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

FORM 8-K/A

(Amendment No. 1)

CURRENT REPORT

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

Date of Report (Date of earliest event reported): February 11, 2019

CONMED CORPORATION

(Exact name of registrant as specified in its charter)

New York	0-16093	16-0977505
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

**525 French Road
Utica, New York 13502**
(Address of principal executive offices, including zip code)

(315) 797-8375
(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 obligations 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))

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. o

EXPLANATORY NOTE

On February 11, 2019, CONMED Corporation ("CONMED"), filed a Current Report on Form 8-K (the "Original Form 8-K") to report the completion of its acquisition of Buffalo Filter, LLC ("Buffalo Filter"), pursuant to the Securities Purchase Agreement, dated as of December 13, 2018, by and among CONMED and Filtration Group LLC. This Current Report on Form 8-K/A amends Item 9.01(a) and 9.01(b) of the Original Form 8-K to provide financial statements and pro forma financial information required by such items, respectively. The remainder of the Original Form 8-K is not hereby amended.

Item 9.01. Financial Statements and Exhibits

(a) Financial Statements of Businesses Acquired

The audited financial statements of Buffalo Filter, LLC as of and for the year ended December 31, 2018, are filed hereto as Exhibit 99.1 and incorporated into this Item 9.01(a) by reference.

(b) Pro Forma Financial Information

The unaudited pro forma condensed combined financial information as of and for the year-ended December 31, 2018 are filed hereto as Exhibit 99.2 and incorporated into this Item 9.01(b) by reference.

(d) Exhibits

99.1	Buffalo Filter, LLC's audited annual financial statements as of and for the year ended December 31, 2018, and the notes related thereto.
99.2	Unaudited Pro Forma Condensed Combined Balance Sheet of CONMED Corporation and Buffalo Filter, LLC as of December 31, 2018, Unaudited Pro Forma Condensed Combined Statement of Comprehensive Income of CONMED Corporation and Buffalo Filter, LLC for the year-ended December 31, 2018, and the notes related thereto.

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 thereunto duly authorized.

CONMED CORPORATION
(Registrant)

By:	/s/ Todd W. Garner
Name:	Todd W. Garner
Title:	Executive Vice President and Chief Financial Officer

Date: April 25, 2019

Consolidated Financial Statements
Buffalo Filter, LLC
Year ended December 31, 2018
with Report of Independent Auditors

Buffalo Filter, LLC
Consolidated Financial Statements
Table of Contents

Report of Independent Auditors

To the Management and Board of Directors of ConMed Corporation

We have audited the accompanying consolidated financial statements of Buffalo Filter, LLC and its subsidiaries (the “Company”) which comprise the consolidated balance sheet as of December 31, 2018 and the related consolidated statements of income, of changes in equity and of cash flows for the year then ended.

Management’s Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Buffalo Filter, LLC and its subsidiaries, as of December 31, 2018, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

/s/ PricewaterhouseCoopers LLP
Rochester, New York
April 25, 2019

Buffalo Filter, LLC
Consolidated Balance Sheet
December 31, 2018
(In thousands, except number of equity units)

		2018
ASSETS		
Current assets:		
Cash and cash equivalents	$	61
Accounts receivable		5,282
Inventories		3,746
Prepaid expenses and other current assets		142
Total current assets		9,231
Property, plant and equipment, net		4,081
Other assets		166
Total assets	$	13,478
LIABILITIES AND EQUITY		
Current liabilities:		
Current portion of long-term debt	$	150
Accounts payable		3,055
Accrued compensation and benefits		958
Other current liabilities		838
Total current liabilities		5,001
Long-term debt		2,138
Total liabilities		7,139
Commitments and contingencies (Note 2)		
Equity:		
Equity units, no par value, 1,000 issued and outstanding		
at December 31, 2018		—
Retained earnings		6,339
Total equity		6,339
Total liabilities and equity	$	13,478

The accompanying notes are an integral part of the consolidated financial statements.

