ConMed

Imagine what we could do together

2021 ANNUAL REPORT

Partnership and Perseverance

Contents

Partnership and Perseverance

The last two years serve as a reminder that unpredictable change can happen at any time and that partnerships and trust are invaluable when faced with adversity.

2021 was initially expected to be a year filled with recovery. Instead, we faced prolonged barriers to interaction with our customers and vendors; but the trust and faith of our employees and partners helped us thrive during these unprecedented times. We sought ways to be effective in an adapting world, and we succeeded in 2021 by nurturing and strengthening the bonds we had created.

Through crisis comes change. We have faced new and unfamiliar challenges, but we have the people to ensure the forging of a safe path forward. We walk alongside healthcare professionals and the teams who support them on this path, and while we can't predict tomorrow, our mission remains steadfast and true.

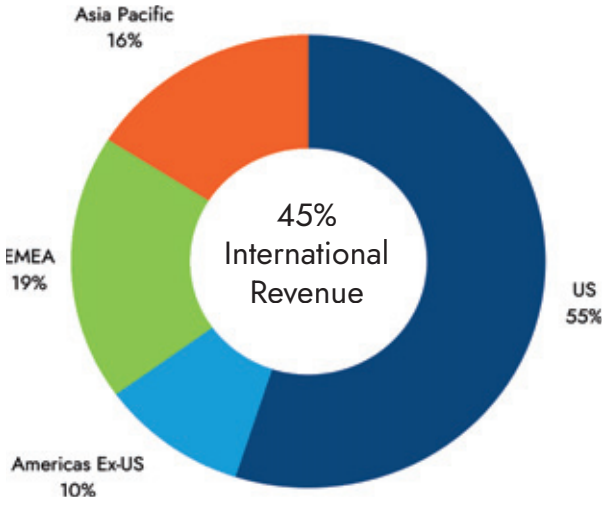
Enabling exceptional outcomes for patients is what we do.

Annual Report 2021
Company Snapshot

FY 2021 Revenue

$1.01 BILLION

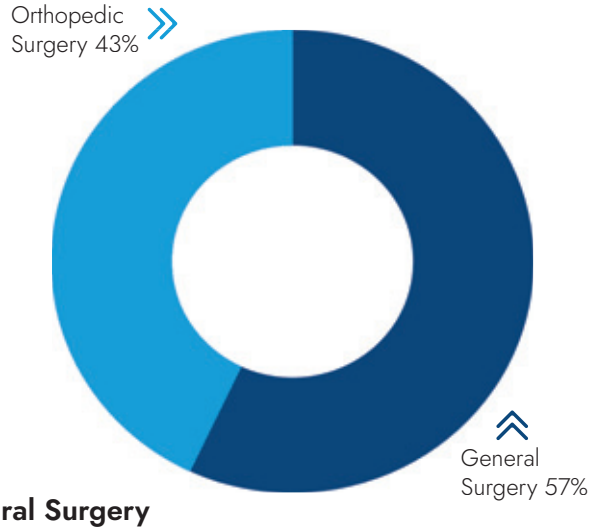
Geographic Revenue



Employees Globally

3,800

Product Revenue



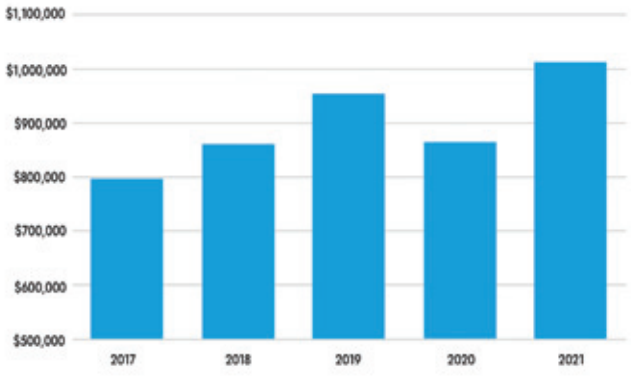
General Surgery

- Products used in the areas of advanced surgical and advanced endoscopic technologies.

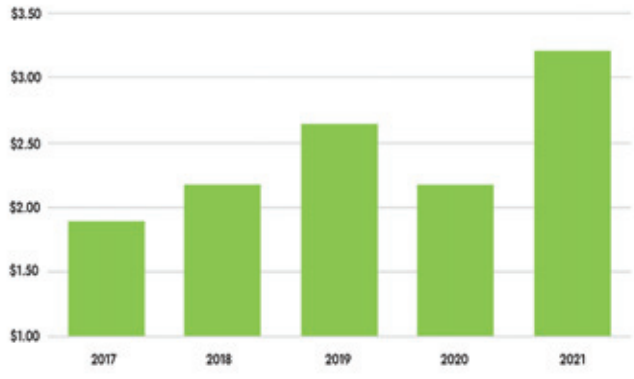
Orthopedic Surgery

- Surgical devices including capital, single-use, and implants used in the repair of soft tissue and joint injuries.

Revenue ($ in Thousands)



Adjusted Net Earnings per Share*



*Adjusted net earnings per share is a non-GAAP measure. Refer to the "GAAP to Non-GAAP Reconciliations" section for the most directly comparable GAAP measure, GAAP diluted net earnings per share.

CONMED

Annual Report 2021

Letter to Shareholders

While managing through these issues has the potential to become an all-consuming task, the CONMED team is focused on remaining great stewards of your company through our focus on people, innovative products, and growing profitability.

Dear Shareholders,

In 2021, CONMED recorded revenue of $1.01 billion, surpassing the billion-dollar level for the first time in our history. Revenue grew 17.2% as reported and 16.3% in constant currency when compared to the COVID-suppressed levels of 2020. Adjusted net earnings per share finished the year at $3.21, an increase of 47.2% over 2020 adjusted net earnings per share of $2.18.

Throughout 2021, we continued to face turbulence brought about by the global pandemic. Still, in the face of this adversity, our Board and management team remained focused on the long-term growth and prosperity of CONMED. Central to that tenet remains the safety and well-being of our employees, which is supported by enhanced safety protocols matched to COVID-19 case volumes, free vaccination and wellness resources, and ongoing investments to enhance workplace engagement. Further, in 2021, we remained focused on creating innovative solutions for our customers and increasing our investment in digital strategy and an ESG agenda that we are proud of and can deliver—all while improving the company's cash flow and financial strength.

While global market conditions had an obvious impact to our financial performance, I am proud of how our leaders managed the business throughout the year. We, like others, dealt with the proliferation of COVID-19 variants, which impacted the global health system and led to workforce shortages, inflation, and transportation and logistics interruptions. I view all of these as circumstances to navigate as we continue to strengthen and grow the company for long-term success.

In 2020, I used the words Agile and Resilient to describe our response to the pandemic. Looking back on 2021, the words that best describe our approach throughout the year are Partnership and Perseverance.

We built and strengthened partnerships with external parties such as customers, suppliers, and local communities. We also further strengthened partnerships internally across the markets and geographies we serve, as we focused on ensuring our customers were fully supported throughout the year.

Perseverance was a daily demand, as known challenges found kinship with new surprises and disrupted long-established processes and approaches. Our employees embraced these opportunities to drive change, advance our business, and, in the process, continue to strengthen our culture. Again, I could not be prouder of the people who represent our company and propelled us forward in 2021.

Looking Forward

As we enter 2022, current circumstances still present us with a number of challenges, including the continued impact of COVID-19 and its variants, inflationary pressures, and staffing challenges within the healthcare community and the global workforce, just to name a few. While managing through these issues has the potential to become an all-consuming task, the CONMED team is focused on remaining great stewards of your company through our focus on people, innovative products, and growing profitability. Further, our continued investment in a comprehensive digital strategy and the development of a responsible ESG program will further sharpen our performance, strengthen our culture, and increase our stewardship of the company. As I noted last year, history has shown that in a crisis many companies emerge even stronger, adapting and overcoming the challenges presented. Given the actions we took and the results we delivered, I believe that CONMED continues to strengthen as an organization and is well positioned for success over the long-term.

Closing

2022 is upon us, and we have all become pandemic veterans—a title none of us ever aspired to earn. My views of CONMED and our opportunities remain unchanged. Each employee of the company can impact the business and build a great career; each employee of the company will have the opportunity to make a difference for our customers and be a part of a growing business; and each employee of the company will benefit from a strong and growing culture with exceptional values. Behind all of these points are the people of CONMED, who I have emphasized from day one will define our success as a company. Because of them, I remain confident that CONMED will outperform in our chosen markets.

On behalf of our management team and the Board of Directors, I thank you for your confidence in CONMED.

Sincerely,

Curt Hartman
Chair of the Board, President and Chief Executive Officer

*Constant currency net sales growth and adjusted net earnings per share are non-GAAP financial measures. Refer to the "GAAP to Non-GAAP Reconciliations" section for reconciliations to the most directly comparable GAAP financial measures, reported net sales and diluted net earnings per share.

CleanGuide®

A Cleaner Solution

Maintaining high standards for medical device cleaning and storage is critical to patient safety. For one device category, reusable dilators, cleaning procedures have come under heavy scrutiny by the Joint Commission.

CONMED launched CleanGuide™ Disposable OTW Esophageal Dilators - the first and only sterile-packed, over-the-wire bougies available in the United States.

Closer Than Ever: The Role of VR!

Digital Medical Education

Generating a global buzz, this captivating technology was quickly integrated into our marketing strategies. We solidified efforts with the trademark VRthroscopy™ and secured a leadership position in next generation medical education.

