets, restructuring and restructuring-related charges, acquisition and integration costs, and gain or loss on equity investments totaling approximately \$77 million, pre-tax. The after-tax impact of these items is estimated to be approximately \$60 million, or approximately \$1.78 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 \$152 million to \$153 million.

# 2023 Supplemental Financial Information

(\$ in millions)



	<b>2023 Outlook</b>	<b>2022 Actual</b>
Depreciation and amortization	\$100 to \$105	\$92
Adjusted total interest expense <sup>(a)</sup>	\$45 to \$50	\$39
Stock-based compensation	\$22 to \$25	\$21
Restructuring, acquisition and other charges <sup>(b)</sup>	\$15 to \$20	\$22
Adjusted effective tax rate <sup>(c)</sup>	17.0% to 19.0%	16.1%
Leverage ratio <sup>(d)</sup>	2.5x to 3.5x	3.5x
Capital expenditures <sup>(d)</sup>	\$100 to \$120	\$74
Cash income tax payments	\$27 to \$31	\$11

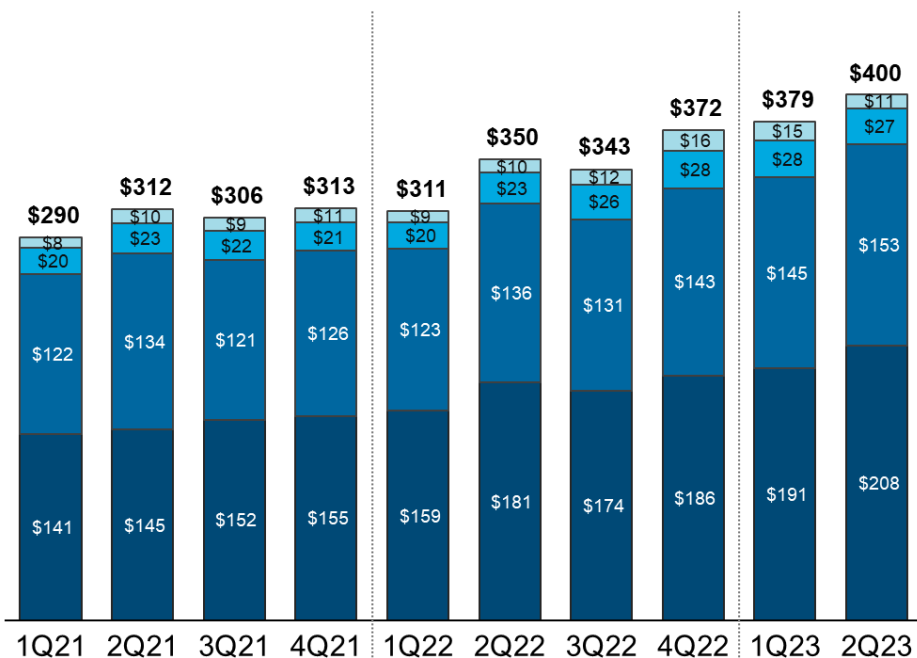
- (a) Adjusted total interest expense refers to our expected full-year GAAP total interest expense, expected to range from \$49 million to \$55 million for 2023, adjusted to remove the full-year impact of charges associated with the accelerated write-off of deferred issuance costs and unamortized discounts (loss on extinguishment of debt) included in GAAP total interest expense, if any.
- (b) Restructuring, acquisition and other charges consists of restructuring and restructuring-related charges, acquisition and integration costs, other general expenses, and incremental costs of complying with the new European Union medical device regulations.
- (c) Adjusted effective tax rate refers to our full-year GAAP effective tax rate, expected to range from 15.0% to 17.0% for 2023, adjusted to reflect the full-year impact of the items that are excluded in providing adjusted net income and certain other identified items.
- (d) Please see “Notes Regarding Non-GAAP Financial Information” for additional information regarding leverage ratio and capital expenditures.