Buffalo Filter, LLC
Consolidated Statement of Income
Year Ended December 31, 2018
(In thousands)

		2018
Net sales	$	41,097
Cost of sales		19,349
Gross profit		21,748
Selling and administrative expense		10,500
Research and development expense		2,057
Operating expenses		12,557
Income from operations		9,191
Interest expense		111
Income before income taxes		9,080
Provision for income taxes		—
Net income	$	9,080

The accompanying notes are an integral part of the consolidated financial statements.

Buffalo Filter, LLC
Consolidated Statement of Changes in Equity
Year Ended December 31, 2018
(In thousands, except number of equity units)

	Equity units			
	Units	**Amount**	**Retained Earnings**	**Total Equity**
Balance at December 31, 2017	1,000	$ —	$ 7,281	$ 7,281
Net income			9,080	$ 9,080
Distributions to parent			(10,022)	$ (10,022)
Balance at December 31, 2018	1,000	$ —	$ 6,339	$ 6,339

The accompanying notes are an integral part of the consolidated financial statements.

Buffalo Filter, LLC
Consolidated Statement of Cash Flows
Year Ended December 31, 2018
(In thousands)

		2018
Cash flows from operating activities:		
Net income	$	9,080
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation		479
Increase in cash flows from changes in assets and liabilities:		
Accounts receivable		810
Inventories		(574)
Accounts payable		768
Other, net		7
		1,490
Net cash provided by operating activities		10,570
Cash flows from investing activities:		
Purchases of property, plant and equipment		(325)
Net cash used in investing activities		(325)
Cash flows from financing activities:		
Payments on loan		(162)
Distribution payments to parent		(10,022)
Net cash used in financing activities		(10,184)
Net increase in cash and cash equivalents		61
Cash and cash equivalents at beginning of year		—
Cash and cash equivalents at end of year	$	61
Supplemental disclosures of cash flow information:		
Cash paid during the year for:		
Interest	$	111

The accompanying notes are an integral part of the consolidated financial statements.

Note 1 - Formation and Business

Buffalo Filter, LLC (the “Company” or "Buffalo Filter") is a medical device manufacturer and marketer of smoke evacuation technologies. Buffalo Filter was incorporated in the State of Delaware in 1991 and was acquired by Filtration Group FGC LLC ("Filtration Group") in January 2014. Buffalo Filter is a wholly-owned subsidiary of Filtration Group. The Company is headquartered in Lancaster, New York and its comprehensive product portfolio includes smoke evacuation pencils, smoke evacuators and laparoscopic solutions.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The consolidated financial statements of the Company are prepared in conformity with United States generally accepted accounting principles (“U.S. GAAP”).

Principles of consolidation

The consolidated financial statements include the accounts of Buffalo Filter and its subsidiaries. All significant intercompany accounts and transactions have been eliminated.

Use of estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and judgments which affect the reported amounts of assets, liabilities, related disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting period. Due to the inherent uncertainty involved in making estimates, actual results reported in future periods may differ from those estimates.

Cash and cash equivalents

We consider all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Inventories

Inventories are valued at the lower of cost and net realizable value determined on the FIFO (first-in, first-out) cost method. We write-off excess and obsolete inventory resulting from the inability to sell our products at prices in excess of current carrying costs. We make estimates regarding the future recoverability of the costs of our products and record a provision for excess and obsolete inventories based on historical experience and expected future trends.

Property, plant and equipment

Property, plant and equipment are stated at cost and depreciated using the straight-line method over the following estimated useful lives:

Building and improvements	5 to 37 years
Machinery and equipment	3 to 10 years

Other long-lived assets

We review other long-lived assets, consisting primarily of field inventory, for impairment whenever events or circumstances indicate that such carrying amounts may not be recoverable. If the sum of the expected future undiscounted cash flows is less than the carrying amount of the asset, an impairment loss is recognized by reducing the recorded value to its current fair value.

The Company maintains field inventory consisting of capital equipment for customer demonstration and evaluation purposes. Field inventory is generally not sold to customers but rather continues to be used over its useful life for demonstration, evaluation and loaner purposes. An annual wear and tear provision has been recorded on field inventory. The net book value of such equipment at December 31, 2018 was $163.

Fair value

The carrying amounts reported in our balance sheet for cash and cash equivalents, accounts receivable, accounts payable and long-term debt approximate fair value.