Making A Difference:
Environmental, Social, and Governance

In 2021, CONMED supported TEAMFund through a monetary donation. This gift was made in the spirt of our vision to empower healthcare providers worldwide to deliver exceptional outcomes for patients. TEAMfund's work aligns with our vision in their aim to expand access to affordable, appropriate and sustainable medical technologies that address unmet health needs in the world's most resource constrained populations.

TEAMFUND

It's All About the Patient
CONMED's partnership with MTF

In 2018, through our partnership with MTF, we launched CartiMax®, a viable cartilage allograft. The clinical benefits of live, viable cells combined with optimized handling characteristics enhance a surgeon's ability to treat complex cartilage injuries.

Last year, we had the opportunity to speak with patients impacted by CartiMax®. One story was recalled by Kelley, an OR nurse who enjoys playing competitive tennis. Kelley had a knee injury during a match and unfortunately suffered significant cartilage damage. She met with Dr. Deryk Jones who recommended CartiMax® for treatment. She underwent the procedure, rehab, and 10 months later was back on the competitive tennis court.

Board Members

Curt R. Hartman
Chair of the Board,
President and Chief Executive Officer

Martha Goldberg Aronson
Lead Independent Director

David Bronson
Director

Jerome J. Lande
Director

Brian P. Concannon
Director

Barbara J. Schwarzentraub
Director

LaVerne Council
Director

Mark E. Tryniski
Director

Charles M. Farkas
Director

Dr. John L. Workman
Director

Executive Officers

Terence M. Bergé
Vice President, Corporate Controller

Patrick J. Beyer
President
CONMED International & Global Orthopedics

Heather L. Cohen
Executive Vice President
Human Resources

Shanna Cotti-Osmanski
Executive Vice President
Information Technology

Todd W. Garner
Executive Vice President & Chief Financial Offcer

Curt R. Hartman
Chair of the Board,
President and Chief Executive Officer

Daniel S. Jonas, Esq.
Executive Vice President
Legal Affairs, General Counsel & Secretary

John E. (Jed) Kennedy*
Group Executive Vice President
Advanced Endoscopic Technologies

Brent Lalomia
Executive Vice President
Quality Assurance and Regulatory Affairs**

Sarah M. Oliker, Esq.
Assistant General Counsel & Assistant Secretary

Johonna Pelletier
Treasurer & Vice President, Tax

Stanley W. (Bill) Peters
President Advanced Surgical
and Advanced Endoscopic Technologies**

Jackie Peterson
Vice President
Manufacturing and Advanced Engineering

Peter K. Shagory
Executive Vice President
Strategy & Corporate Development

*Effective April 1, 2022, Mr. Kennedy retired from this role.
**This position is effective April 1, 2022

In Memoriam and in Recognition for Past Service to CONMED

2021 saw the passing of two of CONMED's long-serving directors, whose sage counsel helped shape the Company. We note their contributions and passing below:

William D. Matthews
Director 1997 - 2008

A graduate of Union College, and then Cornell University Law School, William ("Bill") Matthews first worked in the Division of Corporate Finance for the Securities and Exchange Commission before, ultimately, taking on a position in-house at Oneida, Ltd. Bill became General Counsel and then the Chief Executive Officer and Chair of Oneida's Board, prior to serving on CONMED's Board of Directors from 1997 through 2008. Bill was acutely aware of the challenges in creating and executing on a corporate strategy, and provided valuable counsel while on CONMED's Board. Bill passed on November 21, 2021.

Stuart J. Schwartz, M.D.
Director 1998-2014

A graduate of Cornell University and SUNY Upstate Medical School, Stuart Schwartz performed his residency at University Hospital in Cleveland, followed by a urology residency at Yale New Haven Hospital. After serving in the Air Force, Dr. Schwartz engaged in the private practice of medicine in Utica, New York. Dr. Schwartz served on CONMED's Board from 1998 through 2014. Dr. Schwartz provided valuable advice concerning medical technology and procedures, and a common sense approach to business strategy. Stuart passed on September 14, 2021.

Additional Information

CORPORATE OFFICE

CONMED Corporation
11311 Concept Blvd.
Largo, FL 33773
Phone: 1-866-4CONMED

CUSTOMER SERVICE

1-866-4CONMED
customerexperience@CONMED.com
www.CONMED.com

Ethics policy available at
www.CONMED.com

STOCK

CONMED Corporation's stock is traded on the New York Stock Exchange with the symbol: CNMD

SHAREHOLDER INFO

Interested shareholders may obtain a copy of the Company's Annual Report without charge upon written request to:

Investor Relations Department
CONMED Corporation
Attn: Todd Garner
11311 Concept Blvd.
Largo, FL 33773
727-214-2975

Transfer Agent/Registrar
Computershare Investor Services
P.O. Box 505000
Louisville, KY 40233-5000
1-800-368-5948
www.computershare.com/investor

GAAP to Non-GAAP Reconciliations*

Reconciliations of Reported Net Income to Adjusted Net Earnings
(in thousands, except per share amounts, unaudited)

Year Ended December 31, 2021

	Gross Profit	Selling & Administrative Expense	Operating Income	Interest Expense	Other Expense	Tax Expense	Effective Tax Rate	Net Income	Diluted EPS
As reported	$ 568,036	$ 414,754	$ 109,717	$ 35,485	$ 1,127	$ 10,563	14.4%	$ 62,542	$ 1.94
% of sales	56.2%	41.0%	10.9%						
Restructuring and related costs	-	(414)	414	-	-	109		305	
Debt refinancing costs	-	-	-	-	(1,127)	281		846	
	$ 568,036	$ 414,340	$ 110,131	$ 35,485	$ -	$ 10,953		$ 63,693	
Adjusted gross profit %	56.2%								
Amortization	$ 6,000	(27,133)	33,133	(13,943)	-	11,394		35,682	
Adjusted net earnings		$ 387,207	$ 143,264	$ 21,542	$ -	$ 22,347	18.4%	$ 99,375	$ 3.21
% of sales		38.3%	14.2%						

Diluted shares outstanding	30,437
Additional potential dilutive shares from in-the-money convertible notes	1,779
Diluted shares, as reported	32,216
Convertible note hedges	(1,273)
Diluted shares, as adjusted	30,943

Year Ended December 31, 2020

	Gross Profit	Selling & Administrative Expense	Operating Income	Interest Expense	Other Expense	Tax Expense/ (Benefit)	Effective Tax Rate	Net Income	Diluted EPS
As reported	$ 460,300	$ 373,817	$ 46,010	$ 44,052	$ 355	$ (7,914)	-493.9%	$ 9,517	$ 0.32
% of sales	53.4%	43.3%	5.3%						
Plant underutilization costs	6,586	-	6,586	-	-	739		5,847	
Product rationalization costs	2,169	(2,095)	4,264	-	-	460		3,804	
Restructuring and related costs	1,087	(4,782)	5,869	-	-	1,807		4,062	
Acquisition and integration costs	2,820	(1,192)	4,012	-	-	888		3,124	
Manufacturing consolidation costs	3,993	-	3,993	-	-	485		3,508	
	$ 476,955	$ 365,748	$ 70,734	$ 44,052	$ 355	$ (3,535)		$ 29,862	
Adjusted gross profit %	55.3%								
Amortization	$ 6,000	(27,945)	33,945	(13,414)	-	13,037		34,322	
Adjusted net earnings		$ 337,803	$ 104,679	$ 30,638	$ 355	$ 9,502	12.9%	$ 64,184	$ 2.18
% of sales		39.2%	12.1%						

Year Ended December 31, 2019

	Gross Profit	Selling & Administrative Expense	Operating Income	Interest Expense	Other Expense	Tax Expense	Effective Tax Rate	Net Income	Diluted EPS
As reported	$ 524,715	$ 400,141	$ 79,114	$ 42,701	$ 5,188	$ 2,605	8.3%	$ 28,620	$ 0.97
% of sales	54.9%	41.9%	8.3%						
Acquisition and integration costs	1,335	(13,066)	14,401	-	-	3,609		10,792	
Manufacturing consolidation costs	2,858	-	2,858	-	-	354		2,504	
Debt refinancing costs	-	-	-	-	(3,904)	1,149		2,755	
	$ 528,908	$ 387,075	$ 96,373	$ 42,701	$ 1,284	$ 7,717		$ 44,671	
Adjusted gross profit %	55.4%								
Amortization	$ 6,000	(26,075)	32,075	(11,756)	-	10,590		33,241	
Adjusted net earnings		$ 361,000	$ 128,448	$ 30,945	$ 1,284	$ 18,307	19.0%	$ 77,912	$ 2.64
% of sales		37.8%	13.4%						

	Year Ended December 31, 2018								
	Gross Profit	Selling & Administrative Expense	Research & Development Expense	Operating Income	Other Expense	Tax Expense/ (Benefit)	Effective Tax Rate	Net Income	Diluted EPS
As reported	$ 469,110	$ 355,617	$ 42,188	$ 71,305	$ -	$ 9,799	19.3%	$ 40,854	$ 1.41
% of sales	54.6%	41.4%	4.9%	8.3%					
Impairment charges	-	-	(4,212)	4,212	-	2,117		2,095	
Business acquisition costs	-	(2,372)	-	2,372	-	1,155		1,217	
Tax reform	-	-	-	-	-	(912)		912	
	$ 469,110	$ 353,245	$ 37,976	$ 77,889	$ -	$ 12,159		$ 45,078	
Gross profit %	54.6%								
Amortization of intangible assets	$ 6,000	(17,174)	-	23,174	-	5,413		17,761	
Adjusted net earnings		$ 336,071	$ 37,976	$ 101,063	$ -	$ 17,572	21.9%	$ 62,839	$ 2.18
% of sales		39.1%	4.4%	11.8%					