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

(\$ in millions, except per share amounts)

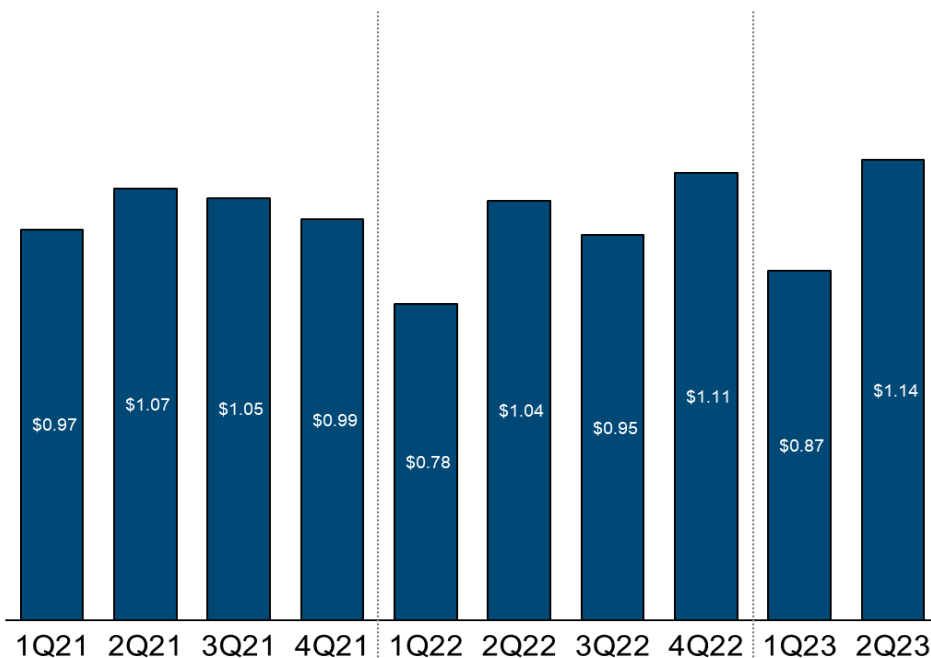


## Sales



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

## Adjusted EPS<sup>(2)</sup>



(1) Adjusted EPS is a non-GAAP financial measure; refer to "Non-GAAP Financial Measures" in the Appendix.

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

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

(\$ in millions)



	06/30/23 As Reported	06/30/23 Rate
Cash & Cash Equivalents	\$ 39	
USD Denominated Revolver [Due 2028]	\$ -	SOFR + 150
EUR Denominated Revolver [Due 2028]	\$ 109	EURIBOR + 150
TLA [Due 2028]	\$ 393	SOFR + 150
Convertible Bonds [Due 2028]	\$ 500	2.125% fixed
<b>Total Principal Amount of Debt Outstanding</b>	<b>\$ 1,001</b>	
<b>Deferred Fees and OID</b>	<b>\$ (16)</b>	
<b>Total Debt (Principal Amount of Debt Outstanding Less Deferred Fees and Discounts)</b>	<b>\$ 985</b>	
<b>Net Total Debt (Total Principal Amount of Debt Outstanding Less Cash)<sup>(1)</sup></b>	<b>\$ 963</b>	
<u>Continuing Operations Statistics</u>		
Trailing 4 Quarter Adjusted EBITDA <sup>(1)</sup>	\$ 279	
Trailing 4 Quarter Cash Interest Expense	\$ 42	
Trailing 4 Quarter Capital Expenditures	\$ 109	
<u>Credit Statistics</u>		
Leverage Ratio <sup>(1)</sup> : Net Total Debt / Trailing 4 Quarter Adjusted EBITDA		3.5x

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

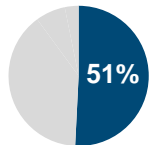
# Product Line Review



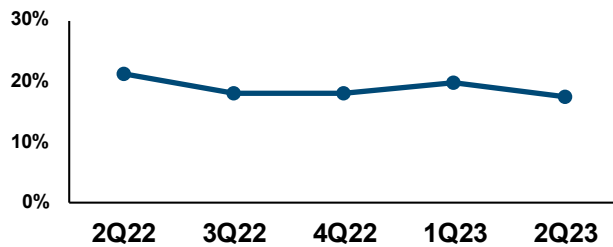
# Year-over-Year Sales Trend, Trailing 4 Quarters



