
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): May 4, 2022

CONMED CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other Jurisdiction
of Incorporation)

001-39218
(Commission
File Number)

16-0977505
(IRS Employer
Identification No.)

11311 Concept Boulevard
Largo, FL 33773
(Address of principal executive offices, including zip code)

(727) 392-6464
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Rule 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value	CNMD	NYSE

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On May 4, 2022, CONMED Corporation (“CONMED”) issued a press release announcing financial results for the first quarter ended March 31, 2022. The press release is attached hereto as Exhibit 99.1 and incorporated by reference herein.

The information under this Item 2.02 of this current report on Form 8-K, including Exhibit 99.1 attached hereto, is being furnished and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (as amended, the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933 (as amended, the “Securities Act”), or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 7.01 Regulation FD Disclosure.

On May 4, 2022, CONMED issued a press release announcing the entry into a definitive agreement to acquire In2Bones Global, Inc. (“In2Bones”). The press release is attached hereto as Exhibit 99.2 and incorporated by reference herein.

The information under this Item 7.01 of this current report on Form 8-K, including Exhibit 99.2 attached hereto, is being furnished and shall not be deemed to be “filed” for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Cautionary Statement Regarding Forward-Looking Statements.

This current report on Form 8-K and the other documents referenced herein may contain certain forward-looking statements (including “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995) with respect to the financial condition, results of operations and business of CONMED and certain plans and objectives of CONMED. All statements other than statements of historical or current fact included in this Form 8-K are statements that could be deemed forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans,” “expects,” “expected,” “scheduled,” “estimates,” “intends,” “anticipates” or “believes,” or variations of such words and phrases, or can state that certain actions, events, conditions, circumstances or results “may,” “could,” “would,” “might” or “will” be taken, occur or be achieved. These forward-looking statements are based upon the current beliefs and expectations of CONMED, members of its senior management team and its Board of Directors, and are subject to certain assumptions and contingencies that involve risks and uncertainties, including factors outside of CONMED’s control. Such risks and uncertainties contained in forward-looking statements can include, without limitation: risks posed to CONMED’s business, financial condition, and results of operations by the COVID-19 global pandemic and the various government responses to the pandemic, including deferral of surgeries, reductions in hospital and ambulance surgery center operating volumes and disruption to potential supply chain reliability; the ability of CONMED to advance In2Bones’ product lines following the merger; uncertainties as to the timing for completion of the merger; the possibility that various conditions to complete the merger may not be satisfied or waived; transaction costs in connection with the merger; the potential effects of the merger on relationships with employees, customers, other business partners or governmental entities; any assumptions underlying any of the foregoing; as well as risk factors discussed in the Company’s Annual Report on Form 10-K for the full year ended December 31, 2021 and other risks and uncertainties which may be detailed from time to time in reports filed by CONMED with the SEC. CONMED’s shareholders and other investors are cautioned that any such forward-looking statements are not guarantees of future performance and to not place undue reliance on these forward-looking statements, as actual results may differ materially from those currently anticipated. All forward-looking statements are based on information currently available to CONMED, and CONMED undertakes no obligation to update any such forward-looking statements as a result of new information, future developments or otherwise, except as expressly required by law.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
99.1	Press Release, dated May 4, 2022, issued by CONMED Corporation.
99.2	CONMED Announces Definitive Agreement to Acquire In2Bones Global, Inc., dated May 4, 2022, issued by CONMED Corporation.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CONMED CORPORATION
(Registrant)

By: /s/ Daniel S. Jonas
Name: Daniel S. Jonas
Title: Executive Vice President – Legal Affairs, General
Counsel & Secretary

Date: May 4, 2022



NEWS RELEASE

CONTACT:
CONMED Corporation
Todd W. Garner
Chief Financial Officer
727-214-2975
ToddGarner@conmed.com

CONMED Corporation Announces First Quarter 2022 Financial Results

Largo, Florida, May 4, 2022 – CONMED Corporation (NYSE: CNMD) today announced financial results for the first quarter ended March 31, 2022.