Revenue recognition

Revenue is recognized when title has been transferred to the customer which is generally at the time of shipment. The following policies apply to our revenue transactions:

- Title and the risks and rewards of ownership is generally transferred to the customer when product is shipped under our stated shipping terms. Payment by the customer is due under fixed payment terms and collectability is reasonably assured.

- Product returns are only accepted at the discretion of the Company and in accordance with our “Returned Goods Policy”. Historically, the level of product returns has not been significant. We accrue for sales returns, rebates and allowances based upon an analysis of historical customer returns and credits, rebates, discounts and current market conditions.

- Our terms of sale to customers generally do not include any obligations to perform future services. Limited warranties are provided for capital equipment sales. Historically, warranty repairs have not been significant.

- Amounts billed to customers related to shipping and handling have been included in net sales. Shipping and handling costs included in selling and administrative expense were $574.

- We sell to a diversified base of customers around the world; however, one of our customers represents approximately 23% of net sales during the year ended December 31, 2018 and 33% of outstanding accounts receivable at December 31, 2018. We do not believe that this concentration makes the Company vulnerable to the risk of a near-term severe impact to operations.

- We assess the risk of loss on accounts receivable and adjust the allowance for doubtful accounts based on this risk assessment. Management believes that the allowance for doubtful accounts of $71 is adequate to provide for probable losses resulting from accounts receivable.

Employee Savings Plan

Filtration Group sponsors an employee savings plan ("401(k) plan") covering substantially all of our employees. Total employer contributions to the 401(k) plan were $677 during the year ended December 31, 2018.

Income Taxes

The Company is a Limited Liability Company which has elected to be taxed in the same manner as a general partnership for U.S. federal income tax purposes. Accordingly, Buffalo Filter, LLC is a disregarded entity and is not subject to U.S. federal income taxes. Therefore, no provision for taxes has been made by the Company.

Related Party Transactions

Filtration Group, performs certain administrative and other support services on behalf of the Company. During 2018, the Company incurred administrative service costs of $734, which are included in selling and administrative expense. The Company had net sales of $1,046 to Filtration Group subsidiaries during 2018. The Company is wholly-owned by Filtration Group and excess cash is periodically reallocated to the parent.

Commitments and contingencies

The Company has no material commitments and contingencies that are not recorded on the balance sheet as of December 31, 2018.

Note 3 — Inventories

Inventories consist of the following at December 31:

	2018
Raw materials	$ 1,306
Work in process	375
Finished goods	2,065
	$ 3,746

Note 4 — Property, Plant and Equipment

Property, plant and equipment consist of the following at December 31:

	2018
Land	$ 967
Building and improvements	3,175
Machinery and equipment	2,517
	6,659
Less: Accumulated depreciation	(2,578)
	$ 4,081

We lease certain equipment under operating leases. Rental expense on operating leases was $11 for the year ended December 31, 2018. The aggregate future minimum lease commitments for leases at December 31, 2018 are as follows:

	Operating Leases
2019	$ 16
2020	16
2021	16
2022	12
2023	5
Thereafter	—

Note 5 — Debt

The Company's debt consists of the following at December 31:

	2018
Mortgage loan	$ 2,288
Less: Current portion	150
Total long-term debt	$ 2,138

On March 27, 2018, the Company entered into a loan modification agreement with CIBC Bank USA (previously named The PrivateBank and Trust Company) to extend the maturity date of the $3,000 mortgage loan for our Lancaster, New York property to March 27, 2022. At December 31, 2018 the outstanding balance on the loan was $2,288. Interest rates are at LIBOR plus 2.250% (the total of which is 4.756% at December 31, 2018).

The scheduled maturities of long-term debt outstanding at December 31, 2018 are as follows:

2019	$	150
2020		150
2021		150
2022		1,838
2023		—
Thereafter		—

Note 6 - Recent Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers, along with amendments issued in 2015 and 2016, which is codified in Accounting Standards Codification ("ASC") 606. ASC 606 is a comprehensive new revenue recognition model that requires a company to recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration the company expects to receive in exchange for those goods or services.