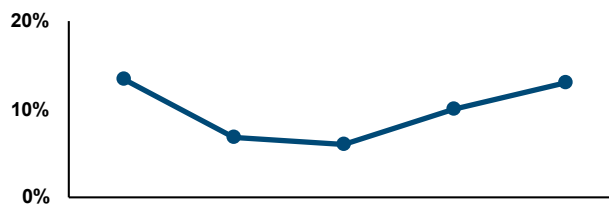
% of Sales



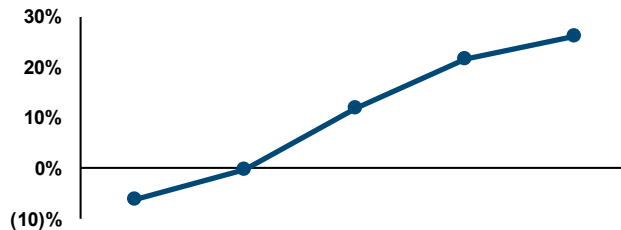
## Cardio & Vascular



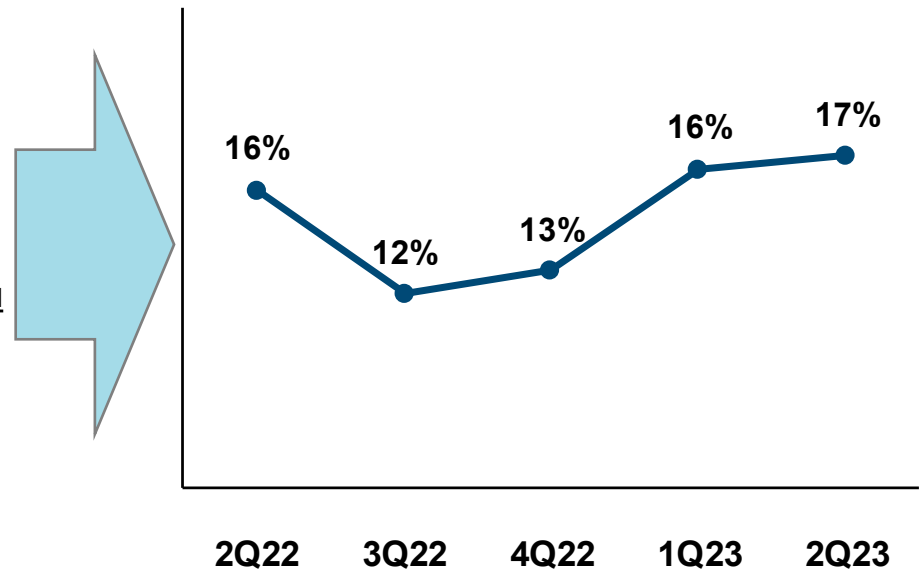
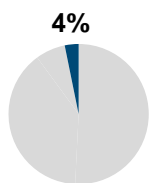
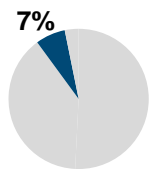
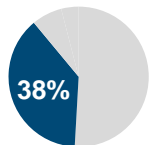
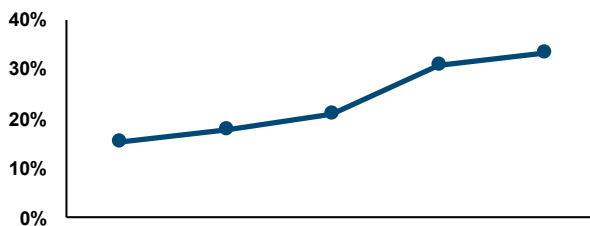
## CRM & Neuromodulation



