



Integer Holdings Corporation

Second Quarter 2024 Earnings Conference Call

July 25, 2024

Integer Holdings Corporation

Second Quarter 2024 Earnings Conference Call

9 a.m. Eastern Time, July 25, 2024

Speakers:



Joe Dzedzic
President and Chief Executive
Officer



Diron Smith
Executive Vice President,
Chief Financial Officer



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

- A webcast of today's call can be accessed in the "Investor Relations" section of the Company's website: investor.integer.net
- 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 1, 2024, by dialing
 - (800) 770-2030 (U.S.)
 - (647) 362-9199 (International)
 - The conference ID is 9252310

Presentation of Financial Information & Forward-Looking Statements

Important Information

This presentation contains summarized information concerning Integer Holdings Corporation (the “Company”) and its business, operations, financial performance and trends. The historical financial and operating data contained herein reflect the consolidated results of the Company for the periods indicated. No representation is made that the information in this presentation is complete. For additional financial and business-related information, as well as information regarding business and product line trends, see the Company’s most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q filed with the U.S. Securities and Exchange Commission (the “SEC”), as well as 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 financial 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 our 2024 outlook, including as to future sales, expenses, and profitability; future development and expected growth of our business and industry; our ability to execute our 2024 outlook, including our business model and our business strategy; our ability to complete and integrate current or future acquisitions; 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
- 2024 Outlook
- Wrap-up
- Q&A

Opening Remarks

Summary

2Q24 sales growth +9%, adj. operating income growing 2.2x sales growth

Raising full year profit outlook, reiterating above-market sales growth

Strategy delivering sustained above-market growth and margin expansion

Continued strong 2024 performance with 2Q24 financial results

- 2Q24 sales up 9% compared to 2Q23 ... 1H24 up 9%
- Adjusted operating income up 20% versus 2Q23 ... 1H24 up 23%
- Adjusted EPS up 14% versus 2Q23 ... 1H24 up 21%

Raising 2024 profit outlook: above-market sales growth, expanding margins year-over-year

- Sales \$1,735 to \$1,770 million, up 9% to 11% versus 2023
- Adjusted operating income \$275 to \$293 million, up 14% to 21% versus 2023
- Adjusted EPS \$5.07 to \$5.49, up 9% to 18% versus 2023
- Free cash flow \$85 million to \$105 million

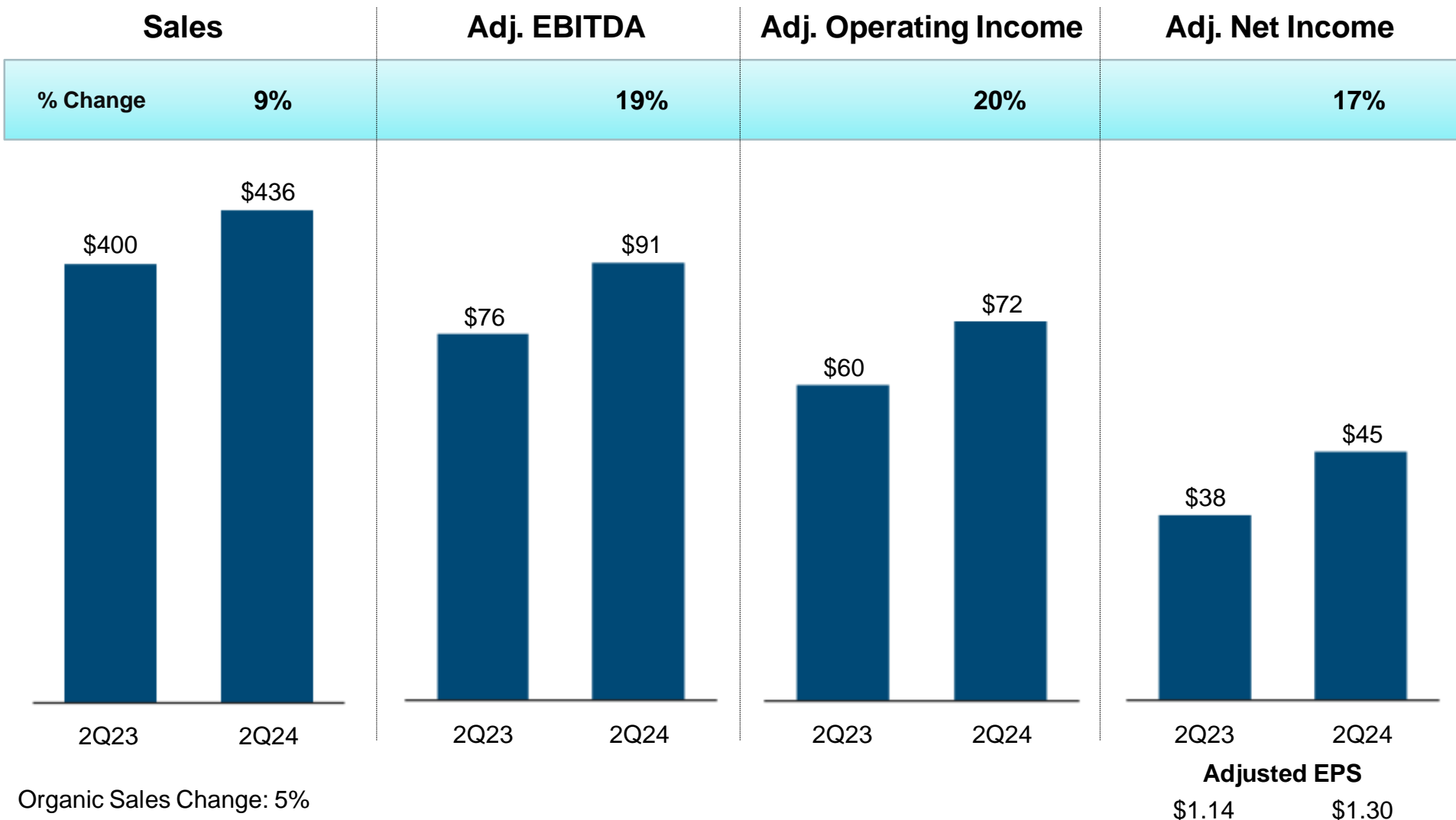
Delivering on strategic financial objectives