First Quarter 2022 Highlights

- Sales of \$242.3 million increased 4.1% year over year as reported and 4.3% in constant currency.
- Domestic revenue increased 5.9% year over year.
- International revenue increased 2.2% year over year as reported and 2.6% in constant currency.
- Diluted net earnings per share (GAAP) were \$0.47, an increase of 51.6% over the first quarter of 2021.
- Adjusted diluted net earnings per share⁽¹⁾ were \$0.70, an increase of 11.1% over the first quarter of 2021.

“I am pleased with our start to the year as we generated momentum and finished the quarter on a strong note,” commented Curt R. Hartman, CONMED’s Chair of the Board, President, and Chief Executive Officer. “While we are facing larger than anticipated inflationary pressures, we remain confident in our longer-term prospects for both top and bottom-line growth.”

2022 Outlook

Based on the first quarter results, the Company is raising its revenue guidance for the full year 2022 and now expects revenue between \$1.105 billion and \$1.150 billion, compared to its prior guidance of between \$1.075 billion and \$1.125 billion. Based on recent exchange rates, the Company continues to expect foreign exchange to be immaterial to full-year 2022 revenue growth. This new guidance range includes approximately \$20 million in revenue in the back half of 2022 related to the acquisition of In2Bones Global, Inc., announced today. The acquisition is subject to customary closing conditions, including receipt of U.S. regulatory approval.

The Company now expects full-year 2022 adjusted diluted net earnings per share in the range of \$3.50 to \$3.65, compared to its prior range of \$3.60 to \$3.85. The new guidance range includes the impact of increased inflation and dilution of \$0.05 to \$0.10 related to the acquisition.

Supplemental Financial Disclosures

- (1) A reconciliation of reported diluted net earnings per share to adjusted diluted net earnings per share, a non-GAAP financial measure, appears below.

Conference Call

The Company's management will host a conference call today at 4:30 p.m. ET to discuss its first quarter 2022 results.

To participate in the conference call, dial 1-844-826-3033 (domestic) or 1-412-317-5185 (international) and enter the conference ID 10166354.

This conference call will also be webcast and can be accessed from the "Investors" section of CONMED's website at www.conmed.com. The webcast replay of the call will be available at the same site approximately one hour after the end of the call.

A recording of the call will also be available from 7:30 p.m. ET on Wednesday, May 4, 2022, until 11:59 p.m. ET on Wednesday, May 18, 2022. To hear this recording, dial 1-844-512-2921 (domestic) or 1-412-317-6671 (international) and enter the replay pin number 10166354.

Consolidated Condensed Statements of Income
(in thousands except per share amounts, unaudited)

	Three Months Ended March 31,	
	2022	2021
Net sales	\$242,327	\$232,677
Cost of sales	106,336	104,228
Gross profit	<u>135,991</u>	<u>128,449</u>
% of sales	56.1%	55.2%
Selling & administrative expense	102,875	98,340
Research & development expense	10,672	10,027
Income from operations	<u>22,444</u>	<u>20,082</u>
% of sales	9.3%	8.6%
Interest expense	4,998	10,351
Income before income taxes	17,446	9,731
Provision for (benefit from) income taxes	2,471	(129)
Net income	<u>\$ 14,975</u>	<u>\$ 9,860</u>
Basic EPS	\$ 0.51	\$ 0.34
Diluted EPS	0.47	0.31
Basic shares	29,428	28,972
Diluted shares	35,155	31,378

Sales Summary
(in millions, unaudited)