The Company adopted ASC 606 effective January 1, 2019 and applied the modified retrospective approach to adoption whereby the standard is applied only to the current period. The adoption of this accounting standard did not have a material impact on our financial statements.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842) (“ASU 2016-02”), along with amendments issued in 2017 and 2018. This ASU requires lessees to record leases on their balance sheets but recognize the expenses on their income statements in a manner similar to current practice. ASU 2016-02 states that a lessee would recognize a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term. The new standard is effective for interim and annual periods beginning after December 15, 2019 and early adoption is permitted. The Company is currently assessing the impact of this guidance on our financial statements.

We have considered all other recently issued accounting pronouncements and we do not expect them to have a material impact on our financial statements.

Note 7 - Subsequent Events

On February 11, 2019, Filtration Group, the owner of all the issued and outstanding equity securities of the Company, closed a Securities Purchase Agreement (“Purchase Agreement”), dated December 13, 2018 with CONMED Corporation, headquartered in Utica, New York. Filtration Group sold all issued and outstanding equity securities of the Company, including all of the issued and outstanding common stock of Palmerton Holdings, Inc., to CONMED Corporation for approximately $365 million, in cash, subject to customary adjustments for working capital and cash held by the Company at closing.

We have evaluated subsequent events through the date the financial statements were issued.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma condensed combined financial statements have been prepared by CONMED Corporation ("CONMED", "we", "our", "us" or "the Company") to reflect our acquisition of Buffalo Filter, LLC ("Buffalo Filter"), which was completed on February 11, 2019 (the "Acquisition") and the related financing. The Acquisition is more fully described in Item 2.01 of the Current Report on Form 8-K that we filed with the Securities and Exchange Commission (the "SEC") on February 11, 2019. In conjunction with the Acquisition, we (i) entered into our sixth amended and restated senior credit agreement (the "Credit Agreement"), consisting of (a) a $265 million term loan facility and (b) a $585 million revolving credit facility, and (ii) issued $345 million in 2.625% convertible notes due in 2024 (the "Notes"), to fund a portion of the Acquisition purchase price (the Credit Agreement and Notes together with the Acquisition, the "Transactions"). The Credit Agreement and Notes are more fully described in Item 2.03 of the Current Reports on Form 8-K that we filed with the SEC on February 7, 2019 and January 29, 2019, respectively.

The accompanying pro forma condensed combined financial information has been prepared by applying pro forma adjustments to the individual historical audited financial statements of CONMED and Buffalo Filter. The unaudited condensed combined balance sheet as of December 31, 2018, has been prepared giving effect to the Transactions as if they had been completed on December 31, 2018. The unaudited pro forma condensed combined statement of comprehensive income of CONMED for the year ended December 31, 2018 is presented as if the Transactions had occurred on January 1, 2018, the first day of our fiscal 2018.

The unaudited pro forma condensed combined financial information includes unaudited pro forma adjustments that we believe are factually supportable and directly attributable to the Transactions. The unaudited pro forma condensed combined financial information was prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 805 – Business Combinations and are based on CONMED's historical audited financial statements for the year ended December 31, 2018 and Buffalo Filter's historical audited financial statements for the year ended December 31, 2018.

The unaudited pro forma adjustments are based upon available information and certain assumptions that we believe are reasonable under the circumstances, however the final acquisition accounting adjustments may be materially different from the unaudited pro forma adjustments. The unaudited pro forma condensed combined financial information is presented for informational purposes only. The unaudited pro forma condensed combined financial information does not purport to represent what our results of operations or financial condition would have been had the Transactions actually occurred on the dates indicated, nor do they purport to project our results of operations or financial condition for any future period or as of any future date. All pro forma adjustments and their underlying assumptions are described more fully in the notes to our unaudited pro forma condensed combined financial information. In addition, these pro forma financial statements do not reflect the realization of any cost savings that we may achieve from operating efficiencies, synergies or other restructuring activities that may result from the Acquisition. The unaudited pro forma condensed combined financial information should be read in conjunction with the historical financial statements used in preparation of these pro forma statements including CONMED's consolidated financial statements included in our Annual Report on Form 10-K for our fiscal year ended December 31, 2018, filed with the SEC on February 25, 2019 (our "Form 10-K") and Buffalo Filter's financial statements contained in Exhibit 99.1 of this Current Report on Form 8-K/A.