	Year Ended December 31, 2017								
	Gross Profit	Selling & Administrative Expense	Research & Development Expense	Operating Income	Other Expense	Tax Expense/ (Benefit)	Effective Tax Rate	Net Income	Diluted EPS
As reported	$ 431,041	$ 351,799	$ 32,307	$ 46,935	$ -	$ (26,755)	-93.1%	$ 55,487	$ 1.97
% of sales	54.1%	44.2%	4.1%	5.9%					
Restructuring costs	2,903	(1,347)	-	4,250	-	1,419		2,831	
Business acquisition costs	-	(2,336)	-	2,336	-	847		1,489	
Legal matters	-	(17,480)	-	17,480	-	5,681		11,799	
Tax reform	-	-	-	-	-	32,058		(32,058)	
	$ 433,944	$ 330,636	$ 32,307	$ 71,001	$ -	$ 13,250		$ 39,548	
Adjusted gross profit %	54.5%								
Amortization of intangible assets	$ 6,000	(15,295)	-	21,295	-	7,530		13,765	
Adjusted net earnings		$ 315,341	$ 32,307	$ 92,296	$ -	$ 20,780	28.0%	$ 53,313	$1.89
% of sales		39.6%	4.1%	11.6%					

Sales Summary
(in millions, unaudited)

			% Change from 2020 to 2021		
	2021	2020	As Reported	Impact of Foreign Currency	Constant Currency
Net Sales	$ 1,010.6	$ 862.5	17.2%	-0.9%	16.3%

*Refer to our 2021 Annual Report on Form 10-K, available both within this document and at www.CONMED.com, as well as our Form 8-K filings with the SEC on January 26, 2022, January 27, 2021, January 29, 2020, January 22, 2019 and February 1, 2018 for additional information regarding our non-GAAP measures.

United States
Securities and Exchange Commission
Washington, D.C. 20549

Form 10-K

☒ **Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

or

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the fiscal year ended: December 31, 2021 Commission file number: 001-39218

CONMED CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**16-0977505**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
11311 Concept Boulevard Largo, Florida	**33773**
(Address of principal executive offices)	(Zip Code)

(727) 392-6464

(Registrant's telephone number, including area code)

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

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes ☐ No ☒

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 every Interactive Data File required to be submitted 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 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", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ 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. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

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

As of June 30, 2021, the last business day of the registrant’s most recently completed second fiscal quarter, the aggregate market value of the shares of voting common stock held by non-affiliates of the registrant was approximately $2.9 billion based upon the closing price of the Company’s common stock on the NYSE Stock Market.

The number of shares of the registrant's $0.01 par value common stock outstanding as of February 16, 2022 was 29,411,246.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the Definitive Proxy Statement and any other informational filings for the 2022 Annual Meeting of Shareholders are incorporated by reference into Part III of this report.

CONMED CORPORATION
ANNUAL REPORT ON FORM 10-K
FOR YEAR ENDED DECEMBER 31, 2021
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Part I

Item 1. Business

Forward Looking Statements

This Annual Report on Form 10-K for the Fiscal Year Ended December 31, 2021 ("Form 10-K") contains certain forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) and information relating to CONMED Corporation ("CONMED", the "Company", "we" or "us" — references to "CONMED", the "Company", "we" or "us" shall be deemed to include our direct and indirect subsidiaries unless the context otherwise requires) which are based on the beliefs of our management, as well as assumptions made by and information currently available to our management.

When used in this Form 10-K, the words "estimate", "project", "believe", "anticipate", "intend", "expect" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors, including those identified under the caption "Item 1A-Risk Factors" and elsewhere in this Form 10-K which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following:

- *general economic and business conditions;*
- *compliance with and changes in regulatory requirements;*
- *the COVID-19 global pandemic poses significant risks to our business, financial condition and results of operations which may be heightened as the pandemic, government and hospital responses to it, continue;*
- *the possibility that United States or foreign regulatory and/or administrative agencies may initiate enforcement actions against us or our distributors;*
- *the introduction and acceptance of new products;*
- *the risk of an information security breach, including a cybersecurity breach;*
- *competition;*
- *changes in customer preferences;*
- *changes in technology;*
- *the availability and cost of materials, including inflation and ongoing supply chain challenges;*
- *cyclical customer purchasing patterns due to budgetary, staff shortages and other constraints;*
- *environmental compliance risks, including lack of availability of sterilization with Ethylene Oxide ("EtO") or other compliance costs associated with the use of EtO;*
- *the quality of our management and business abilities and the judgment of our personnel, as well as our ability to attract, motivate, and retain employees at all levels of the Company;*
- *the availability, terms and deployment of capital;*
- *future levels of indebtedness and capital spending;*
- *changes in foreign exchange and interest rates;*
- *the ability to evaluate, finance and integrate acquired businesses, products and companies;*
- *changes in business strategy;*
- *the risk of a lack of allograft tissues due to reduced donations of such tissues or due to tissues not meeting the appropriate high standards for screening and/or processing of such tissues;*
- *the ability to defend and enforce intellectual property, including the risks related to theft or compromise of intellectual property in connection with our international operations;*
- *the risk of patent, product and other litigation as well as the cost associated with such litigation;*
- *trade protection measures, tariffs and other border taxes, and import or export licensing requirements;*
- *weather related events which may disrupt our operations; and*
- *various other factors referenced in this Form 10-K.*

See "Item 7-Management's Discussion and Analysis of Financial Condition and Results of Operations", "Item 1-Business" and "Item 1A-Risk Factors" for a further discussion of these factors. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. We do not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this Form 10-K or to reflect the occurrence of unanticipated events.

General

CONMED Corporation was incorporated under the laws of the State of New York in 1970 and became a Delaware corporation in May 2020. CONMED is a medical technology company that provides devices and equipment for surgical procedures. The Company's products are used by surgeons and other healthcare professionals in a variety of specialties including orthopedics, general surgery, gynecology, thoracic surgery and gastroenterology. The Company's 3,800 employees distribute its products worldwide from three primary manufacturing locations. In January 2021, we changed the designation of our headquarters from Utica, New York to Largo, Florida.

We have historically used strategic business acquisitions, internal product development and distribution relationships to diversify our product offerings, increase our market share in certain product lines, realize economies of scale and take advantage of growth opportunities in the healthcare field.

We are committed to offering products with the highest standards of quality, technological excellence and customer service. Substantially all of our facilities have attained certification under the ISO international quality standards and other domestic and international quality accreditations.

Our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports are accessible free of charge through the Investor Relations section of our website (http://www.conmed.com) as soon as practicable after such materials have been electronically filed with, or furnished to, the United States Securities and Exchange Commission (the "SEC"). In addition, the SEC maintains an Internet site (http:/www.sec.gov) containing reports, proxy and information statements and other information regarding issuers that file with the SEC.

COVID-19

Our business continues to be impacted by the COVID-19 pandemic as variants of the virus emerge, with hospitals and surgery centers reducing the number of, or postponing, non-urgent surgical procedures in order to minimize the risk of infection and allow for proper staffing. We continue to restrict access to our facilities while maintaining production and distribution. While revenues increased in 2021 compared to 2020, we believe we will continue to experience market variability as a result of the pandemic that could influence sales, suppliers, patients and customers. There remains significant uncertainty related to the COVID-19 pandemic, including the duration and severity of future impacts to the business. See additional discussion under Item 1A Risk Factors and Item 7 – Management's Discussion and Analysis of Financial Condition and Results of Operations, Liquidity and Capital Resources.

Business Strategy

CONMED's vision is to empower healthcare providers worldwide to deliver exceptional outcomes for patients through the following initiatives:

- **Introduction of New Products and Product Enhancements.** We pursue organic growth through developing new products and enhancing existing products. We seek to develop new technologies which improve the durability, performance and usability of existing products. In addition to our internal research and development efforts, we receive new ideas for products and technologies, particularly in procedure-specific areas, from surgeons, inventors and other healthcare professionals.

- **Pursue Strategic Acquisitions.** We pursue strategic acquisitions, distribution and similar arrangements in existing and new growth markets to achieve increased operating efficiencies, geographic diversification and market penetration. Targeted companies have historically included those with proven technologies and established brand names which provide potential sales, marketing and manufacturing synergies. This includes the February 11, 2019 acquisition of Buffalo Filter.

- **Realize Manufacturing and Operating Efficiencies.** We continually review our production systems for opportunities to reduce operating costs, consolidate product lines or process flows, reduce inventory and optimize existing processes.

- **Geographic Diversification.** We believe that significant growth opportunities exist for our surgical products outside the United States. Principal international markets for our products include Europe, Latin America, Canada and the Asia/Pacific Rim.

- **Active Participation in the Medical Community.** We believe that excellent working relationships with physicians and others in the medical industry enable us to gain an understanding of trends and emerging opportunities. Active participation allows us to quickly respond to the changing needs of physicians and patients. In addition, we are an active sponsor of medical education both in the United States and internationally, offering training on new and innovative surgical techniques as well as other medical education programs on the use of our products.