## Advanced Surgical, Orthopedics & Portable Medical



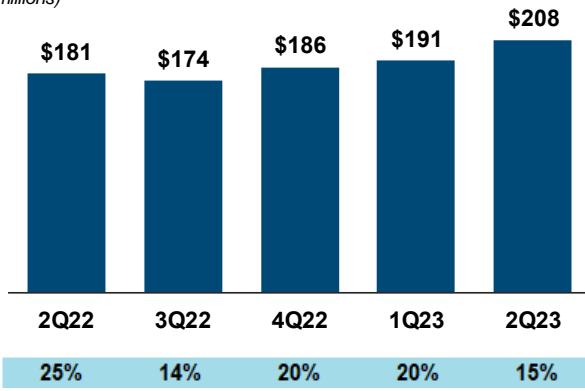
## Electrochem



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

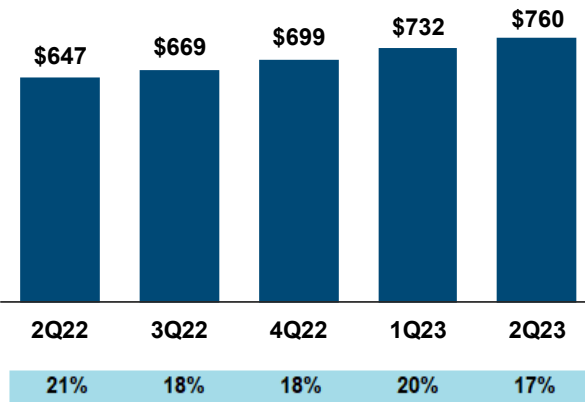
## Quarterly Sales

(\$ in millions)



## Trailing 4 Quarter Sales

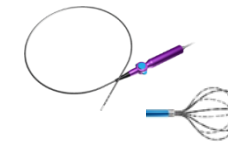
(\$ in millions)



Delivery Systems



Implants



Catheters & Steerable Sheaths



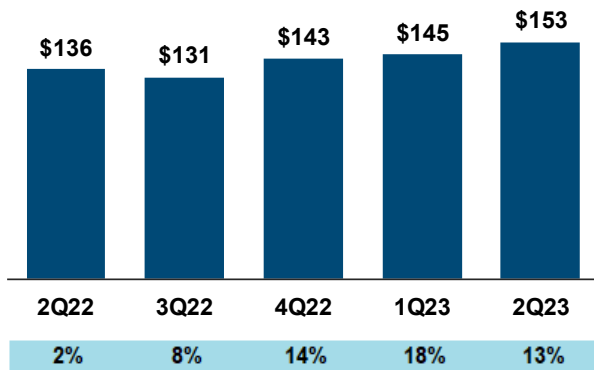
Guidewires, Introducers & Stylets

- 2Q23 double-digit year-over-year sales increase driven by continued strong demand across all markets, growth in key products such as guidewires, new product ramps in electrophysiology, and supply chain improvements
- Trailing 4 quarter sales increased 17% year-over-year in 2Q23 with double-digit growth across all C&V markets, driven by strong demand and acquisition performance
- Expect 2023 C&V product line trailing 4 quarter sales to grow low double-digit year-over-year

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

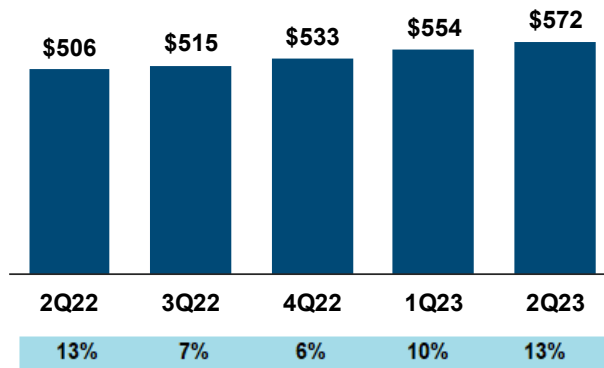
## Quarterly Sales

(\$ in millions)



## Trailing 4 Quarter Sales

(\$ in millions)



Pulse Generator  
Components &  
Assemblies



Leads & Lead Components,  
Adaptors & Assemblies



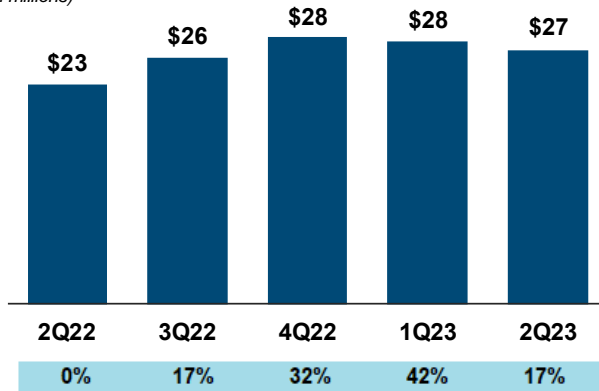
Pulse Generators & External  
Solutions (Programmers, Chargers,  
Patient Devices)