PRO FORMA CONDENSED COMBINED BALANCE SHEET
AS OF DECEMBER 31, 2018
(unaudited, in thousands)

	CONMED (a)	Buffalo Filter (b)	Pro Forma Adjustments		Total
ASSETS					
Current assets:					
Cash and cash equivalents	$ 17,511	$ 61	$ (5,815)	(c)	$ 11,757
Accounts receivable, net	181,550	5,282	(526)	(d)	186,306
Inventories	154,599	3,746	726	(e)	159,071
Prepaid expenses and other current assets	20,691	142	—		20,833
Total current assets	374,351	9,231	(5,615)		377,967
Property, plant and equipment, net	113,245	4,081	—		117,326
Deferred income taxes	5,162	—	—		5,162
Goodwill	400,440	—	214,614	(f)	615,054
Other intangible assets, net	413,193	—	141,000	(f)	554,193
Other assets	62,747	166	3,540	(g)	66,453
Total assets	$ 1,369,138	$ 13,478	$ 353,539		$ 1,736,155
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities:					
Current portion of long-term debt	$ 18,336	$ 150	$ (7,713)	(h)	$ 10,773
Accounts payable	53,498	3,055	(526)	(d)	56,027
Accrued compensation and benefits	42,924	958	—		43,882
Other current liabilities	46,186	838	—		47,024
Total current liabilities	160,944	5,001	(8,239)		157,706
Long-term debt	438,564	2,138	353,971	(h)	794,673
Deferred income taxes	81,061	—	(4,028)	(i)	77,033
Other long-term liabilities	26,299	—	—		26,299
Total liabilities	706,868	7,139	341,704		1,055,711
Commitments and contingencies					
Shareholders' equity:					
Preferred stock	—	—	—		—
Common stock	313	—	—		313
Paid-in capital	341,738	—	30,883	(j)	372,621
Retained earnings	464,851	6,339	(19,048)	(k)	452,142
Accumulated other comprehensive loss	(55,737)	—	—		(55,737)
Less: Treasury stock	(88,895)	—	—		(88,895)
Total shareholders' equity	662,270	6,339	11,835		680,444
Total liabilities and shareholders' equity	$ 1,369,138	$ 13,478	$ 353,539		$ 1,736,155

The accompanying notes are an integral part of the pro forma condensed combined financial statements.

PRO FORMA CONDENSED COMBINED STATEMENT OF COMPREHENSIVE INCOME
YEAR-ENDED DECEMBER 31, 2018
(unaudited, in thousands except per share data)

	CONMED (l)	Buffalo Filter (m)	Pro Forma Adjustments		Total
Revenues					
Net sales	$ 859,634	$ 41,097	$ (2,507)	(n)	$ 898,224
Expenses					
Cost of sales	390,524	19,349	(2,507)	(n)	407,366
Selling and administrative expense	355,617	10,500	8,455	(o)	374,572
Research and development expense	42,188	2,057	—		44,245
Total operating expense	788,329	31,906	5,948		826,183
Income from operations	71,305	9,191	(8,455)		72,041
Interest expense	20,652	111	23,626	(p)	44,389
Income before income tax	50,653	9,080	(32,081)		27,652
Income tax provision (benefit)	9,799	—	(5,557)	(q)	4,242
Net income (loss)	$ 40,854	$ 9,080	$ (26,524)		$ 23,410
Earnings per share data:					
Basic	$ 1.45				$ 0.83
Diluted	1.41				0.81
Other comprehensive income (loss), before tax:					
Foreign currency translation adjustments	$ (8,369)	$ —	$ —		$ (8,369)
Pension liability	(885)	—	—		(885)
Cash flow hedging gain	10,985	—	—		10,985
Other comprehensive income, before tax	42,585	9,080	(26,524)		25,141
Provision for income taxes related to items of other comprehensive income	2,441	—	—		2,441
Comprehensive income	$ 40,144	$ 9,080	$ (26,524)		$ 22,700

The accompanying notes are an integral part of the pro forma condensed combined financial statements.