- Demonstrated above-market sales growth with a pipeline to sustain 200bps above the market
- Delivered adjusted operating income growth of 2.2x sales growth in 2Q24
- 2Q24 debt leverage 3.2x...within target of 2.5x to 3.5x

Financial Results

2Q24 Financial Results⁽¹⁾

(\$ in millions, except per share amounts)



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

Product Line Sales Performance Trends

(\$ in millions)

Cardio & Vascular



- ✓ Trailing 4 quarter sales increased 17% year-over-year in 2Q24
- ✓ Driven by:
 - Double-digit growth across all markets
 - Electrophysiology and Structural Heart new product ramps
 - InNeuroCo and Pulse acquisitions

CRM & Neuromodulation

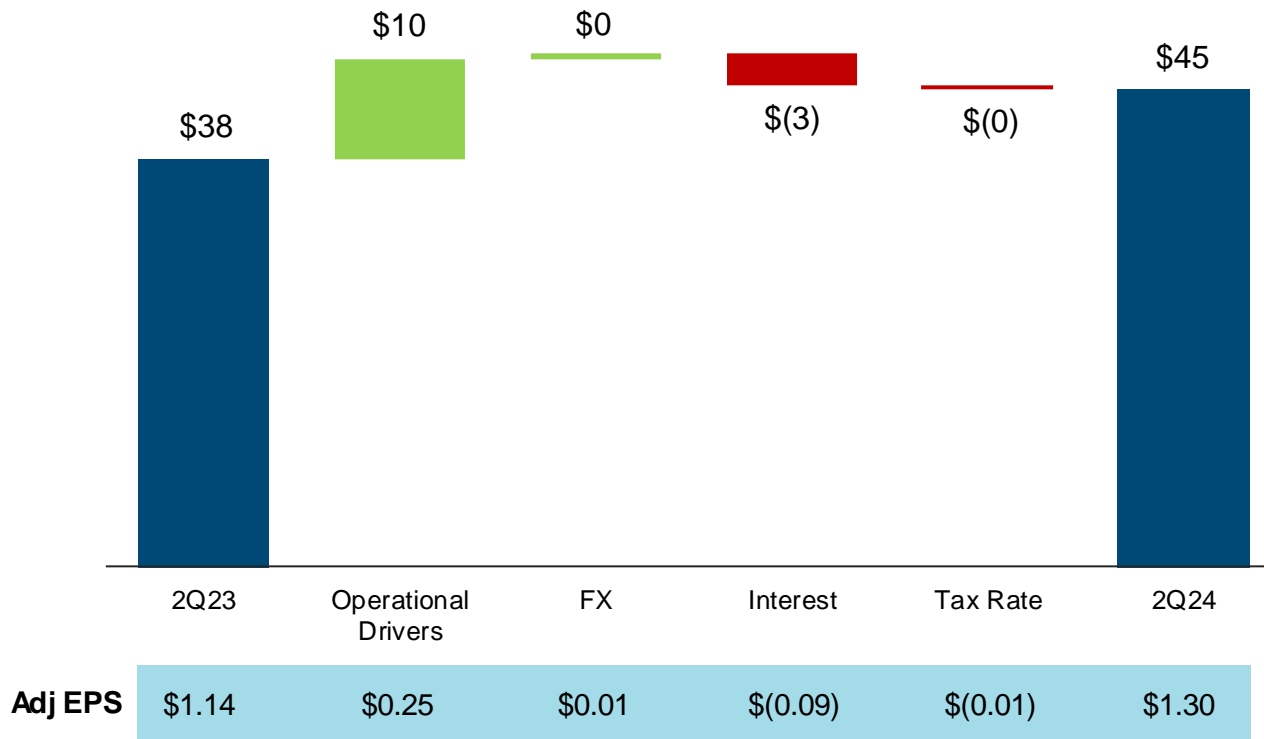


- ✓ Trailing 4 quarter sales increased 11% year-over-year in 2Q24
- ✓ Driven by:
 - High single-digit CRM growth
 - Double-digit Neuromodulation growth from emerging customers

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

2Q24 Adjusted Net Income⁽¹⁾

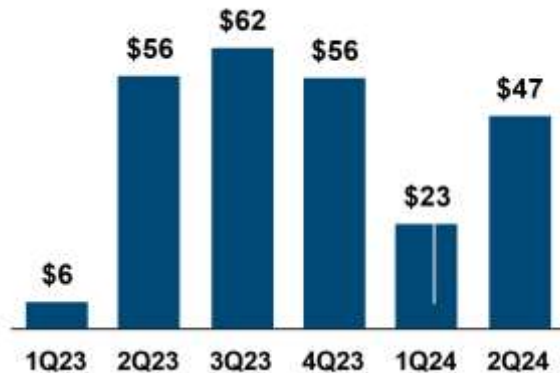
(\$ in millions, except per share amounts)



Cash Flow & Leverage Ratio⁽¹⁾

(\$ in millions)

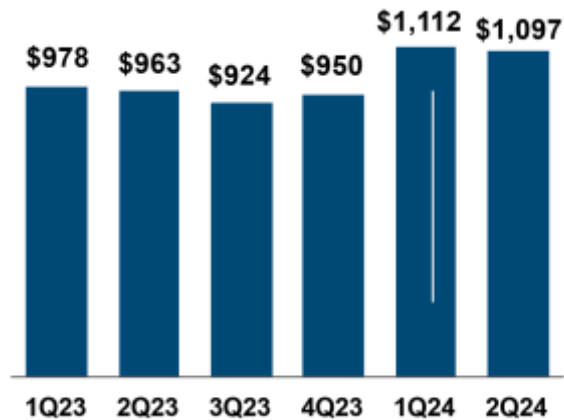
Cash Flow From Ops



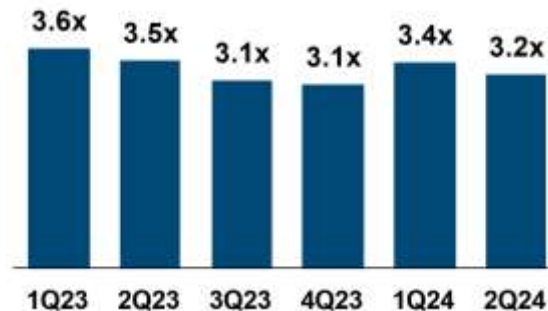
Free Cash Flow



Net Total Debt



Leverage



Highlights

- ✓ Strong 2Q24 cash flow from operations, driven by higher sales volume and improved margins
- ✓ \$31 million of 2Q24 capex ... expect full year spend of \$90 to \$110 million
- ✓ Free cash flow generation on track to deliver guidance of \$85 to \$105 million
- ✓ Improved leverage ratio remains within target of 2.5x to 3.5x