	Three Months Ended March 31,									
						% Change				
			Domestic			International				
	2022	2021	As Reported	Impact of Foreign Currency	Constant Currency	As Reported	As Reported	As Reported	Impact of Foreign Currency	Constant Currency
Orthopedic Surgery	\$107.5	\$107.2	0.3%	0.1%	0.4%	2.2%	-0.7%	0.2%	-0.5%	
General Surgery	134.8	125.5	7.4%	0.3%	7.7%	7.5%	7.3%	0.9%	8.2%	
	<u>\$242.3</u>	<u>\$232.7</u>	<u>4.1%</u>	<u>0.2%</u>	<u>4.3%</u>	<u>5.9%</u>	<u>2.2%</u>	<u>0.4%</u>	<u>2.6%</u>	
Single-use Products	\$201.5	\$187.4	7.5%	0.2%	7.7%	6.2%	9.2%	0.4%	9.6%	
Capital Products	40.8	45.3	-9.7%	0.1%	-9.6%	4.1%	-19.3%	0.3%	-19.0%	
	<u>\$242.3</u>	<u>\$232.7</u>	<u>4.1%</u>	<u>0.2%</u>	<u>4.3%</u>	<u>5.9%</u>	<u>2.2%</u>	<u>0.4%</u>	<u>2.6%</u>	
Domestic	\$131.2	\$123.9	5.9%	0.0%	5.9%					
International	111.1	108.8	2.2%	0.4%	2.6%					
	<u>\$242.3</u>	<u>\$232.7</u>	<u>4.1%</u>	<u>0.2%</u>	<u>4.3%</u>					

Reconciliation of Reported Net Income to Adjusted Net Income

(in thousands, except per share amounts, unaudited)

Three Months Ended March 31, 2022										
	Gross Profit	Selling & Administrative Expense	Operating Income	Interest Expense	Tax Expense	Effective Tax Rate	Net Income	Basic EPS	GAAP Adjustments(2)	Diluted EPS
As reported	\$ 135,991	\$ 102,875	\$ 22,444	\$ 4,998	\$ 2,471	14.2%	\$ 14,975		\$ 1,715	\$ 16,690
% of sales	56.1%	42.5%	9.3%							
EPS								\$ 0.51		\$ 0.47
Amortization(1)	\$ 1,500	(6,562)	8,062	(880)	2,160		6,782			
As adjusted		\$ 96,313	\$ 30,506	\$ 4,118	\$ 4,631	17.5%	\$ 21,757		\$ 1,715	\$ 23,472
% of sales		39.7%	12.6%							
Adjusted Diluted EPS										\$ 0.70
Weighted average common and potential common shares, as reported								29,428	5,727	35,155
Convertible note hedges(3)										(1,412)
Diluted shares, as adjusted										33,743

Three Months Ended March 31, 2021										
	Gross Profit	Selling & Administrative Expense	Operating Income	Interest Expense	Tax Expense/ (Benefit)	Effective Tax Rate	Net Income	Basic EPS	GAAP Adjustments(2)	Diluted EPS
As reported	\$ 128,449	\$ 98,340	\$ 20,082	\$ 10,351	\$ (129)	-1.3%	\$ 9,860		\$ —	\$ 9,860
% of sales	55.2%	42.3%	8.6%							
EPS								\$ 0.34		\$ 0.31
Restructuring and related costs (4)	—	(414)	414	—	109		305			
	\$ 128,449	\$ 97,926	\$ 20,496	\$ 10,351	\$ (20)		\$ 10,165			
Adjusted gross profit %	55.2%									
Amortization(1)	\$ 1,500	(6,838)	8,338	(3,561)	2,969		8,930			
As adjusted		\$ 91,088	\$ 28,834	\$ 6,790	\$ 2,949	13.4%	\$ 19,095		\$ —	\$ 19,095
% of sales		39.1%	12.4%							
Adjusted Diluted EPS										\$ 0.63
Weighted average common and potential common shares, as reported								28,972	2,406	31,378
Convertible note hedges(3)										(1,014)
Diluted shares, as adjusted										30,364

(1) Includes amortization of intangible assets, deferred financing fees and debt discount.

(2) The Company adopted ASU 2020-06, effective January 1, 2022. As a result of the adoption, the Company is required to compute diluted EPS using the if-converted method. Under the if-converted method, the numerator is adjusted for interest expense applicable to the convertible notes (net of tax) and the denominator includes additional common shares assuming conversion.

(3) Non-GAAP adjusted dilutive weighted average shares outstanding exclude dilution that is expected to be offset by the Company's convertible note hedge transactions.

(4) In 2021, the Company incurred restructuring costs related to restructuring of our sales force.