Notes to the Pro Forma Condensed Combined Financial Statements
(unaudited, in thousands)

Note 1 - Description of the Transaction

On February 11, 2019, we completed the acquisition of Buffalo Filter (the “Acquisition”) pursuant to the Securities Purchase Agreement (the “Purchase Agreement”), dated December 13, 2018, by and among CONMED and Filtration Group FGC LLC ("Filtration Group") for total consideration of $365.0 million (based on an aggregate purchase price of $365 million as adjusted pursuant to the Purchase Agreement). Buffalo Filter develops, manufactures and markets smoke evacuation technologies that are complementary to CONMED's General Surgery product offering. The acquisition was funded through a combination of cash on hand and long-term borrowings as further described below.

The Purchase Agreement was filed as Exhibit 10.1 to our Current Report on Form 8-K filed with the Securities and Exchange Commission on December 14, 2018.

On February 7, 2019, in connection with the Acquisition, we entered into a sixth amended and restated senior credit agreement (the “Credit Agreement”) consisting of: (a) a $265 million term loan facility and (b) a $585 million revolving credit facility. The revolving credit facility will terminate and the loans outstanding under the term loan facility will expire on the earlier of (i) February 7, 2024 or (ii) 91 days prior to the earliest scheduled maturity date of the 2.625% convertible notes due in 2024 described below, (if, as of such date, more than $150.0 million in aggregate principal amount of such convertible notes (or any refinancing thereof) remains outstanding). The term loan is payable in quarterly installments increasing over the term of the facility. Proceeds from the term loan facility and borrowings under the revolving credit facility were used to repay the then existing senior credit agreement and to finance the acquisition of Buffalo Filter. Initial interest rates are at LIBOR plus a base rate (1.875%). For those borrowings where we elect to use the alternate base rate, the initial base rate will be the greatest of (i) the Prime Rate, (ii) the Federal Funds Rate plus 0.50% or (iii) the one-month Eurocurrency Rate plus 1.00%, plus, in each case, an interest rate margin.

On January 29, 2019, we issued $345 million in 2.625% convertible notes due in 2024 (the "Notes"). Interest is payable semi-annually in arrears on February 1 and August 1 of each year, commencing August 1, 2019. The Notes will mature on February 1, 2024, unless earlier repurchased or converted. The Notes represent subordinated unsecured obligations and are convertible under certain circumstances, as defined in the indenture, into a combination of cash and CONMED common stock. The Notes may be converted at an initial conversion rate of 11.2608 shares of our common stock per $1,000 principal amount of Notes (equivalent to an initial conversion price of approximately $88.88 per share of common stock). Holders of the Notes may convert their Notes at their option at any time on or after November 1, 2023 through the second scheduled trading day preceding the maturity date. Holders of their Notes will also have the right to convert the Notes prior to November 1, 2023, but only upon the occurrence of specified events. The conversion rate is subject to anti-dilution adjustments if certain events occur. A portion of the net proceeds from the offering of the notes were used as part of the financing for the Buffalo Filter acquisition and $21.0 million were used to pay the cost of certain convertible notes hedge transactions.

Note 2 - Basis of Presentation

The accompanying unaudited pro forma condensed combined financial statements have been prepared based on the historical financial information of CONMED and Buffalo Filter as adjusted to give effect to the Acquisition, Credit Agreement and Notes. The unaudited pro forma combined statement of comprehensive income for the year-ended December 31, 2018 gives effect to the Acquisition, Credit Agreement and Notes as if they had occurred on January 1, 2018. The unaudited pro forma condensed combined balance sheet as of December 31, 2018 gives effect to the Acquisition, Credit Agreement and Notes as if they had occurred on December 31, 2018. We believe that the assumptions used and the adjustments made are reasonable given the information available as of the date of this Form 8-K/A. Certain footnote disclosures normally included in the financial statements prepared in accordance with U.S. GAAP have been condensed or omitted as permitted by SEC rules and regulations.