Products

The following table sets forth the percentage of net sales for each of our product lines during each of the three years ended December 31:

	Year Ended December 31,		
	2021	**2020**	**2019**
Orthopedic surgery	43 %	43 %	49 %
General surgery	57	57	51
Consolidated net sales	100 %	100 %	100 %
Net sales (in thousands)	$ 1,010,635	$ 862,459	$ 955,097

Orthopedic Surgery

We provide products that support sports medicine, the repair of soft tissue in the knee, hip, shoulder and increasingly in the upper and lower extremities. In these procedures, we offer products such as TruShot® with Y-Knot® All-In-One Soft Tissue Fixation System, Y-knot® All-Suture Anchors, and PopLok® Knotless Suture Anchors which provide unique clinical solutions to orthopedic surgeons for the repair of soft tissue injuries. In addition to the implants, we offer the supporting products that enable surgeons to perform minimally invasive sports medicine surgeries. These products include powered resection instruments as well as fluid management and visualization systems and the related disposables which are marketed under a number of brands, including CONMED Linvatec®, Concept® and Shutt®. In sports medicine, we compete with Smith & Nephew, plc; Arthrex, Inc.; Stryker Corporation; Johnson & Johnson: DePuy Mitek, Inc. and Zimmer Biomet, Inc.

We also provide our customers with a comprehensive line of battery-powered, autoclavable, large and small bone power tool systems for use in orthopedic, arthroscopic, oral/maxillofacial, podiatric, spinal and cardiothoracic surgeries. These products are marketed under the Hall® surgical brand name, a pioneer in power surgical tools in the United States. In powered instruments, our competition includes Stryker Corporation; Medtronic plc; Johnson & Johnson: DePuy Synthes, Inc.; and Zimmer Biomet, Inc.

In 2021, approximately 71% of orthopedic surgery revenue came from single-use products that are expected to be recurring.

General Surgery

Our general surgery product line offers a large range of products in the areas of advanced surgical and advanced endoscopic technologies.

Our advanced surgical product offering includes the leading clinical insufflation system (AirSeal®). AirSeal® includes the proprietary valveless access ports that deliver significant benefits to traditional minimally invasive surgery and robotic surgical procedures. The Buffalo Filter acquisition complemented the CONMED portfolio of smoke removal devices, which provides the Company with the broadest portfolio of disposable and capital smoke evacuation products available in the medical device market today. In addition to AirSeal® and the Buffalo Filter® products, the Company manufactures and sells an extensive energy line and a broad offering of endomechanical products. The electrosurgical offering consists of monopolar and bipolar generators, argon beam coagulation generators, handpieces, smoke management systems and other accessories. Our endomechanical products offer a full line of instruments, including the Anchor[1] line of tissue retrieval bags, trocars, suction irrigation devices, graspers, scissors and dissectors, used in minimally invasive surgery. Our competition includes Medtronic

[1] Anchor is a trademark of the Anchor Products Company, Addison, Illinois.

plc; Johnson & Johnson: Ethicon Endo-Surgery, Inc.; Stryker Endoscopy, Olympus, ERBE Elektromedizin GmbH; and Applied Medical Resources Corporation.

Our advanced endoscopic technologies offering includes a comprehensive line of therapeutic and diagnostic products used in gastroenterology procedures which utilize flexible endoscopes, as well as patient monitoring products. In addition to these offerings, we offer a unique energy platform specifically designed for gastroenterology and pulmonology procedures. Devices include products for dilatation, hemostasis, biliary structure management, infection prevention and patient monitoring. Patient monitoring includes ECG electrodes, EEG electrodes and cardiac defibrillation pads. Our competition includes Boston Scientific Corporation - Endoscopy; Cook Medical, Inc.; Merit Medical Endotek; Olympus, Inc.; STERIS Corporation - U.S. Endoscopy and Cantel Medical- Medivators, Inc., Cardinal and 3M Company.

In 2021, approximately 89% of general surgery revenue came from single-use products that are expected to be recurring.

International

Expanding our international presence is an important component of our long-term growth plan. Our products are sold in over 100 foreign countries. International sales efforts are coordinated through local country dealers (including sub-distributors or sales agents) or through direct in-country sales. We distribute our products through sales subsidiaries and branches with offices located in Australia, Austria, Belgium, Brazil, Canada, China, Denmark, Finland, France, Germany, Italy, Japan, Korea, the Netherlands, Poland, Spain, Sweden and the United Kingdom. In these countries, our sales are denominated in the local currency and amounted to approximately 34% of our total net sales in 2021. In the remaining countries where our products are sold through independent distributors, sales are denominated in United States dollars.

Competition

We compete in orthopedic and general surgery medical device markets across the world. Our competitors range from large manufacturers with multiple business units to smaller manufacturers with limited product offerings. We believe we have appropriate product offerings and adequate market share to compete effectively in these markets. The global markets are constantly changing due to technological advances. We seek to closely align our research and development with our key business objectives, namely developing and improving products and processes, applying innovative technology to the manufacture of products for new global markets and reducing the cost of producing core products.

The breadth of our product lines in our key product areas enables us to meet a wide range of customer requirements and preferences. This has enhanced our ability to market our products to surgeons, hospitals, surgery centers, group purchasing organizations ("GPOs"), integrated delivery networks ("IDNs") and other customers, particularly as institutions seek to reduce costs and minimize the number of suppliers.

Marketing

A significant portion of our products are distributed domestically directly to more than 6,000 hospitals, surgery centers and other healthcare institutions as well as through medical specialty distributors. We are not dependent on any single customer and no single customer accounted for more than 10% of our net sales in 2021, 2020 and 2019.

A significant portion of our U.S. sales are to customers affiliated with GPOs, IDNs and other large national or regional accounts, as well as to the Veterans Administration and other hospitals operated by the Federal government. For hospital inventory management purposes, some of our customers prefer to purchase our products through independent third-party medical product distributors.

Our employee sales representatives are extensively trained in our various product offerings. Each employee sales representative is assigned a defined geographic area and compensated on a commission basis or through a combination of salary and commission. The sales force is supervised and supported by either area directors or district managers. In certain geographies, sales agent groups are used in the United States to sell our orthopedic products. These sales agent groups are paid a commission for sales made to customers while home office sales and marketing management provide the overall direction and training for marketing and positioning of our products. Our sales professionals provide surgeons and other healthcare professionals with information relating to the technical features and benefits of our products.

Our healthcare systems organization is responsible for interacting with large regional and national accounts (e.g. GPOs, IDNs, etc.). We have contracts with many such organizations and believe that the loss of any individual group purchasing contract would not materially impact our business.

We sell to a diversified base of customers around the world and, therefore, believe there is no material concentration of credit risk.

Manufacturing

Raw material costs constitute a substantial portion of our cost of production. Substantially all of our raw materials and select components used in the manufacturing process are procured from external suppliers. Where possible, we work closely with multiple suppliers to ensure continuity of supply while maintaining high quality and reliability. As a consequence of supply chain best practices, new product development and acquisitions, we often form strategic partnerships with key suppliers. As a result, components and raw materials may be sole sourced. We continuously seek to manage our supply chain to mitigate supply disruptions that may pose an overall material adverse effect on our financial and operational performance. We seek to schedule production and maintain adequate levels of safety stock based on a number of factors, including experience, knowledge of customer ordering patterns, demand, manufacturing lead times and optimal quantities required to maintain the highest possible service levels. Customer orders are generally processed for immediate shipment and backlog of firm orders is therefore not generally material to an understanding of our business.

Research and Development

New and improved products play a critical role in our continued sales growth. Internal research and development efforts focus on the development of new products and technological and design improvements. We maintain close working relationships with surgeons, inventors and other healthcare professionals who often suggest to us new product and technology ideas, principally in procedure-specific areas. In certain cases, we seek to obtain rights to these ideas through negotiated agreements. Such agreements typically compensate the originator through payments based upon a percentage of licensed product net sales. Annual royalty expense approximated $2.0 million, $1.5 million and $2.0 million in 2021, 2020 and 2019, respectively.

Amounts expended for Company research and development were approximately $43.6 million, $40.5 million and $45.5 million during 2021, 2020 and 2019, respectively.

Intellectual Property

Patents and other proprietary rights, in general, are important to our business. We have rights to intellectual property, including United States patents and foreign equivalent patents which cover a wide range of our products with expiration dates from 2022 to 2040. We own a majority of these patents and have exclusive and non-exclusive licensing rights to the remainder. We believe that the development of new products and technological and design improvements to existing products will continue to be important to our competitive position.

Government Regulation and Quality Systems

The development, manufacture, sale and distribution of our products are subject to regulation by numerous agencies and legislative bodies, including the U.S. Food and Drug Administration ("FDA") and comparable foreign counterparts. In the United States, these regulations were enacted under the Medical Device Amendments of 1976 to the Federal Food, Drug and Cosmetic Act and its subsequent amendments, and the regulations issued or proposed thereunder.

The FDA’s Quality System Regulations set forth requirements for our product design and manufacturing processes, require the maintenance of certain records, provide for on-site inspection of our facilities and continuing review by the FDA. Many of our products are also subject to industry-defined standards. Authorization to commercially market our products in the U.S. is granted by the FDA under a procedure referred to as a 510(k) pre-market notification and clearance or Premarket Approval ("PMA"). We believe that our products and processes presently meet applicable standards in all material respects.

Medical device regulations continue to evolve world-wide. Products marketed in the European Union and other countries require preparation of technical files and design dossiers which demonstrate compliance with applicable international regulations. As government regulations continue to change, there is a risk that the distribution of some of our products may be interrupted or discontinued if they do not meet the country specific requirements.