Change vs Prior Quarter

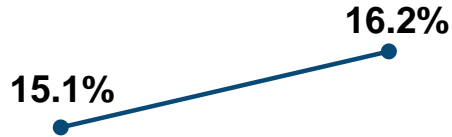
1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
	\$(16)	\$(38)	\$26	\$162	\$(15)

2024 Outlook

2024 Financial Outlook

(\$ in millions)

Adj Operating
Income
% of sales⁽¹⁾
(at midpoint)



+108bps

+9% - 11%

Sales

\$1,597

\$1,735 - \$1,770

2023

2024
Outlook

Full year

- Reported sales up 9% to 11% year-over-year with 6% to 8% organic growth
- +108bps AOI as a % of sales improvement at midpoint of 2024 outlook, up from prior outlook of +91bps

Quarterly Profile

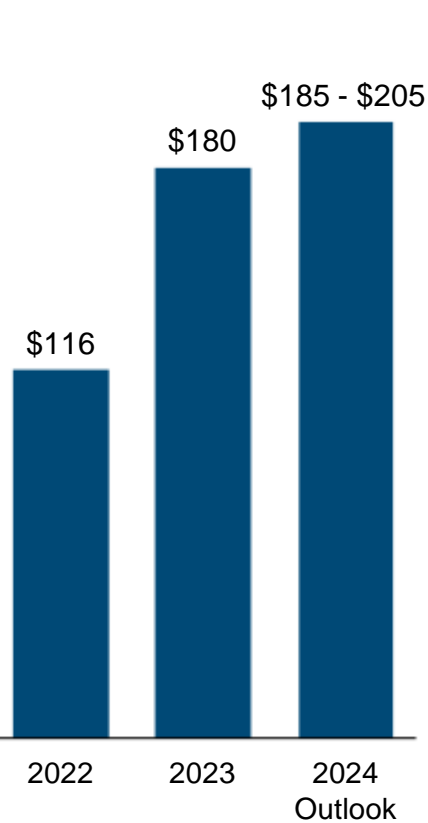
- Expect sales to increase in second half of 2024 versus the first half from new product ramps, increased guidewire capacity, and emerging PMA customer growth
- Expect 3Q24 sales to be slightly higher than 2Q24 with further increase in 4Q24

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

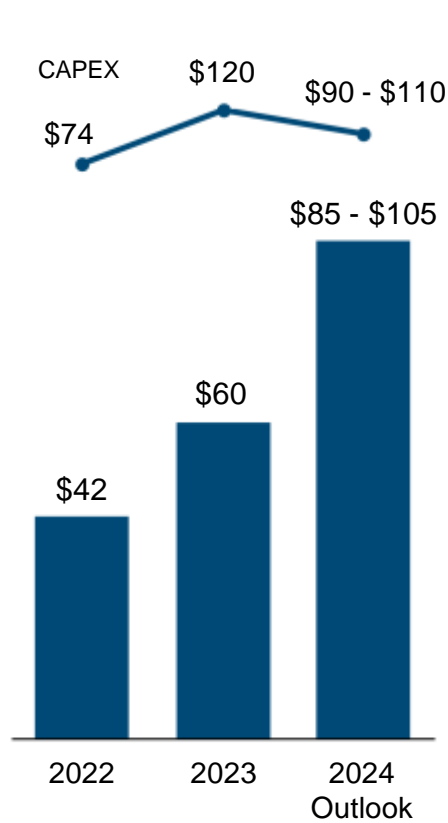
2024 Cash Flow Outlook⁽¹⁾

(\$ in millions)