- 2Q23 sales increased 13% year-over-year, with double-digit growth in both CRM and Neuromodulation, driven by strong demand, including double-digit growth from emerging customers with PMA products, and supply chain improvements
- Trailing 4 quarter sales increased 13% year-over-year driven by double-digit CRM growth from strong customer demand and the Oscor acquisition, and double-digit Neuromodulation growth from emerging customers
- Expect 2023 CRM&N product line trailing 4 quarter sales to grow low double-digit year-over-year

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

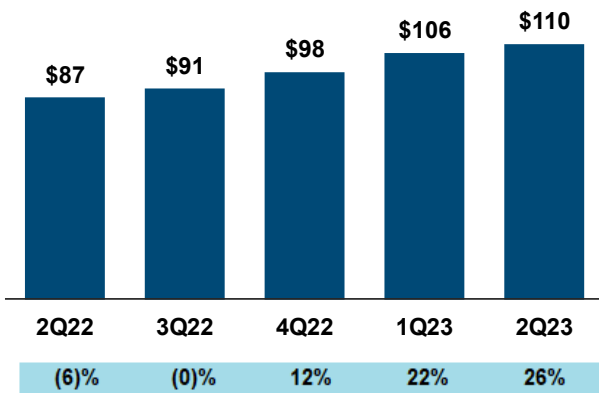
## Quarterly Sales

(\$ in millions)



## Trailing 4 Quarter Sales

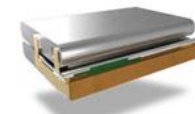
(\$ in millions)



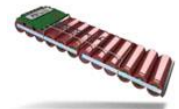
Orthopedic Implants & Instruments



Electrosurgical Accessories



Li-Ion Battery Packs



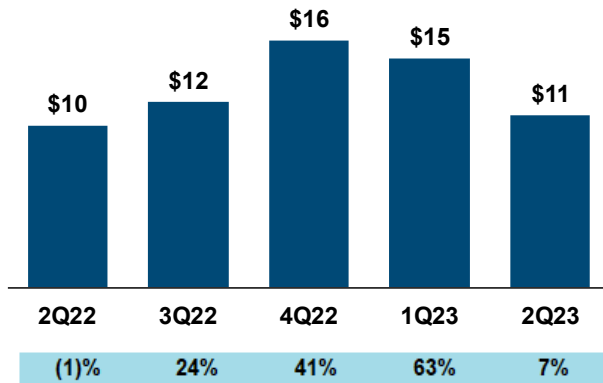
Core Battery Pack Assemblies

- 2Q23 sales growth of 17% year-over-year driven by increased price and demand as a result of the execution of the multi-year Portable Medical exit announced in 2022, and low-single digit growth of Advanced Surgical and Orthopedics
- Trailing 4 quarter sales increased 26% year-over-year driven by high double-digit growth in Portable Medical related to demand to support the multi-year Portable Medical exit
- Expect 2023 trailing 4 quarter sales to be flat to slight decline year-over-year as a result of the multi-year Portable Medical exit program

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

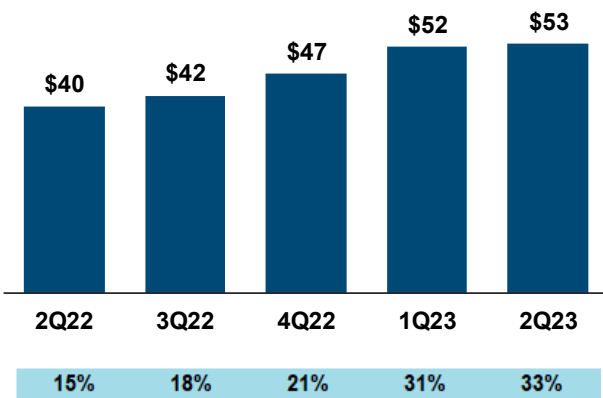
## Quarterly Sales

(\$ in millions)



## Trailing 4 Quarter Sales

(\$ in millions)