We market our products in numerous foreign countries and therefore are subject to regulations affecting, among other things, product standards, sterilization, packaging requirements, labeling requirements, import laws and on-site inspection by independent bodies with the authority to issue or not issue certifications we may require to be able to sell products in certain countries. Many of the regulations applicable to our devices and products in these countries are similar to those of the FDA. The member countries of the European Union ("EU") follow the requirements under the EU Medical Device Regulation ("EU MDR") which replaced a single set of regulations in May 2017 for all member countries. EU MDR imposes stricter requirements for the marketing and sale of medical devices, including in the areas of clinical evaluation requirements, quality systems, labeling and post-market surveillance with an effective date of May 2021. During the transition period, medical devices with notified body certificates issued under the EU MDD prior to May 2021 may continue to be placed on the market for the earlier of the remaining validity of the certificate or May 2024. These regulations require companies that wish to manufacture and distribute medical devices in the European Union to maintain quality system certifications through European Union recognized Notified Bodies. These Notified Bodies authorize the use of the CE Mark allowing free movement of our products throughout the member countries. Requirements pertaining to our products vary widely from country to country, ranging from simple product registrations to detailed submissions such as those required by the FDA. We believe that our products and quality procedures currently meet applicable standards for the countries in which they are marketed.

As noted above, our facilities are subject to periodic inspection by the United States Food and Drug Administration ("FDA") and foreign regulatory agencies or notified bodies for, among other things, conformance to Quality System Regulation and Current Good Manufacturing Practice ("CGMP") requirements and foreign or international standards. Refer to Note 13 for further discussion.

We are also subject to various environmental health and safety laws and regulations both in the United States and internationally, as are our suppliers and sterilization service providers. Our operations involve the use of substances regulated under environmental laws, primarily in manufacturing and sterilization processes. We believe our policies, practices and procedures are properly designed to comply, in all material respects, with applicable environmental laws and regulations. We do not expect internal compliance with these requirements to have a material effect on purchases of property, plant and equipment, cash flows, net income or our competitive position. Refer to Item 1A, Risk Factors, for further discussion of the use of outside EtO sterilization service providers.

CONMED Workforce Overview

One of CONMED's core values is our belief in the power of engaged talent. As of December 31, 2021, we had approximately 3,800 full-time employees, including approximately 2,400 in operations and the remaining in sales, marketing, research and development and administration.

We know that our people are our most important assets and crucial to our ability to deliver on our mission. Accordingly, the success and growth of our business depends in large part on our ability to attract, engage and develop a diverse population of talented employees at all levels of our organization.

Talent Management and Succession Planning

All levels of Company management are engaged in talent management practices. The Board reviews the Company's people strategy in support of its business strategy at least annually and frequently discusses talent opportunities, including a detailed discussion of the Company's global leadership talent and succession plans with a focus on key positions at the senior executive level. High-potential leaders are given exposure and visibility to Board members through formal presentations and informal events. More broadly, the Board is regularly updated on key talent indicators for the overall workforce, including diversity, recruitment and development programs.

Competitive Pay and Benefits

Our compensation programs are designed to align the compensation of our employees with CONMED's performance and to provide the proper incentives to attract, retain and motivate employees to achieve positive results. The structure of our compensation programs balances incentive earnings for both short-term and long-term performance. Our compensation programs are evaluated regularly not only for market competitiveness but as importantly for equality and fairness.

Diversity and Inclusion

A demonstrated commitment to diversity and inclusion is vital to CONMED's success as we seek out individuals who bring their unique capabilities to our Company. We believe that diverse teams stimulate innovation, enhance our understanding of the needs of our global customer base and ultimately deliver better results for our stakeholders. We value individual strengths and are committed to hiring and retaining employees of all different backgrounds and experiences. Tracking representation of diversity in our workforce helps us to understand where our opportunities exist. These metrics are reviewed on a regular basis at the senior executive level. We also recognize that representation of diversity in the workforce is not enough to have the impact desired, so we encourage inclusion and belonging in addition to representation.

Development

Development at CONMED comes in many forms to serve the diverse interests and needs of our global workforce and to support our culture and strategy by ensuring the development of key skills. Development offerings include company-wide and job-specific in person and e-learning training, as well management and leadership training and coaching. Additionally, we offer tuition reimbursement programs to support ongoing education at all levels. Employees are encouraged to partner with their manager and HR representative to create an individual plan to guide their own learning and development path that incorporates CONMED development and training resources and opportunities.

Employee Engagement

Measuring our team members' engagement helps us understand what is working well and where we have opportunities to improve. CONMED utilizes an annual anonymous employee engagement survey both to measure engagement across the organization, and to provide a basis for the individual team action planning session. Survey results are reviewed both at the individual manager level and corporate wide at the senior executive level to continuously drive and support employee engagement. Managers at all levels are provided with training and coaching resources to act on insights gained through surveys and feedback sessions in partnership with their team members.

Item 1A. Risk Factors

An investment in our securities, including our common stock, involves a high degree of risk. Investors should carefully consider the specific factors set forth below as well as the other information included or incorporated by reference in this Form 10-K. See “Forward Looking Statements”.

(i) Risks Related to Our Business and the Medical Device Industry

Our financial performance is dependent on conditions in the healthcare industry and the broader economy.

The results of our business are directly tied to the economic conditions in the healthcare industry and the broader economy as a whole. We will continue to monitor and manage the impact of the overall economic environment on the Company.

In this regard, approximately 19% of our revenues are derived from the sale of capital products. The sales of such products may be negatively impacted if hospitals and other healthcare providers are unable to secure the financing necessary to purchase these products or otherwise defer purchases.

The COVID-19 global pandemic may pose significant risks to our business if the pandemic, and various responses to it, continue for an extended period of time.

The actions undertaken to reduce or respond to the spread of the virus, including its variants, have created and may continue to create significant disruptions with respect to the demand for non-urgent surgeries in hospitals and surgery centers and hospital and ambulatory surgery center operating volumes.

As of the date of this report:

1. In some geographies or territories, our field-based sales representatives are limited in their ability to travel to service or call on customers, with in-person visits in many cases dependent on requests by physicians to cover surgeries, the policies of individual hospitals, surgery centers or other institutions, and the availability of appropriate personal protective equipment, testing or vaccines;

2. Our office-based employees continue to work remotely,

3. Our manufacturing facilities and warehouses continue to operate with precautions, including increased hygiene and cleaning within facilities, social distancing and personal protective equipment.

4. Some hospitals have delayed certain procedures to reserve space for COVID patients, or have experienced slowdowns due to staffing shortages.

As such, the COVID-19 pandemic has directly and indirectly adversely impacted the Company's business, financial condition and operating results. The extent to which this will continue will depend on numerous evolving factors that are highly uncertain, rapidly changing and cannot be predicted with precision or certainty at this time, including:

- the duration and scope of the COVID-19 pandemic, including any resurgence of new strains, as well as the effectiveness of vaccines, and the extent to which they are administered;

- governmental, business and individual actions that have been, continue to be, or may in the future be taken in response to the COVID-19 pandemic including, for example, business and travel restrictions, quarantines, and slowdowns or delays of commercial activity;

- the effect of the COVID-19 pandemic on our partners and customers, including their conduct of surgeries, continued purchase of our products, or their decision to do so consistently at normal procedure volumes;

- the effect of the COVID-19 pandemic and the various responses thereto on the budgets and staffing of our partners and customers;

- our ability during the COVID-19 pandemic to continue operations in an efficient manner, as a result of periodic variations in demand and/or availability of raw materials from our suppliers;

- periodic reductions in demand for certain surgeries or for certain of our products;

- the effect of the COVID-19 pandemic on our supply chain's reliability and costs;

- costs incurred as a result of actions intended to protect the health and safety of our employees and continued operations, including enhanced cleaning processes and protocols designed to implement appropriate social distancing practices;

- our ability to comply with the financial covenants in our debt agreements if a material economic downturn as a result of the COVID-19 pandemic results in substantially increased indebtedness and/or lower earnings; and

- the exacerbation of negative impacts resulting from the COVID-19 pandemic.

We continue to monitor our spending and expenses in light of the uncertainty concerning forecasting demand, and consequently revenues. While the results of operations support continued recovery, there remains uncertainty in the financial markets related to the COVID-19 pandemic which may have an impact on the demand for post-pandemic surgery levels that are difficult to predict. If the downturn is more severe and prolonged than we currently expect, we may need to take further steps to reduce our costs, or to refinance our debt.

Limitations on the availability of Ethylene Oxide ("EtO") sterilization services may limit our ability to sell certain sterile products.

Approximately 32% of our products when measured in terms of revenues, are sterilized by third-party sterilizers using ethylene oxide, a chemical which, when present or used in high levels or concentrations, has raised some environmental concerns in some areas within the United States, with the result that some EtO sterilization facilities have closed, or are threatened with closure, either temporarily or permanently, in connection with government enforcement actions or enhanced regulations prompted by environmental concerns. We have been able to secure EtO sterilization services to date, and do not currently expect sterilization availability to have a material impact on our business. If, however, there are further restrictions on capacity or further government actions adverse to EtO sterilization, it is possible that we could be impacted materially in the future.

As a manufacturer of medical devices that interacts with physicians and health care providers domestically and internationally, we face risks under domestic and foreign regulations, including the Foreign Corrupt Practices Act.