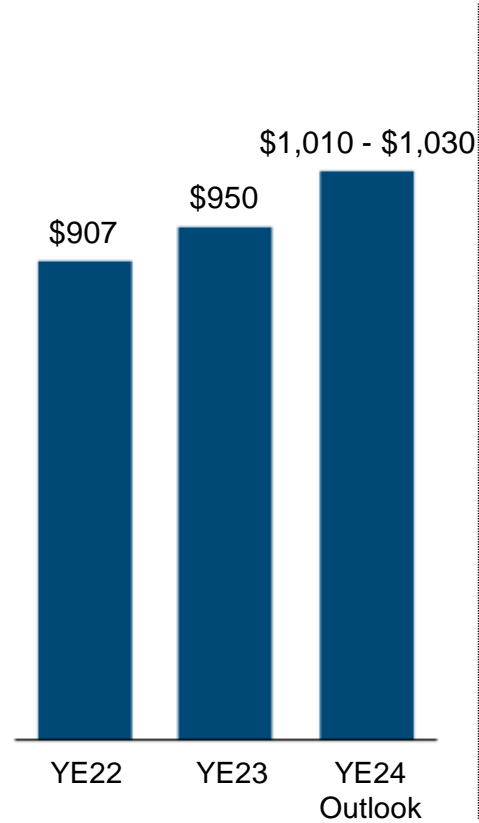
Cash Flow From Ops



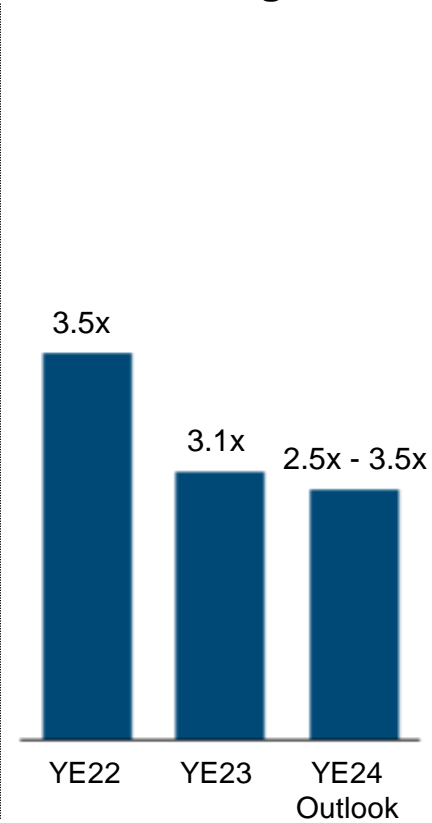
Free Cash Flow



Net Total Debt



Leverage



Wrap-up

Wrap-up

✓ Continued strong 2024 performance with 2Q24 financial results

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✓ Raising 2024 profit outlook: above-market sales growth, expanding margins year-over-year

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✓ Delivering on strategic financial objectives

- Demonstrated above-market sales growth with a pipeline to sustain 200bps above the market
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Integer Investment Thesis

Portfolio Strategy

Product Lines

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

How We Win In The Markets We Serve

Operational Strategy

How We Achieve Excellence In Everything We Do

Integer Values

How We Engage With Each Other

Strategy Financial Objectives

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

Resilient Business Model

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



Compelling Strategy for Growth

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



Performance Culture

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

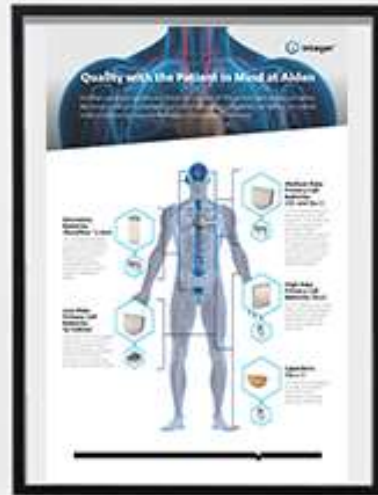
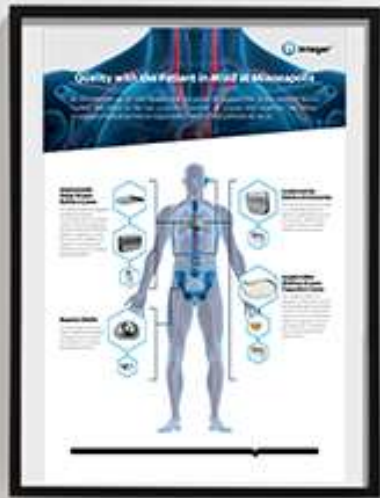


Financial Strength

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



Questions?



Appendix

2024 Outlook^(a)

(\$ in millions, except per share amounts)

	GAAP		Non-GAAP ^(b)	
	As Reported	Change from Prior Year	Adjusted	Change from Prior Year
Sales	\$1,735 to \$1,770	9% to 11%	N/A	N/A
Operating income	\$202 to \$220	21% to 31%	\$275 to \$293	14% to 21%
EBITDA	N/A	N/A	\$357 to \$377	15% to 22%
Net income	\$116 to \$130	28% to 44%	\$174 to \$189	11% to 20%
Diluted earnings per share	\$3.26 to \$3.67	21% to 37%	\$5.07 to \$5.49	9% to 18%
Cash flow from operating activities	\$185 to \$205	3% to 14%	N/A	N/A

^(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 "2024 Outlook" above, and adjusted total interest expense, adjusted effective tax rate and leverage ratio in "Supplemental Financial Information" below, are not available without unreasonable efforts on a forward-looking basis due to the high variability, complexity and visibility of the charges excluded from these non-GAAP financial measures.

^(b) Adjusted operating income for 2024 consists of GAAP operating income, excluding items such as amortization of intangible assets, restructuring and restructuring-related charges, and acquisition and integration costs, totaling approximately \$73 million, pre-tax. Adjusted net income and adjusted EPS for 2024 consist of GAAP net income and diluted EPS, excluding items such as amortization of intangible assets, restructuring and restructuring-related charges, acquisition and integration costs, and gain or loss on equity investments totaling approximately \$72 million, pre-tax. The after-tax impact of these items is estimated to be approximately \$59 million, or approximately \$1.71 per diluted share. Adjusted EPS is calculated using adjusted weighted average shares. Adjusted EBITDA is expected to consist of adjusted net income, excluding items such as depreciation, interest, stock-based compensation and taxes totaling approximately \$182 million to \$188 million.

Please see "Notes Regarding Non-GAAP Financial Information" for additional information regarding our use of non-GAAP financial measures.

2024 Supplemental Financial Information

(\$ in millions)

	2024 Outlook	2023 Actual
Depreciation and amortization	\$106 to \$114	\$97
Adjusted total interest expense ^(a)	\$58 to \$61	\$49
Stock-based compensation	\$24 to \$27	\$23
Restructuring, acquisition and other charges ^(b)	\$17 to \$22	\$22
Adjusted effective tax rate ^(c)	18.0% to 20.0%	17.7%
Leverage ratio ^(d)	2.5x to 3.5x	3.1x
Capital expenditures ^(d)	\$90 to \$110	\$120
Cash income tax payments	\$38 to \$42	\$30

(a) Adjusted total interest expense refers to our expected full-year GAAP interest expense, expected to range from \$58 million to \$61 million for 2024, adjusted to remove the full-year impact of charges associated with the accelerated write-off of debt discounts and deferred issuance costs (loss on extinguishment of debt) included in GAAP interest expense, if any. Adjusted total interest expense of \$48.9 million for 2023 consists of GAAP interest expense of \$53.4 million less \$4.5 million of losses from the extinguishment of debt.