The Acquisition has been accounted for using the acquisition method of accounting based on ASC 805 which requires recognition and measurement of all identifiable assets acquired and liabilities assumed at their full fair value as of the date control is obtained. The preliminary valuation of the tangible and identifiable intangible assets acquired and liabilities assumed was used by management to prepare the unaudited condensed combined financial information. The pro forma purchase price allocation below has been developed based on these preliminary estimates of fair value as of December 31, 2018. Final valuation of the tangible and identifiable intangible assets acquired and liabilities assumed are subject to revision based upon management’s completed analysis and calculations. Such final adjustments, including changes to amortizable tangible and intangible assets, may be material.

The preliminary purchase price and purchase price allocation are presented as follows:

Preliminary purchase price:

Total Purchase Price	$	365,047

Preliminary purchase price allocation:

Fair value of assets acquired and liabilities assumed:

Current assets	$	9,957
Goodwill		214,614
Identifiable intangible assets acquired		141,000
Other non-current assets		4,327
Current liabilities assumed		(4,851)
Total purchase price allocation	$	365,047

Note 3 - Pro Forma Adjustments

Unaudited pro forma condensed combined balance sheet

(a) Represents the historical consolidated balance sheet of CONMED as of December 31, 2018.

(b) Represents the historical balance sheet of Buffalo Filter as of December 31, 2018.

(c) Represents the change in cash and cash equivalents, calculated as follows:

Purchase of Buffalo Filter(1)	$	(365,047)
Proceeds from term loan facility(2)		120,625
Payments on revolving line of credit(3)		(53,000)
Proceeds from Notes(4)		345,000
Payments for Notes hedge(5)		(51,198)
Proceeds from issuance of warrants(6)		30,567
Payments related to transaction costs(7)		(16,458)
Payment of debt issuance costs(8)		(16,304)
Net adjustments to cash and cash equivalents	$	(5,815)

1. Represents cash consideration to consummate the Acquisition.
2. Represents the incremental principal amount of cash received under the term loan facility issued under the Credit Agreement associated with the Acquisition.
3. Represents the pay down of the revolving line of credit under the Credit Agreement associated with the Acquisition.
4. Represents the principal amount of cash received upon issuance of the Notes associated with the Acquisition.
5. Represents the cash paid for Notes' hedges for shares of our common stock underlying the Notes associated with the Acquisition.
6. Represents the cash received for the issuance of warrants for the same number of shares of common stock hedged.
7. Represents the payments related to transaction costs associated with the Acquisition.
8. Represents the payments of debt issuance costs related to the Credit Agreement and Notes.

(d) Represents the pro forma adjustment for accounts receivable due from CONMED to Buffalo Filter:

Net adjustment to accounts receivable	$	(526)

Net adjustment to accounts payable	$	(526)

(e) Represents the pro forma adjustment to step up inventory to fair value. The fair value was determined based on the estimated selling price of the inventory less the remaining manufacturing and selling costs and a normal profit margin on those manufacturing costs and selling efforts:

Net adjustment to inventory	$	726

(f) Represents the pro forma adjustments for the fair value of the identifiable intangible assets and goodwill that were acquired. The Acquisition has been accounted for as a purchase in accordance with ASC 805. The assessment of fair value of the identifiable intangible assets is based on preliminary valuations and estimates that were available to management at the time of the preparation of the pro forma financial information and are subject to revision based on management's completed analysis and final accounting for the acquisition. We have allocated the excess of the purchase price over the fair values of the assets acquired and liabilities assumed to goodwill, which represents revenue synergies as well as operating efficiencies and cost savings expected to be realized. The respective net adjustments to intangible assets and goodwill have been calculated as follows:

Customer relationships	$	125,000
Developed technology		9,000
Trademarks and tradenames		7,000
Net adjustment to intangible assets	$	141,000
Net adjustment to goodwill	$	214,614

(g) Represents the net pro forma adjustments for deferred financing fees related to the Credit Agreement's revolving line of credit and write-off of deferred financing fees under the previous senior credit agreement:

Deferred financing fees related to the Credit Agreement	$	3,795
Less: Write-off of deferred financing fees related to the early extinguishment of debt		(255)
	$	3,540