Reconciliation of Reported Net Income to EBITDA & Adjusted EBITDA
(in thousands, unaudited)

	Three Months Ended March 31,	
	2022	2021
Net income	\$14,975	\$ 9,860
Provision for (benefit from) income taxes	2,471	(129)
Interest expense	4,998	10,351
Depreciation	4,032	4,757
Amortization	12,799	13,519
EBITDA	<u>\$39,275</u>	<u>\$38,358</u>
Stock based compensation	4,463	3,387
Restructuring and related costs	—	414
Adjusted EBITDA	<u>\$43,738</u>	<u>\$42,159</u>
EBITDA Margin		
EBITDA	16.2%	16.5%
Adjusted EBITDA	18.0%	18.1%

About CONMED Corporation

CONMED is a medical technology company that provides surgical devices and equipment for minimally invasive procedures. The Company's products are used by surgeons and physicians in a variety of specialties, including orthopedics, general surgery, gynecology, thoracic surgery, and gastroenterology. For more information, visit www.conmed.com.

Forward-Looking Statements

This press release and the associated conference call may contain forward-looking statements based on certain assumptions and contingencies that involve risks and uncertainties, which could cause actual results, performance, or trends to differ materially from those expressed in the forward-looking statements herein or in previous disclosures. For example, in addition to general industry and economic conditions, factors that could cause actual results to differ materially from those in the forward-looking statements may include, but are not limited to, the risks posed to the Company's business, financial condition, and results of operations by the COVID-19 global pandemic and the various government responses to the pandemic, including deferral of surgeries, reductions in hospital and ambulatory surgery center operating volumes, disruption to potential supply chain reliability; the ability of the Company to advance In2Bones Global, Inc.'s product lines following the acquisition; uncertainties as to the timing for completion of the acquisition; the possibility that various conditions to complete the acquisition may not be satisfied or waived; transaction costs in connection with the acquisition; the potential effects of the acquisition on relationships with employees, customers, other business partners or governmental entities; any assumptions underlying any of the foregoing as well as the risk factors discussed in the Company's Annual Report on Form 10-K for the full year ended December 31, 2021. Any and all forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and relate to the Company's performance on a going-forward basis. The Company believes that all forward-looking statements made by it have a reasonable basis, but there can be no assurance that management's expectations, beliefs or projections as expressed in the forward-looking statements will actually occur or prove to be correct.

Supplemental Information - Reconciliation of GAAP to Non-GAAP Financial Measures

The Company supplements the reporting of its financial information determined under generally accepted accounting principles in the United States (GAAP) with certain non-GAAP financial measures, including percentage sales growth in constant currency; adjusted gross profit; cost of sales excluding specified items; adjusted selling and administrative expenses; adjusted operating income; adjusted interest expense; adjusted income tax expense (benefit); adjusted effective income tax rate; adjusted net income, adjusted diluted shares and adjusted diluted net earnings per share (EPS). The Company believes that these non-GAAP measures provide meaningful information to assist investors and shareholders in understanding its financial results and assessing its prospects for future performance. Management believes percentage sales growth in constant currency and the other adjusted measures described above are important indicators of its operations because they exclude items that may not be indicative of, or are unrelated to, its core operating results and provide a baseline for analyzing trends in the Company's underlying business. Further, the presentation of EBITDA is a non-GAAP measurement that management considers useful for measuring aspects of the Company's cash flow. Management uses these non-GAAP financial measures for reviewing the operating results and analyzing potential future business trends in connection with its budget process and bases certain management incentive compensation on these non-GAAP financial measures.

Net sales on a constant currency basis is a non-GAAP measure. The Company analyzes net sales on a constant currency basis to better measure the comparability of results between periods. To measure percentage sales growth in constant currency, the Company removes the impact of changes in foreign currency exchange rates that affect the comparability and trend of net sales. To measure earnings performance on a consistent and comparable basis, the Company excludes certain items that affect the

comparability of operating results and the trend of earnings. These adjustments are irregular in timing, may not be indicative of past and future performance and are therefore excluded to allow investors to better understand underlying operating trends.