(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 18.0% to 20.0% for 2024, adjusted to reflect the full-year impact of the items that are excluded in providing adjusted net income and certain other identified items. Adjusted effective tax rate of 17.7% for 2023 consists of GAAP effective tax rate of 15.5% adjusted to reflect the impact on the income tax provision related to Non-GAAP adjustments.

(d) Please see "Notes Regarding Non-GAAP Financial Information" for additional information regarding leverage ratio. Capital expenditures is calculated as cash used to acquire property, plant, and equipment (PP&E) less cash proceeds from the sale of PP&E.

Historical Financial Results⁽¹⁾

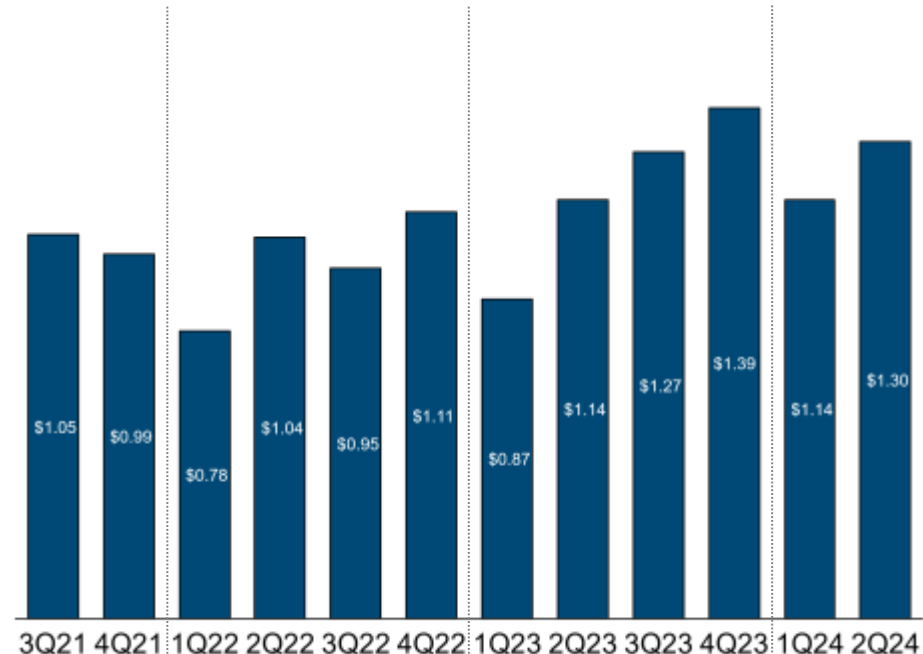
(\$ in millions, except per share amounts)

Sales



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

Adjusted EPS



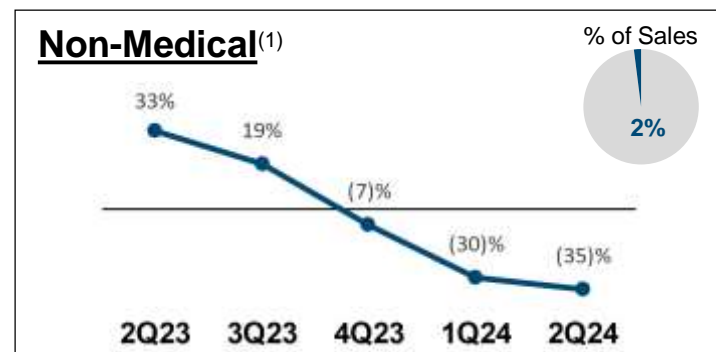
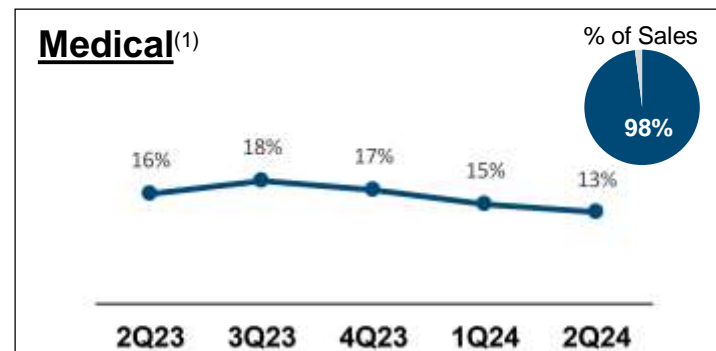
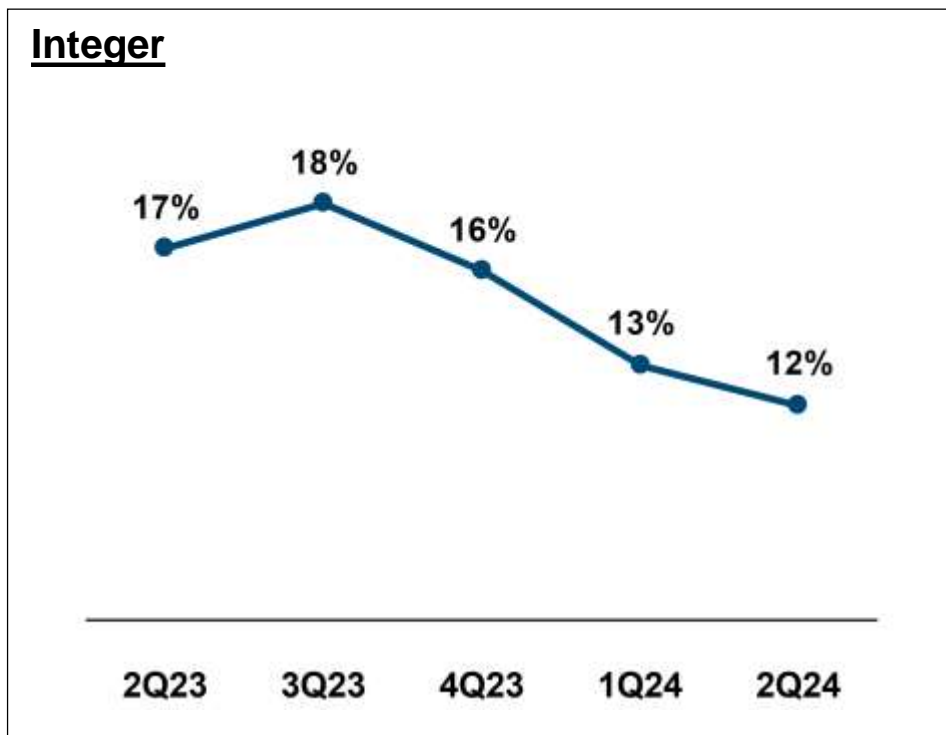
Capitalization⁽¹⁾