Battery Cells



Battery Packs



Battery Chargers

- 2Q23 sales increased 7% vs. 2Q22 driven by strong demand in military and environmental market segments partially offset by a decline in the energy market
- Trailing 4 quarter sales increased 33% year-over-year, driven by double-digit growth across all markets, related to strong customer demand
- Expect 2023 Electrochem product line trailing 4 quarter sales to grow mid single-digit year-over-year

# Non-GAAP Financial Measures



# Non-GAAP Financial Measures



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

## Non-GAAP Financial Measure Definitions:

Adjusted Net Income	Calculated by adding back amortization of intangible assets, certain legal expenses (gains), restructuring and restructuring-related charges, acquisition and integration related costs, other general expenses, (gain) loss on equity investments, extinguishment of debt charges, European Union medical device regulation incremental charges, other adjustments, inventory step-up amortization, the income tax provision (benefit) related to these adjustments, and certain tax items that are outside the normal provision for the period, to net income.
Adjusted 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 and Adjusted Operating Income % of Sales	Calculated by adding back amortization of intangible assets, certain legal expenses (gains), restructuring and restructuring-related charges, acquisition and integration related costs, other general expenses, European Union medical device regulation incremental charges, other adjustments, and inventory step-up amortization to operating income. Adjusted Operating Income % of Sales is calculated by dividing Adjusted Operating Income by Sales.
Organic sales change	Sales growth adjusted for the impact of foreign currency and the contribution of acquisitions. To calculate the impact of foreign currency on sales growth rates, we convert any sale made in a foreign currency by converting current period sales into prior period sales using the exchange rate in effect at that time and then compare the two, negating any effect foreign currency had on our transactional revenue, and exclude the amount of sales acquired or divested during the period from the current/previous period amounts, respectively.
Earnings before interest, taxes, depreciation and amortization ("EBITDA")	Calculated by adding back interest expense, provision (benefit) for income taxes, depreciation expense, and amortization expense from intangible assets and financing leases, to net income, which is the most directly comparable GAAP measure.
Adjusted EBITDA	EBITDA plus stock-based compensation, certain legal expenses (gains), restructuring and restructuring-related charges, acquisition and integration related costs, other general expenses, (gain) loss on equity investments, European Union medical device regulation incremental charges, other adjustments, and inventory step-up amortization.
Adjusted total interest expense	Defined as GAAP total interest expense less accelerated write-offs of deferred issuance costs and unamortized discounts (loss on extinguishment of debt).
Adjusted effective interest rate on borrowings	Calculated by subtracting from the effective interest rate on borrowings the impact of losses on extinguishment of debt
Net Total Debt	Total principal amount of debt outstanding less cash and cash equivalents.
Leverage ratio (also Leverage or Debt Leverage)	Net Total Debt divided by Adjusted EBITDA for the trailing 4 quarters. Leverage ratio differs from total net leverage ratio used in our bank covenants. See the Trending Schedules located in the Investor Relations section of the Company's website at 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).
Adjusted Effective Tax Rate	Calculated by adding or subtracting from the effective tax rate from continuing operations the impact of Non-GAAP adjustments, expressed as a percentage, to arrive at Adjusted Net Income.

# Non-GAAP Reconciliation

## 2Q23 Net Income and Diluted EPS Reconciliation – Detailed View



(\$ in thousands, except per share amounts)