(h) Represents the net adjustment to total debt associated with the Credit Agreement, Notes, Notes discount, deferred financing fees, and historical Buffalo Filter mortgage, not assumed:

Notes	$	345,000
Notes discount		(51,615)
Term loan facility		120,625
Revolving line of credit		(53,000)
Historical Buffalo Filter mortgage, not assumed		(2,138)
Term loan facility, current portion true up		7,563
Less: Deferred financing fees, net		(12,464)
Net adjustment to long term debt	$	353,971
Term loan facility, current portion true up	$	(7,563)
Historical Buffalo Filter mortgage, current portion, not assumed		(150)
Net adjustment to current portion of long-term debt	$	(7,713)

(i) Represents the change in long-term deferred tax liabilities calculated at a blended statutory rate of 24.16% as further described below:

Tax effect of transaction costs not in historical financial statements	$	(3,976)
Tax effect on write-off of deferred financing fees		(73)
Tax effected difference between fair value and tax carryover basis of building acquired		(80)
Tax effect on Notes discount		12,470
Tax effect on Notes hedge		(12,369)
Net adjustment to deferred tax liabilities	$	(4,028)

(j) Represents the net adjustment to additional paid in capital in conjunction with the equity component related to the Notes discount, related Notes hedging instrument, warrants issued and related tax impact:

Notes discount	$	51,615
Deferred tax on Notes discount		(12,470)
Notes hedge		(51,198)
Deferred tax on Notes hedge		12,369
Issuance of warrants		30,567
Net adjustment to additional paid in capital	$	30,883

(k) Represents the net adjustment to retained earnings in conjunction with the Acquisition, as well as the impact of certain pro forma adjustments as described below:

Transaction costs not in historical financial statements, net of tax	$	(12,481)
Write-off of deferred financings fees related to the early extinguishment of debt, net of tax		(228)
Elimination of historical Buffalo Filter's retained earnings		(6,339)
Net adjustment to retained earnings	$	(19,048)

Unaudited pro forma condensed combined statement of comprehensive income

(l) Represents the audited historical consolidated statement of comprehensive income of CONMED as of December 31, 2018.

(m) Represents the audited historical consolidated statement of comprehensive income of Buffalo Filter as of December 31, 2018.

(n) Represents the elimination of Buffalo Filter sales to CONMED for the year ended December 31, 2018:

Buffalo Filter sales to CONMED	$	(2,507)

Represents the elimination of CONMED cost of sales for Buffalo Filter product sold during the year ended December 31, 2018:

Net impact to cost of sales	$	(2,507)

(o) Represents adjustment to amortization expense related to the fair value of identifiable intangible assets acquired in the Acquisition. The pro forma amortization expense was calculated using the pattern in which the economic benefits are expected to be realized using the new intangible assets' range of estimated useful lives of ten to twenty years. The amounts allocated to the identifiable intangible assets and the estimated useful lives are based on preliminary fair value estimates under the guidance of ASC 805:

Net adjustment to amortization of intangible assets	$	9,809

Represents the pro forma adjustment of non-recurring Acquisition costs included in selling and administrative expense in the historical financial statements:

Buffalo Filter's historical transaction costs	$	(55)
CONMED historical transaction costs		(1,299)
Net adjustment to non-recurring expense	$	(1,354)

(p) Represents the pro forma adjustment to interest expense related to the Credit Agreement and Notes' incremental interest expense on additional borrowings, amortization of deferred financing costs and amortization of the Notes' discount. These were entered into in conjunction with the Acquisition. The pro forma adjustment also includes elimination of Buffalo Filter's historical mortgage interest expense as this was not assumed in the acquisition, all calculated as follows:

Incremental interest expense on Credit Agreement	$	2,869
Incremental amortization of debt issuance costs associated with Credit Agreement		441
Interest expense on the Notes		9,107
Amortization of Notes discount		9,146
Amortization of debt issuance costs associated with Notes		2,174
Less: Buffalo Filter's historical interest expense		(111)
Net adjustment to interest expense	$	23,626

(q) Represents the adjustment to provision for income taxes to reflect the inclusion of Buffalo Filter and the pro forma adjustments in the combined group’s federal and state tax filings at a blended statutory rate of 24.16%.