(\$ in millions)

	06/28/24 As Reported	06/28/24 Rate
Cash & Cash Equivalents	\$ 34	
USD Denominated Revolver [Due 2028]	\$ 256	SOFR + 150
EUR Denominated Revolver [Due 2028]	\$ -	EURIBOR + 150
TLA [Due 2028]	\$ 375	SOFR + 150
Convertible Bonds [Due 2028]	\$ 500	2.125% fixed
Total Principal Amount of Debt Outstanding	\$ 1,131	
Deferred Fees and OID	\$ (12)	
Total Debt (Principal Amount of Debt Outstanding Less Deferred Fees and Discounts)	\$ 1,119	
Net Total Debt (Total Principal Amount of Debt Outstanding Less Cash)⁽¹⁾	\$ 1,097	
<u>Continuing Operations Statistics</u>		
Trailing 4 Quarter Adjusted EBITDA ⁽¹⁾	\$ 339	
Trailing 4 Quarter Cash Interest Expense	\$ 51	
Trailing 4 Quarter Capital Expenditures	\$ 123	
<u>Credit Statistics</u>		
Leverage Ratio ⁽¹⁾ : Net Total Debt / Trailing 4 Quarter Adjusted EBITDA		3.2x

Product Line Review

Year-over-Year Sales Trend, Trailing 4 Quarters



Double-digit growth in Medical segment (98% of Integer sales)

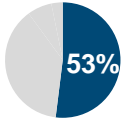


(1) Medical includes Cardio & Vascular, CRM & Neuromodulation, and Advanced Surgical, Orthopedics & Portable Medical product lines. Non-Medical includes Electrochem.

Cardio & Vascular

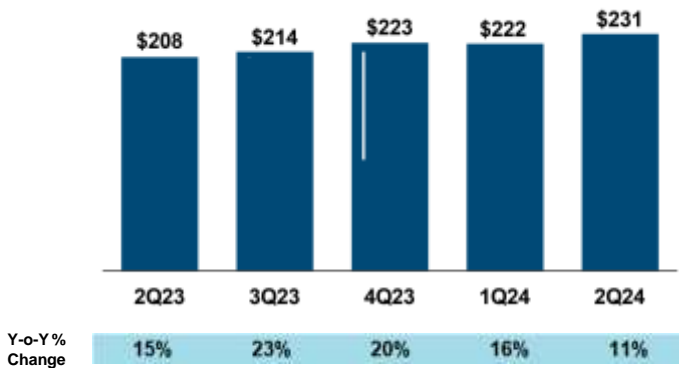
(\$ in millions)

% of Sales⁽¹⁾

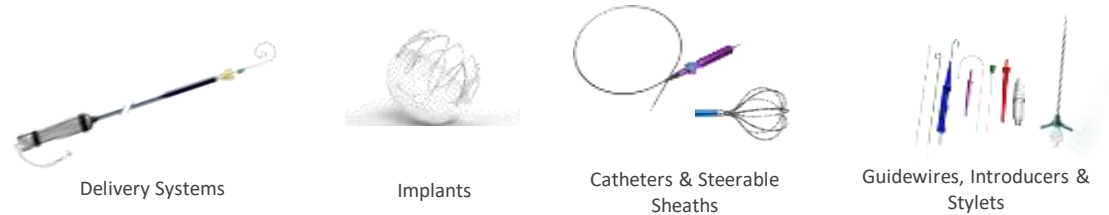
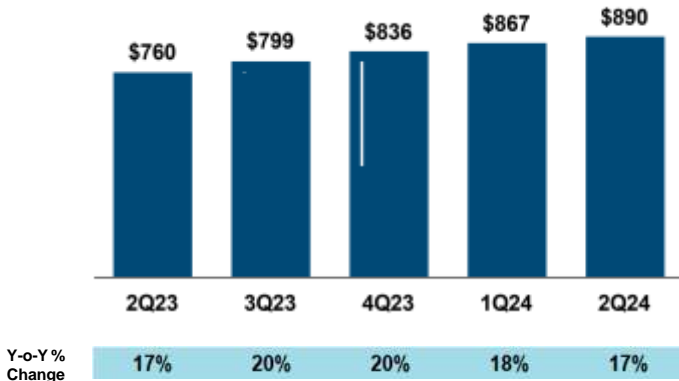


Offering a full-range of products and services for catheter-based interventional vascular devices and a suite of supply chain solutions to support the development and manufacturing of complex components, sub-assemblies and finished devices

Quarterly Sales



Trailing 4 Quarter Sales



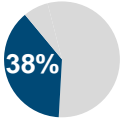
- 2Q24 year-over-year sales increased 11% driven by new product ramps in Electrophysiology and Structural Heart, and the InNeuroCo and Pulse acquisitions
- Trailing 4 quarter sales increased 17% year-over-year in 2Q24 with double-digit growth across all C&V markets, driven by strong demand, new product ramps and the InNeuroCo and Pulse acquisitions
- Expect 2024 C&V product line trailing 4 quarter sales to grow low double-digit, year-over-year

(1) 2Q24 trailing 4 quarter % of Sales equals product line sales divided by total Integer sales

CRM & Neuromodulation

(\$ in millions)

% of Sales⁽¹⁾



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



Trailing 4 Quarter Sales



Pulse Generator Components & Assemblies



Leads & Lead Components, Adaptors & Assemblies



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

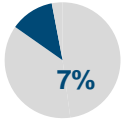
- 2Q24 sales increased 9% year-over-year, driven by strong growth in emerging Neuromodulation customers with PMA products
- Trailing 4 quarter sales increased 11% year-over-year in 2Q24 driven by high single-digit CRM growth from strong customer demand and double-digit Neuromodulation growth from emerging customers with PMA products
- Expect 2024 CRM&N product line trailing 4 quarter sales to grow high single-digit, year-over-year from strong Neuromodulation emerging customer growth and normalizing CRM growth