Because non-GAAP financial measures are not standardized, it may not be possible to compare these financial measures with other companies' non-GAAP financial measures having the same or similar names. These adjusted financial measures should not be considered in isolation or as a substitute for reported sales growth, gross profit, cost of sales, selling and administrative expenses, operating income, interest expense, income tax expense (benefit), effective income tax rate, net income, diluted shares and diluted net earnings per share, the most directly comparable GAAP financial measures. These non-GAAP financial measures are an additional way of viewing aspects of the Company's operations that, when viewed with GAAP results and the reconciliations to corresponding GAAP financial measures above, provide a more complete understanding of the business. The Company strongly encourages investors and shareholders to review its financial statements and publicly filed reports in their entirety and not to rely on any single financial measure.



NEWS RELEASE

CONMED Corporation
Todd Garner
Chief Financial Officer
727-214-2975
ToddGarner@conmed.com

CONMED Announces Definitive Agreement to Acquire In2Bones Global, Inc.

Largo, Florida, May 4, 2022 – **CONMED Corporation (NYSE: CNMD)** today announced a definitive agreement to acquire privately-held In2Bones Global, Inc. (In2Bones), on a cash-free, debt-free basis, for cash consideration of \$145 million at closing and up to an additional \$110 million in growth-based earnout payments over a four-year period. The transaction is not subject to a financing condition. The transaction is subject to customary closing conditions, including receipt of U.S. regulatory approval, and is expected to close late in the second quarter or early in the third quarter of 2022.

Headquartered in Memphis, Tennessee, In2Bones is a global developer, manufacturer, and distributor of medical devices for the treatment of disorders and injuries of the upper (hand, wrist, elbow) and lower (foot and ankle) extremities. The company's comprehensive product portfolio includes implants, fracture systems, biologics, and related hardware.

"This acquisition is a natural strategic extension of our Orthopedic portfolio," commented Curt R. Hartman, CONMED's Chair of the Board, President, and Chief Executive Officer. "In2Bones is an exciting platform for CONMED to enter the extremities market given its broad portfolio, extensive sales channel, and experienced leadership team. We look forward to welcoming the In2Bones team to CONMED."

Alan Taylor, President and Chief Executive Officer of In2Bones, added, “Our talented team has worked tirelessly to build a comprehensive and efficient set of solutions focused on successful reproducible outcomes for extremities surgery, and we are excited to join CONMED. The CONMED team clearly shares our focus on people and clinical innovation to address unmet needs, and we look forward to continuing to advance our solutions and deliver them to patients across the globe.”

“Alan and his team have built a strong global platform in the extremities market,” commented Pat Beyer, CONMED’s President of International and Global Orthopedics. “In2Bones is a strong complement to our existing international platform, and I am excited to expand our global orthopedic offering into the high-growth extremities space. I look forward to working closely with the In2Bones team and to integrating their portfolio and commercial team into our existing infrastructure.”

Financial Highlights

In2Bones had 2021 revenue of \$36.8 million at approximately 80% gross margins and is expected to grow revenue double digits on an ongoing basis. Based on the anticipated date of closing, CONMED expects the acquisition to add approximately \$20 million to its revenue in the second half of 2022. The acquisition is expected to be slightly accretive to adjusted EBITDA in 2022, accretive in the single-digit millions in 2023, and in the double-digit millions thereafter. From an adjusted EPS perspective, the acquisition is expected to be between \$0.05 and \$0.10 dilutive to both the remainder of 2022 and the full year 2023, and accretive thereafter.

The impact of the acquisition on financial guidance was included in the company’s earnings report released today.

Advisors

Sullivan & Cromwell LLP and DLA Piper LLP are acting as legal counsel for CONMED. William Blair is acting as financial advisor and K&L Gates LLP and the Nilson Law Group, PLLC are acting as legal counsel for In2Bones Global, Inc.

About CONMED Corporation

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About In2Bones Global, Inc.

Headquartered in Memphis, Tennessee, In2Bones is a global developer manufacturer and distributor of medical devices for the treatment of disorders and injuries of the upper (hand, wrist, elbow) and lower (foot and ankle) extremities.

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This press release shall not constitute an offer to sell or a solicitation of an offer to buy any securities, nor shall there be any sale of securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.