Manufacturers of medical devices have been the subject of various investigations or enforcement actions relating to interactions with health care providers domestically or internationally. The interactions with domestic health care providers are subject to regulations, known as the Anti-Kickback Statute, the Stark Act and the False Claims Act, that generally govern incentives for health care providers, or methods of reimbursement funded in whole or in part by the government. Similarly, the Foreign Corrupt Practices Act ("FCPA"), and similar foreign laws, prohibit certain conduct by manufacturers, generally described as bribery, with respect to interactions, either directly through foreign subsidiaries or indirectly through distributors, with health care providers who may be considered government officials because they are affiliated with public hospitals. The FCPA also imposes obligations on manufacturers listed on U.S. stock exchanges to maintain accurate books and records, and maintain internal accounting controls sufficient to provide assurance that transactions are accurately recorded, lawful and in accordance with management's authorization. The FCPA can pose unique challenges for manufacturers who operate in foreign cultures where conduct prohibited by the FCPA may not be viewed as illegal in local jurisdictions, and because, in some cases, a United States manufacturer may face risks under the FCPA based on the conduct of third parties over whom the manufacturer may not have complete control.

In this regard, from time to time, the Company may receive an information request or subpoena from a government agency, such as the Securities and Exchange Commission, Department of Justice, Equal Employment Opportunity Commission, the Occupational Safety and Health Administration, the United States Food and Drug Administration, the Department of Labor, the Treasury Department or other federal and state agencies or foreign governments or government agencies. Alternatively, employees or private parties may provide us with reports of alleged misconduct. These information requests or subpoenas may or may not be routine inquiries, or may begin as informal or routine inquiries and over time develop into investigations or enforcement actions of various types under the FCPA or otherwise. Similarly, the employee and third party reports may prompt us to conduct internal investigations into the alleged misconduct. As a medical device company, CONMED's operations and interactions with government hospitals, healthcare professionals and purchasers may be subject to various federal and state regulations, including the federal False Claims Act, which provides, in part, that the federal government may bring a lawsuit against any person or entity that it believes has knowingly presented, or caused to be presented, a false or fraudulent request for payment to the government, or has made or used, or caused to be made or used, a false statement or false record material to a false claim. In addition, in certain circumstances, private parties may bring so-called Qui Tam claims as plaintiffs purportedly on behalf of the government asserting claims arising under the False Claims Act. A violation of the False Claims Act may result in fines up to $11,000 for each false claim, plus up to three times the amount of damages sustained by the government, and may also provide the basis for the imposition of administrative penalties and exclusion from participation in federal healthcare programs. Many states have enacted false claims acts that are similar to the federal False Claims Act. No inquiry or claim that the Company currently faces or has faced to date, and no report of misconduct that the Company has received to date, has had a material adverse effect on our financial condition, results of operations or cash flows. There can be no assurance, however, that any pending inquiries will not become investigations or enforcement actions, or the costs associated with responding to such inquiries, investigations, enforcement actions or investigations relating to reports of misconduct will not have a material adverse effect on our financial condition, results of operations or cash flows.

Failure to comply with regulatory requirements may result in recalls, loss of revenues, fines or materially adverse implications.

Substantially all of our products are classified as class II medical devices subject to regulation by numerous agencies and legislative bodies, including the U.S. Food and Drug Administration ("FDA") and comparable international counterparts. As a manufacturer of medical devices, our manufacturing processes and facilities are subject to on-site inspection and continuing review by the FDA for compliance with the Quality System Regulations. We may have future inspections at our sites and there can be no assurance that the costs of responding to such inspections will not be material.

Manufacturing and sales of our products outside the United States are also subject to international regulatory requirements which vary from country to country. Moreover, we are generally required to obtain regulatory clearance or approval prior to marketing a new product. The time required to obtain approvals from foreign countries may be longer or shorter than that required for FDA clearance, and requirements for such approvals may differ from FDA requirements. Failure to comply with applicable domestic and/or foreign regulatory requirements may result in:

- fines or other enforcement actions;
- recall or seizure of products;
- total or partial suspension of production;
- loss of certification;

- withdrawal of existing product approvals or clearances;
- refusal to approve or clear new applications or notices;
- increased quality control costs; or
- criminal prosecution.

In addition to the Quality System Regulations, many of our products are also subject to industry-defined standards. We may not be able to comply with these regulations and standards due to deficiencies in component parts or our manufacturing processes. If we are not able to comply with the Quality System Regulations or industry-defined standards, we may not be able to fill customer orders and we may decide to cease production or sale of non-compliant products. Failure to produce products could affect our revenues, profit margins and could lead to loss of customers.

Our products are subject to product recall and we have conducted product recalls in the past. Although no recall has had a material adverse effect on our business or financial condition, we cannot be certain that regulatory issues will not have a material adverse effect on our business, financial condition or results of operations in the future or that product recalls will not harm our reputation and our customer relationships.

The highly competitive market for our products may create adverse pricing pressures.

The market for our products is highly competitive and our customers have alternative suppliers. Many of our competitors offer a range of products in areas other than those in which we compete, which may make such competitors more attractive to surgeons, hospitals, group purchasing organizations and others. In addition, many of our competitors are large, technically competent firms with substantial assets. Competitive pricing pressures or the introduction of new products by our competitors could have an adverse effect on our revenues. See "Products" in Item 1 - Business for a further discussion of these competitive forces.

Factors which may influence our customers' choice of competitor products include:

- changes in surgeon preferences;
- increases or decreases in healthcare spending related to medical devices;
- our inability to supply products to them as a result of product recall, market withdrawal or back-order;
- the introduction by competitors of new products or new features to existing products;
- the introduction by competitors of alternative surgical technology; and
- advances in surgical procedures, discoveries or developments in the healthcare industry.

Cost reduction efforts in the healthcare industry could put pressures on our prices and margins.

In recent years, the healthcare industry has undergone significant change driven by various efforts to reduce costs. Such efforts include national healthcare reform, trends towards managed care, cuts in Medicare reimbursement for procedures, consolidation of healthcare distribution companies and collective purchasing arrangements by GPOs and IDNs. Demand and prices for our products may be adversely affected by such trends.

We use a variety of raw materials in our businesses, and significant shortages, inflation or price increases could increase our operating costs and adversely impact the competitive positions of our products.

Our reliance on certain suppliers and commodity markets to secure raw materials used in our products exposes us to volatility in the prices and availability of raw materials. In some instances, we participate in commodity markets that may be subject to allocations by suppliers. A disruption in deliveries from our suppliers, price increases or decreased availability of raw materials or commodities could have an adverse effect on our ability to meet our commitments to customers or increase our operating efficiencies and/or costs. The increases in costs or availability of raw materials may be exacerbated as a result of the COVID-19 pandemic and ongoing global supply chain challenges. In addition, increased inflation in wages and materials may also increase our costs. We believe that our supply management practices are based on an appropriate balancing of the foreseeable risks and the costs of alternative practices. Nonetheless, price increases or the unavailability of some raw materials may have an adverse effect on our results of operations or financial condition.

We may not be able to keep pace with technological change or to successfully develop new products with wide market acceptance, which could cause us to lose business to competitors.

The market for our products is characterized by rapidly changing technology. Our future financial performance will depend in part on our ability to develop and manufacture new products on a cost-effective basis, to introduce them to the market on a timely basis and to have them accepted by surgeons and other healthcare professionals.

We may not be able to keep pace with technology or to develop viable new products. In addition, many of our competitors are substantially larger with greater financial resources which may allow them to more rapidly develop new products. Factors which may result in delays of new product introductions or cancellation of our plans to manufacture and market new products include:

- research and development delays;
- capital and other financial constraints;
- delays in securing regulatory approvals; and
- changes in the competitive landscape, including the emergence of alternative products or solutions which reduce or eliminate the markets for pending products.

Ordering patterns of our customers may change resulting in reductions in sales.

Our hospital and surgery center customers purchase our products in quantities sufficient to meet their anticipated demand. Likewise, our healthcare distributor customers purchase our products for ultimate resale to healthcare providers in quantities sufficient to meet the anticipated requirements of the distributors' customers. Hospitals and customers may experience reduced demand if they reserve space for COVID patients or in response to staff shortages. Should inventories of our products owned by our hospital, surgery center and distributor customers grow to levels higher than their requirements, our customers may reduce the ordering of products from us. This could result in reduced sales.

(ii) Risks Related to Our Indebtedness

The terms of our indebtedness outstanding from time to time, including our senior credit agreement, may restrict our current and future operations, particularly our ability to respond to changes or to take certain actions.

The senior credit agreement contains, and future credit facilities are expected to contain, a number of restrictive covenants that impose significant operating and financial restrictions on us and may limit our ability to respond to changes in our business or competitive activities, or to otherwise engage in acts that may be in our long-term best interest, including restrictions on our ability to:

- incur indebtedness;
- allow for liens to be placed on our assets;
- make investments;
- engage in transactions with affiliates;
- make certain restricted payments;
- enter into certain restrictive agreements;
- enter into certain swap agreements;
- change our line of business;
- pay dividends or make other distributions on, or redeem or repurchase, capital stock;
- consolidate, merge or sell all or substantially all of our assets;
- prepay and/or modify the terms of certain indebtedness; and
- pursue acquisitions.

These covenants, unless waived, may prevent us from pursuing and/or securing acquisitions, significantly limit our operating and financial flexibility and limit our ability to respond to changes in our business or competitive activities. Our ability to comply with such provisions may be affected by events beyond our control. In the event of any default under our credit agreement, the credit agreement lenders may elect to declare all amounts borrowed under our credit agreement, together with accrued interest, to be due and payable. If we were unable to repay such borrowings, the credit agreement lenders could proceed against collateral securing the credit agreement which consists of substantially all of our property and assets. Our credit agreement also contains a material adverse effect clause which may limit our ability to access additional funding under our credit agreement should a material adverse change in our business occur.