(1) 2Q24 trailing 4 quarter % of Sales equals product line sales divided by total Integer sales

Advanced Surgical, Orthopedics & Portable Medical

(\$ in millions)

% of Sales⁽¹⁾



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

Quarterly Sales



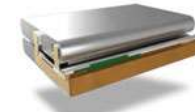
Trailing 4 Quarter Sales



Orthopedic Implants & Instruments



Electrosurgical Accessories



Li-Ion Battery Packs



Core Battery Pack Assemblies

- 2Q24 sales increased 4% year-over-year driven by growth in Advanced Surgical and Orthopedics
- Trailing 4 quarter sales decreased 1% in 2Q24 driven by decline in Portable Medical from execution of planned multi-year exit announced in 2022
- Expect 2024 trailing 4 quarter sales to decline approximately single-digit year-over-year as a result of the multi-year Portable Medical exit

(1) 2Q24 trailing 4 quarter % of Sales equals product line sales divided by total Integer sales

Electrochem

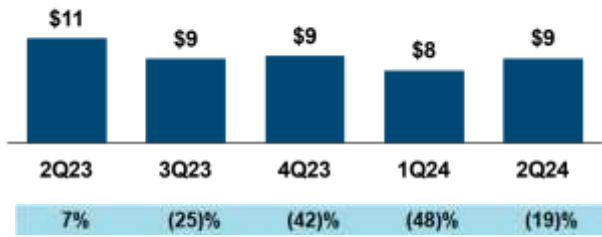
(\$ in millions)

% of Sales⁽¹⁾

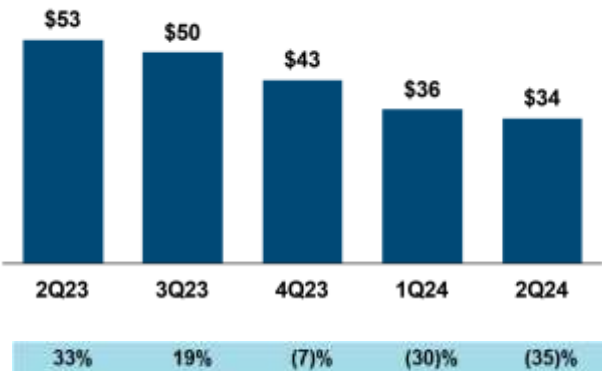


Enhancing lives worldwide by providing superior power solutions that enable the success and advancement of our customers' critical applications

Quarterly Sales



Trailing 4 Quarter Sales



Battery Cells



Battery Packs



Battery Chargers

- 2Q24 sales declined year-over-year, returning to a normalized run-rate after previously higher sales from the supply chain recovery
- Trailing 4 quarter sales declined year-over-year in 2Q24, after sales returned to a normalized run-rate in the 2nd half of 2023, following previously higher sales from the supply chain recovery
- Expect 2024 Electrochem sales to normalize to a \$32 to \$36 million annual run-rate

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, 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 weighted average shares	The weighted average shares used to calculate diluted EPS in accordance with GAAP includes dilution, when applicable, resulting from the potential conversion of our 2.125% Convertible Senior Notes due 2028 (the "2028 Convertible Notes"). In connection with the issuance of the 2028 Convertible Notes, we entered into capped call contracts which are expected to reduce the potential dilution of our common stock in connection with any conversion of the 2028 Convertible Notes, subject to a cap. Adjusted weighted average shares consists of GAAP weighted average shares used to calculate diluted EPS, excluding, when applicable, dilution resulting from the potential conversion of our 2028 Convertible Notes expected to be offset by the capped call contracts.
Adjusted EPS	Calculated by dividing adjusted net income by Adjusted weighted average shares. The per share impact of Non-GAAP adjustments to arrive at Adjusted EPS is calculated by dividing the dollar amount of the respective Non-GAAP adjustment by Adjusted weighted average shares.
Adjusted operating income and Adjusted operating income % of sales	Calculated by adding back amortization of intangible assets, restructuring and restructuring-related charges, acquisition and integration related costs, other general expenses, European Union medical device regulation incremental charges, other adjustments, and inventory step-up amortization to operating income. Adjusted Operating Income % of Sales is calculated by dividing Adjusted Operating Income by Sales.
Organic sales change	Organic sales change is reported sales growth adjusted to remove the impact of foreign currency, the contribution of acquisitions and the strategic exit of the Portable Medical market. To calculate the impact of foreign currency on sales growth rates, we convert any sale made in a foreign currency by converting current period sales into prior period sales using the exchange rate in effect at that time and then compare the two, negating any effect foreign currency had on our transactional revenue. For acquisitions, we exclude the impact on the growth rate attributable to the contribution of acquisitions in all periods where there were no comparable sales. For the strategic exit of the Portable Medical market, we exclude the impact on the growth rate attributable to Portable Medical sales for all periods presented.
Earnings before interest, taxes, depreciation and amortization ("EBITDA")	Calculated by adding back interest expense, provision for income taxes, depreciation expense, and amortization expense from intangible assets and financing leases, to net income, which is the most directly comparable GAAP measure.
Adjusted EBITDA	EBITDA plus stock-based compensation, restructuring and restructuring-related charges, acquisition and integration related costs, other general expenses, (gain) loss on equity investments, European Union medical device regulation incremental charges, other adjustments, and inventory step-up amortization.
Adjusted total interest expense	Defined as GAAP total interest expense less accelerated write-offs of debt discounts and deferred issuance costs (loss on extinguishment of debt).
Adjusted effective interest rate on borrowings	Calculated by subtracting from the effective interest rate on borrowings the impact of losses on extinguishment of debt.
Net total debt	Total principal amount of debt outstanding less cash and cash equivalents.
Leverage ratio (also Leverage or Debt Leverage)	Net Total Debt divided by Adjusted EBITDA for the trailing 4 quarters. Leverage ratio differs from total net leverage ratio used in our bank covenants. See the Trending Schedules located in the Investor Relations section of the Company's website at 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 GAAP effective tax rate the impact of Non-GAAP adjustments, expressed as a percentage, to arrive at Adjusted Net Income.