	2023								2022	
	GAAP							Non-GAAP	Non-GAAP	
	As Reported	Amortization of intangibles	Restructuring and restructuring-related charges	Acquisition and integration costs	Other general expenses	Debt / Investment Adjustments	Medical device regulations and Other Adjustments	Tax Adjustments	Adjusted	Adjusted
Sales	\$ 400,044	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400,044	\$ 350,081
Cost of sales	294,240	(4,037)	(516)	-	-	-	(276)	-	289,411	252,804
Gross profit	105,804	4,037	516	-	-	-	276	-	110,633	97,277
<i>Gross margin</i>	26.4%	1.0%	0.1%	0.0%	0.0%	0.0%	0.1%	0.0%	27.7%	27.8%
Operating expenses:										
Selling, general and administrative	45,827	(9,070)	(1,346)	-	-	-	(909)	-	34,502	33,067
Research, development and engineering	16,883	-	(318)	-	-	-	(258)	-	16,307	14,531
Restructuring and other charges	1,518	-	(936)	(556)	(26)	-	-	-	-	-
Total operating expenses	64,228	(9,070)	(2,600)	(556)	(26)	-	(1,167)	-	50,809	47,598
Operating income	41,576	13,107	3,116	556	26	-	1,443	-	59,824	49,679
<i>Operating margin</i>	10.4%	3.3%	0.8%	0.1%	0.0%	0.0%	0.4%	0.0%	15.0%	14.2%
Interest expense	11,459	-	-	-	-	(38)	-	-	11,421	7,773
Gain on equity investments	(134)	-	-	-	-	134	-	-	-	-
Other loss, net	359	-	-	-	-	-	-	-	359	191
Income before taxes	29,892	13,107	3,116	556	26	(96)	1,443	-	48,044	41,715
Provision for income taxes	5,921	2,747	655	124	6	(21)	303	(63)	9,672	7,064
<i>Effective tax rate</i>	19.8%	21.0%	21.0%	22.3%	23.1%	21.9%	21.0%	n/a	20.1%	16.9%
Net income	\$ 23,971	\$ 10,360	\$ 2,461	\$ 432	\$ 20	\$ (75)	\$ 1,140	\$ 63	\$ 38,372	\$ 34,651
Diluted earnings per share	\$ 0.71	\$ 0.31	\$ 0.07	\$ 0.01	\$ -	\$ -	\$ 0.03	\$ -	\$ 1.14	\$ 1.04
Weighted average shares - Diluted	33,686	33,686	33,686	33,686	33,686	33,686	33,686	33,686	33,686	33,350

# Non-GAAP Reconciliation



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

(\$ in thousands, except per share amounts)

	2023								2022	
	GAAP							Non-GAAP	Non-GAAP	
	As Reported	Amortization of intangibles	Restructuring and restructuring-related charges	Acquisition and integration costs	Other general expenses	Debt / Investment Adjustments	Medical device regulations and Other Adjustments	Tax Adjustments	Adjusted	Adjusted
Sales	\$ 778,829	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 778,829	\$ 660,993
Cost of sales	576,352	(8,014)	(693)	-	-	-	(488)	-	567,157	477,709
Gross profit	202,477	8,014	693	-	-	-	488	-	211,672	183,284
<i>Gross margin</i>	26.0%	1.0%	0.1%	0.0%	0.0%	0.0%	0.1%	0.0%	27.2%	27.7%
Operating expenses:										
Selling, general and administrative	87,713	(18,017)	(1,587)	-	-	-	(958)	-	67,151	64,319
Research, development and engineering	35,975	-	(641)	-	-	-	(499)	-	34,835	30,481
Restructuring and other charges	3,047	-	(2,000)	(938)	(109)	-	-	-	-	-
Total operating expenses	126,735	(18,017)	(4,228)	(938)	(109)	-	(1,457)	-	101,986	94,800
Operating income	75,742	26,031	4,921	938	109	-	1,945	-	109,686	88,484
<i>Operating margin</i>	9.7%	3.3%	0.6%	0.1%	0.0%	0.0%	0.2%	0.0%	14.1%	13.4%
Interest expense	28,713	-	-	-	-	(4,431)	-	-	24,282	13,741
Loss on equity investments	21	-	-	-	-	(21)	-	-	-	-
Other loss, net	1,119	-	-	-	-	-	-	-	1,119	368
Income before taxes	45,889	26,031	4,921	938	109	4,452	1,945	-	84,285	74,375
Provision for income taxes	8,853	5,455	1,064	236	30	934	410	(129)	16,853	13,645
<i>Effective tax rate</i>	19.3%	21.0%	21.6%	25.2%	27.5%	21.0%	21.1%	n/a	20.0%	18.3%
Net income	\$ 37,036	\$ 20,576	\$ 3,857	\$ 702	\$ 79	\$ 3,518	\$ 1,535	\$ 129	\$ 67,432	\$ 60,730
Diluted earnings per share	\$ 1.10	\$ 0.61	\$ 0.11	\$ 0.02	\$ -	\$ 0.10	\$ 0.05	\$ -	\$ 2.01	\$ 1.82
Weighted average shares - Diluted	33,631	33,631	33,631	33,631	33,631	33,631	33,631	33,631	33,631	33,326

# Contact Information



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