We may not be able to generate sufficient cash to service our indebtedness, and, our leverage and debt service requirements may require us to adopt alternative business strategies.

As of December 31, 2021, we had $712.6 million of debt outstanding, representing 47% of total capitalization. We may not have sufficient cash flow available to enable us to meet our obligations. If we are unable to service our indebtedness, we will be forced to adopt an alternative strategy that may include actions such as foregoing acquisitions, reducing or delaying capital expenditures, selling assets, restructuring or refinancing our indebtedness or seeking additional equity capital. We cannot be certain that any of these strategies could be implemented on terms acceptable to us, if at all. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" and Note 7.

The degree to which we are leveraged could have important consequences to investors, including but not limited to the following:

- a portion of our cash flow from operations must be dedicated to debt service and will not be available for operations, capital expenditures, acquisitions, dividends and other purposes;
- our ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions or general corporate purposes may be limited or impaired or may be at higher interest rates;
- we may be at a competitive disadvantage when compared to competitors that are less leveraged;
- we may be hindered in our ability to adjust rapidly to market conditions;
- our degree of leverage could make us more vulnerable in the event of a downturn in general economic conditions or other adverse circumstances applicable to us; and
- our interest expense could increase if interest rates in general increase because a portion of our borrowings, including our borrowings under our credit agreement, are and will continue to be at variable rates of interest.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

Borrowings under our senior credit agreement are at variable rates of interest and expose us to interest rate risk. If interest rates were to increase, our debt service obligations on the variable rate indebtedness would increase even though the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease. In the future, we may enter into interest rate swaps that involve the exchange of floating for fixed rate interest payments in order to reduce interest rate volatility. However, we may not maintain interest rate swaps with respect to all of our variable rate indebtedness, and any swaps we enter into may not fully mitigate our interest rate risk.

Our interest rates may be impacted by the phase out of LIBOR.

LIBOR, the London Interbank Offered Rate, is the basic rate of interest used in lending transactions between banks on the London interbank market and is widely used as a reference for setting the interest rate on loans globally. Certain of the interest rates applicable to our seventh amended and restated senior credit agreement are calculated using LIBOR. On July 27, 2017, the United Kingdom's Financial Conduct Authority, which regulates LIBOR, announced that it intends to phase out LIBOR. It is currently anticipated that LIBOR will be completely phased out by June 30, 2023. A reference rate based on the Secured Overnight Financing Rate, or another alternative benchmark rate, is expected to be established to replace LIBOR. While our seventh amended and restated credit agreement includes provisions for establishing alternative reference rates in the event that LIBOR is no longer available or the determination is made to adopt an alternative reference rate, any such alternative reference rate could be higher and more volatile than LIBOR or may otherwise perform differently than LIBOR. The consequences of the adoption of any such alternative reference rates cannot be predicted at this time and may result in exposure to additional interest rate risk and increase the cost of indebtedness under our seventh amended and restated credit agreement.

Despite our current level of indebtedness, we and our subsidiaries may still be able to incur substantially more debt. This could further exacerbate the risks to our financial condition described above.

We may incur substantial additional indebtedness, including secured indebtedness. As of December 31, 2021, we have $442.5 million of availability under the senior credit agreement. If we incur secured indebtedness and such secured indebtedness is either accelerated or becomes subject to a bankruptcy, liquidation or reorganization, our assets would be used to satisfy obligations with respect to the indebtedness secured thereby before any payment could be made on the debt that is not similarly secured. If new debt or other liabilities are added to our current debt levels, the related risks that we now face could intensify. Our senior credit agreement restricts our ability to incur additional indebtedness, including secured indebtedness, but if the facilities mature or are repaid, we may not be subject to such restrictions under the terms of any subsequent indebtedness.

The conditional conversion features of our 2.625% Convertible Notes due 2024 (the "Convertible Notes"), if triggered, may adversely affect our financial condition.

In the event the conditional conversion features of the Convertible Notes issued on January 29, 2019 are triggered, holders of the Convertible Notes will be entitled to convert the Convertible Notes at any time during specified periods at their option. If one or more holders elect to convert their Convertible Notes, unless we elect to satisfy our conversion obligation by delivering solely shares of our common stock, we would be required to make cash payments to satisfy all or a portion of our conversion obligation based on the conversion rate, which could adversely affect our liquidity. In addition, even if holders do not elect to convert their Convertible Notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the Convertible Notes as a current rather than long-term liability, which could result in a material reduction of our net working capital. Refer to Note 7 for further details on the Convertible Notes.

The convertible notes hedge and warrant transactions that we entered into in connection with the offering of the Convertible Notes may affect the value of the Convertible Notes and our common stock.

In connection with the offering of the Convertible Notes, we entered into convertible notes hedge transactions with certain option counterparties (each an "Option Counterparty"). The convertible notes hedge transactions are expected generally to reduce the potential dilution upon conversion of the Convertible Notes and/or offset any cash payments we are required to make in excess of the principal amount of converted Convertible Notes, as the case may be. We also entered into warrant transactions with each Option Counterparty. The warrant transactions could separately have a dilutive effect on our common stock to the extent that the market price per share of our common stock exceeds the strike price of the warrants, unless we elect to settle the warrants in cash. In connection with establishing its initial hedge of the convertible notes hedge and warrant transactions, each Option Counterparty or an affiliate thereof may have entered into various derivative transactions with respect to our common stock concurrently with or shortly after the pricing of the Convertible Notes. This activity could increase (or reduce the size of any decrease in) the market price of our common stock or the Convertible Notes at that time. In addition, each Option Counterparty or an affiliate thereof may modify its hedge position by entering into or unwinding various derivatives with respect to our common stock and/or purchasing or selling our common stock or other securities of ours in secondary market transactions prior to the maturity of the Convertible Notes (and is likely to do so during any observation period related to a conversion of the Convertible Notes). This activity could also cause or avoid an increase or a decrease in the market price of our common stock or the Convertible Notes. In addition, if any such convertible notes hedge and warrant transactions fail to become effective, each Option Counterparty may unwind its hedge position with respect to our common stock, which could adversely affect the value of our common stock and the value of the Convertible Notes.

We are subject to counterparty risk with respect to the convertible notes hedge transactions.

Each Option Counterparty to the convertible notes hedge transactions is a financial institution whose obligation to perform under the convertible notes hedge transaction will not be secured by any collateral. If an Option Counterparty becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at that time under our transactions with the Option Counterparty. Our exposure will generally correlate to the increase in the market price and in the volatility of our common stock. In addition, upon a default by an Option Counterparty, we may suffer adverse tax consequences and more dilution than we currently anticipate with respect to our common stock. Although these counterparties are large, reputable U.S. financial institutions, we can provide no assurances as to the financial stability or viability of any Option Counterparty.

(iii) Risks Related to Our Acquisition Strategy

Our financial performance is subject to the risks inherent in any acquisition, including the effects of increased borrowing and integration of newly acquired businesses or product lines.

A key element of our business strategy has been to expand through acquisitions and we may seek to pursue additional acquisitions in the future. Our success in pursuing acquisitions depends on our ability to identify target companies or product lines that are available for sale, and, negotiating successful terms with the sellers, as the sellers may also be negotiating with other bidders with greater financial resources than we have. Even when we win a bid, our success is also dependent in part upon our ability to integrate acquired companies or product lines into our existing operations. We may not have sufficient management and other resources to accomplish the integration of our past and future acquisitions, which may strain our relationship with customers, suppliers, distributors, personnel or others. There can be no assurance that we will be able to identify and make acquisitions, or that we will be able to obtain financing for such acquisitions, on acceptable terms. In addition, while we are generally entitled to customary indemnification from sellers of businesses or coverage from representation and warranty insurance for any difficulties that may have arisen prior to our acquisition of each business,

acquisitions may involve exposure to unknown liabilities and the amount and time for claiming under these indemnification provisions is often limited. As a result, our financial performance is now, and will continue to be, subject to various risks associated with the acquisition of businesses, including the financial effects associated with any increased borrowing required to fund such acquisitions or with the integration of such businesses.

The terms of any future preferred equity or debt financing may give holders of any preferred securities or debt securities rights that are senior to rights of our common shareholders or impose more stringent operating restrictions on our company.

Debt or equity financing may not be available to us on acceptable terms. If we incur additional debt or raise equity through the issuance of preferred stock or convertible securities, the terms of the debt or the preferred stock issued may give the holders rights, preferences and privileges senior to those of holders of our common stock, particularly in the event of liquidation. The terms of the debt may also impose additional and more stringent restrictions on our operations. If we raise funds through the issuance of additional equity, the ownership percentage of our existing shareholders would be diluted.

(iv) Other Risks Related to Our Business

We could experience a failure of a key information technology system, process or site or a breach of information security, including a cybersecurity breach or failure of one or more key information technology systems, networks, processes, associated sites or service providers, and could potentially become liable for a breach of various data privacy regulations.

