



ANALYST QUICK NOTES

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Integra LifeSciences Holdings Corp. (NGS: IART: BUY)

Target Price: \$135

David Toung

12/12/2016

Overview

- We have raised our target price to \$115 as well as our 2017 EPS estimate.
 - Integra is holding an investors meeting on Wednesday to present its strategy for growing its businesses in tissue regeneration and extremities orthopedic implants.
 - We see four key growth drivers in 2017 that management may discuss:
 - Expanded roll-out of Omnigraft for Diabetic Foot Ulcers.
 - Margin expansion from higher utilization of manufacturing capacity – driven by higher sales of tissue-regeneration products and stronger sales of private-label products to third-party customers.
 - Higher sales in overseas markets. OUS sales currently just 25% of revenue.
 - M&A: Company expanded its credit facility to \$1.5 billion, increasingly likelihood it may make a strategy deal.
 - Integra has been one of the best performers in 2016 (+16% YTD) in our coverage universe of med-tech stocks.
 - Two weeks ago, we pointed out Integra's growth opportunities. Even though, IART has the smallest market cap of the stocks in our coverage universe -- if investors want to beat the benchmark for med-tech, we believe they should be overweighting IART.
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