Non-GAAP Reconciliation

2Q24 Net Income and Diluted EPS Reconciliation – Detailed View

(\$ in thousands, except per share amounts)

	2024								2023	
	GAAP							Non-GAAP	Non-GAAP	
	As Reported	Amortization of intangibles	Restructuring and restructuring-related charges	Acquisition and integration costs	Other general expenses	(Gain) Loss on equity investments	Other ⁽¹⁾	Tax Adjustments	Adjusted	Adjusted
Sales	\$ 436,202	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 436,202	\$ 400,044
Cost of sales	316,809	(3,707)	(391)	-	-	-	(109)	-	312,602	289,411
Gross profit	119,393	3,707	391	-	-	-	109	-	123,600	110,633
<i>Gross margin</i>	27.4%	0.8%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	28.3%	27.7%
Operating expenses:										
Selling, general and administrative	47,117	(9,991)	(515)	-	-	-	(244)	-	36,367	34,502
Research, development and engineering	16,104	-	(168)	-	-	-	(551)	-	15,385	16,307
Restructuring and other charges	986	-	(1,103)	(1,056)	1,173	-	-	-	-	-
Total operating expenses	64,207	(9,991)	(1,786)	(1,056)	1,173	-	(795)	-	51,752	50,809
Operating income	55,186	13,698	2,177	1,056	(1,173)	-	904	-	71,848	59,824
<i>Operating margin</i>	12.7%	3.1%	0.5%	0.2%	-0.3%	0.0%	0.2%	0.0%	16.5%	15.0%
Interest expense	15,278	-	-	-	-	-	-	-	15,278	11,421
(Gain) loss on equity investments	7	-	-	-	-	(7)	-	-	-	-
Other (gain) loss, net	(127)	-	-	-	-	-	-	-	(127)	359
Income before taxes	40,028	13,698	2,177	1,056	(1,173)	7	904	-	56,697	48,044
Provision for income taxes	8,782	2,677	470	222	(356)	2	190	(274)	11,713	9,672
<i>Effective tax rate</i>	21.9%	19.5%	21.6%	21.0%	30.3%	28.6%	21.0%	n/a	20.7%	20.1%
Net income	\$ 31,246	\$ 11,021	\$ 1,707	\$ 834	\$ (817)	\$ 5	\$ 714	\$ 274	\$ 44,984	\$ 38,372
Diluted earnings per share	\$ 0.88	\$ 0.32	\$ 0.05	\$ 0.02	\$ (0.02)	\$ -	\$ 0.02	\$ 0.01	\$ 1.30	\$ 1.14
Weighted average shares - Diluted	35,529									
Adjusted weighted average shares		34,479	34,479	34,479	34,479	34,479	34,479	34,479	34,479	33,686



NM Calculated amount not meaningful
(1) Includes Medical device regulations, Other adjustments and inventory step-up amortization

Non-GAAP Reconciliation

YTD Net Income and Diluted EPS Reconciliation – Detailed View

(\$ in thousands, except per share amounts)

	2024								2023	
	GAAP							Non-GAAP	Non-GAAP	
	As Reported	Amortization of intangibles	Restructuring and restructuring-related charges	Acquisition and integration costs	Other general expenses	(Gain) Loss on equity investments	Other ⁽¹⁾	Tax Adjustments	Adjusted	Adjusted
Sales	\$ 851,007	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 851,007	\$ 778,829
Cost of sales	621,774	(8,056)	(730)	-	-	-	(1,337)	-	611,651	567,157
Gross profit	229,233	8,056	730	-	-	-	1,337	-	239,356	211,672
<i>Gross margin</i>	26.9%	0.9%	0.1%	0.0%	0.0%	0.0%	0.2%	0.0%	28.1%	27.2%
Operating expenses:										
Selling, general and administrative	94,046	(19,079)	(652)	-	-	-	(274)	-	74,041	67,151
Research, development and engineering	31,857	-	(169)	-	-	-	(1,096)	-	30,592	34,835
Restructuring and other charges	8,867	-	(2,531)	(7,391)	1,055	-	-	-	-	-
Total operating expenses	134,770	(19,079)	(3,352)	(7,391)	1,055	-	(1,370)	-	104,633	101,986
Operating income	94,463	27,135	4,082	7,391	(1,055)	-	2,707	-	134,723	109,686
<i>Operating margin</i>	11.1%	3.2%	0.5%	0.9%	-0.1%	0.0%	0.3%	0.0%	15.8%	14.1%
Interest expense	29,949	-	-	-	-	-	-	-	29,949	24,282
(Gain) loss on equity investments	(1,129)	-	-	-	-	1,129	-	-	-	-
Other (gain) loss, net	880	-	-	-	-	-	-	-	880	1,119
Income before taxes	64,763	27,135	4,082	7,391	(1,055)	(1,129)	2,707	-	103,894	84,285
Provision for income taxes	13,009	5,301	774	1,533	(326)	(237)	569	(380)	20,243	16,853
<i>Effective tax rate</i>	20.1%	19.5%	19.0%	20.7%	30.9%	21.0%	21.0%	n/a	19.5%	20.0%
Net income	\$ 51,754	\$ 21,834	\$ 3,308	\$ 5,858	\$ (729)	\$ (892)	\$ 2,138	\$ 380	\$ 83,651	\$ 67,432
Diluted earnings per share	\$ 1.47	\$ 0.64	\$ 0.10	\$ 0.17	\$ (0.02)	\$ (0.03)	\$ 0.06	\$ 0.01	\$ 2.44	\$ 2.01
Weighted average shares - Diluted	35,264									
Adjusted weighted average shares		34,225	34,225	34,225	34,225	34,225	34,225	34,225	34,225	33,631



NM Calculated amount not meaningful
(1) Includes Medical device regulations, Other adjustments and inventory step-up amortization

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