

INTEGRA LIFESCIENCES HOLDINGS CORP
Form 10-Q
July 26, 2017
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2017

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
COMMISSION FILE NO. 0-26224

INTEGRA LIFESCIENCES HOLDINGS CORPORATION
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)

51-0317849
(I.R.S. EMPLOYER IDENTIFICATION NO.)

311 ENTERPRISE DRIVE
PLAINSBORO, NEW JERSEY
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES) (ZIP CODE)

08536

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (609) 275-0500

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Emerging growth company

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares of the registrant's Common Stock, \$0.01 par value, outstanding as of July 24, 2017 was 78,078,309.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

INTEGRA LIFESCIENCES HOLDINGS CORPORATION
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 AND COMPREHENSIVE INCOME
 (UNAUDITED)
 (In thousands, except per share amounts)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2017	2016	2017	2016
Total revenue, net	\$282,164	\$249,309	\$540,801	\$486,079
Costs and expenses:				
Cost of goods sold	98,998	89,565	185,583	174,338
Research and development	15,747	14,679	31,241	29,130
Selling, general and administrative	145,015	119,217	287,512	231,192
Intangible asset amortization	5,419	3,471	9,520	6,943
Total costs and expenses	265,179	226,932	513,856	441,603
Operating income	16,985	22,377	26,945	44,476
Interest income	64	6	71	12
Interest expense	(6,181)	(6,588)	(11,312)	(12,961)
Other expense, net	(2,866)	(852)	(2,956)	(1,590)
Income before income taxes	8,002	14,943	12,748	29,937
Income tax (benefit) expense	(2,833)	2,188	(4,482)	3,764
Net income	\$10,835	\$12,755	\$17,230	\$26,173
Net income per share				
Basic	\$0.14	\$0.17	\$0.23	\$0.35
Diluted	\$0.14	\$0.16	\$0.22	\$0.34
Weighted average common shares outstanding (See Note 10):				
Basic	76,213	74,392	75,487	74,074
Diluted	78,963	78,710	78,703	77,542
Comprehensive income (See Note 11)	\$28,131	\$5,844	\$40,226	\$30,499

The accompanying unaudited notes are an integral part of these condensed consolidated financial statements.

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INTEGRA LIFESCIENCES HOLDINGS CORPORATION
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (UNAUDITED)

(In thousands, except per share amount)

	June 30, 2017	December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 154,600	\$ 102,055
Trade accounts receivable, net of allowances of \$7,530 and \$6,319	171,323	148,186
Inventories, net	234,680	217,263
Prepaid expenses and other current assets	55,563	27,666
Total current assets	616,166	495,170
Property, plant and equipment, net	232,074	222,369
Intangible assets, net	648,744	