We rely extensively on information technology ("IT") systems for the storage, processing, and transmission of our electronic, business-related, information assets used in or necessary to conduct business. We leverage our internal IT infrastructures, and those of our business partners or other third parties, to enable, sustain, and support our global business activities. In addition, we rely on networks and services, including internet sites, data hosting and processing facilities and tools and other hardware, software and technical applications and platforms, some of which are managed, hosted, provided and/or used by third-parties or their vendors, to assist in conducting our business. The data we store and process may include customer payment information, personal information concerning our employees, confidential financial information, and other types of sensitive business-related information. In limited instances, we may also come into possession of information related to patients of our physician customers. Numerous and evolving cybersecurity threats pose potential risks to the security of our IT systems, networks and services, as well as the confidentiality, availability and integrity of our data. In addition, the laws and regulations governing security of data on IT systems and otherwise collected, processed, stored, transmitted, disclosed and disposed of by companies are evolving, adding another layer of complexity in the form of new requirements. We have made, and continue to make investments, seeking to address these threats, including monitoring of networks and systems, hiring of third party service providers with expertise in cybersecurity, employee training and security policies for employees and third-party providers. The techniques used in these attacks change frequently and may be difficult to detect for periods of time and difficult to anticipate by implementing adequate preventative measures.

Our worldwide operations mean that we are subject to laws and regulations, including data protection and cybersecurity laws and regulations, in many jurisdictions. For example, the European Union ("EU") General Data Protection Regulation ("GDPR") requires us to manage personal data in the EU and may impose fines of up to four percent of our global revenue in the event of certain violations. Likewise, the California Consumer Privacy Act imposes obligations on companies that conduct business in California, and meet other requirements, with respect to the collection or sale of specified personal information. Other jurisdictions are also implementing or proposing a variety of data privacy laws and regulations. Further, there has been a developing trend of civil lawsuits and class actions relating to breaches of consumer data held by large companies or incidents arising from other cyber-attacks. Any data security breaches, cyber-attacks, malicious intrusions or significant disruptions could result in actions by regulatory bodies and/or civil litigation, any of which could materially and adversely affect our business, results of operations, financial condition, cash flows, reputation or competitive position.

The costs of attempting to protect IT systems and data may increase, and there can be no assurance that these added security efforts will prevent all breaches of our IT systems or thefts of our data. If our IT systems are damaged or cease to function properly, the networks or service providers we rely upon fail to function properly, we fail to comply with an applicable law or regulation, such as the GDPR, or we or one of our third-party providers suffer a loss or disclosure of our business or stakeholder information due to any number of causes ranging from catastrophic events or power outages to improper data handling or security breaches and our business continuity plans do not effectively address these failures on a timely basis, we may be exposed to potential disruption in operations, loss of customers, reputational, competitive and business harm, and significant costs from remediation, litigation and regulatory actions.

We rely on a third party to obtain, process and distribute sports medicine allograft tissue. If such tissue cannot be obtained, is not accepted by the market or is not accepted under numerous government regulations, our results of operations could be negatively impacted.

A portion of our orthopedic revenues relate to our share of the service fees from the Musculoskeletal Transplant Foundation ("MTF") allograft tissues for which we have exclusive worldwide sales representation, marketing and promotion rights, as further described in our revenue recognition policy in Note 1. Our primary costs related to these revenues come from our commission expense and certain marketing costs. Our ability to increase the service fees may be constrained by certain factors which are outside of our control, such as the limited supply of donors and donated tissue that meets the quality standards of MTF. Similarly, under the terms of the agreement, MTF remains responsible for tissue procurement and processing, shipment of tissues and invoicing of service fees to customers. To the extent MTF's performance does not meet customer expectations or otherwise fails, CONMED may be unable to increase the allograft service fees or to find a suitable replacement for MTF on terms that are acceptable.

The FDA and several states have statutory authority to regulate allograft processing and allograft-based materials. The FDA could identify deficiencies in future inspections of MTF or MTF's suppliers or promulgate future regulatory rulings that could disrupt our business, reducing profitability.

We distribute some products for third-party companies, and cannot ensure that our rights to distribute such third-party products will continue indefinitely.

While we generally own the products' designs and rights to the products we sell, in some cases we distribute products for third-parties. While these third-parties may have business reasons for contracting with us to distribute their products, we may face the risk that the third-parties may seek alternate distribution partners when their distribution contracts with us expire or are scheduled for renewal. If we lose the distribution rights to such products, we may not be able to find replacement products that are acceptable to our customers, or to us.

If we lose our patents or they are held to be invalid, or if our products or services infringe on third party patents, we could become subject to liability and our competitive position could be harmed.

Much of the technology used in the markets in which we compete is covered by patents. We have numerous U.S. patents and corresponding international patents on products expiring at various dates from 2022 through 2040 and have additional patent applications pending. See Item 1 Business "Research and Development" and "Intellectual Property" for a further description of our patents. The loss of our patents could reduce the value of the related products and any related competitive advantage. Competitors may also be able to design around our patents and to compete effectively with our products. In addition, the cost of enforcing our patents against third parties and defending our products against patent infringement actions by others could be substantial, and we may not prevail.

While we seek to take reasonable steps to avoid infringing on patents we do not own or license, we cannot be sure that our services and products do not infringe on the intellectual property rights of third parties, and we may have infringement claims asserted against us. These claims could cost us money, prevent us from offering some services or products, or damage our reputation. We cannot be certain that:

- pending patent applications will result in issued patents;
- patents issued to or licensed by us will not be challenged by competitors;
- our patents will be found to be valid or sufficiently broad to protect our technology or provide us with a competitive advantage; or
- we will be successful in defending against pending or future patent infringement claims asserted against our products.

We may be sued for product liability claims and our insurance coverage may be insufficient to cover the nature and amount of any product liability claims.

Even if our products are properly designed and perform as intended, we may be sued. The nature of our products as medical devices, and the litigious environment, should be regarded as potential risks which could significantly and adversely affect our financial condition and results of operations. The insurance we maintain to protect against claims associated with the use of our products has deductibles and may not adequately cover the amount or nature of any claim asserted against us. We are also exposed to the risk that our insurers may become insolvent or that premiums may increase substantially. See "Item 3 - Legal Proceedings" for a further discussion of the risk of product liability actions and our insurance coverage.

Damage to our physical properties as a result of windstorm, earthquake, fire or other natural or man-made disaster may cause a financial loss and a loss of customers.

Although we maintain insurance coverage for physical damage to our property and the resultant losses that could occur during a business interruption, we are required to pay deductibles and our insurance coverage is limited to certain caps. For example, our deductible for windstorm damage to our Florida property amounts to 2% of any loss. Any increase in the frequency or severity of natural disaster events could result in increased insurance premiums.

Further, while insurance reimburses us for our lost gross earnings during a business interruption, if we are unable to supply our customers with our products for an extended period of time, there can be no assurance that we will regain the customers' business once the product supply is returned to normal.

Our significant international operations subject us to foreign currency fluctuations and other risks associated with operating in countries outside the United States.

A significant portion of our revenues, approximately 45% of 2021 consolidated net sales, were to customers outside the United States. We have sales subsidiaries in a significant number of countries in Europe as well as Australia, Canada, China, Japan and Korea. In those countries in which we have a direct presence, our sales are denominated in the local currency and those sales denominated in local currency amounted to approximately 34% of our total net sales in 2021. The remaining 11% of sales to customers outside the United States was on an export basis and transacted in United States dollars.

Because a significant portion of our operations consist of sales activities in jurisdictions outside the United States, our financial results may be affected by factors such as changes in foreign currency exchange rates or weak economic conditions in the markets in which we distribute products. While we have a hedging strategy involving foreign currency forward contracts for 2021, our revenues and earnings are only partially protected from foreign currency translation if the United States dollar strengthens as compared with currencies such as the Euro. Further, as of the date of this Form 10-K, we have not entered into any foreign currency forward contracts beyond 2023. Our international presence exposes us to certain other inherent risks, including:

- imposition of limitations on conversions of foreign currencies into dollars or remittance of dividends and other payments by international subsidiaries;
- imposition or increase of withholding and other taxes on remittances and other payments by international subsidiaries;
- trade barriers and tariffs;
- compliance with economic sanctions, trade embargoes, export controls, and the customs laws and regulations of the many countries in which we operate;
- political risks, including political instability;
- reliance on third parties to distribute our products;
- hyperinflation in certain countries outside the United States; and
- imposition or increase of investment and other restrictions by foreign governments.

We cannot be certain that such risks will not have a material adverse effect on our business and results of operations.

Our new products may fail to achieve expected levels of market acceptance.

New product introductions may fail to achieve market acceptance. The degree of market acceptance for any of our products will depend upon a number of factors, including:

- our ability to develop and introduce new products and product enhancements in the time frames we currently estimate;
- our ability to successfully implement new technologies;
- the market's readiness to accept new products;
- having adequate financial and technological resources for future product development and promotion;
- the efficacy of our products; and
- the prices of our products compared to the prices of our competitors' products.

If our new products do not achieve market acceptance, we may be unable to recover our investments and may lose business to competitors.

In addition, some of the companies with which we now compete, or may compete in the future, have or may have more extensive research, marketing and manufacturing capabilities and significantly greater technical and personnel resources than

we do, and may be better positioned to continue to improve their technology in order to compete in an evolving industry. See "Products" in Item 1 - Business for a further discussion of these competitive forces.

Our Board of Directors may, in the future, limit or discontinue payment of a dividend on common stock.

We have paid a quarterly dividend to our shareholders since 2012. However, we may not pay such dividends in the future at the prior rate, or at all. All decisions regarding our payment of dividends will be made by our Board of Directors from time to time, and are subject to an evaluation of our financial condition, results of operations and capital requirements, applicable law, industry practice, contractual restraints and other business considerations. In addition, our senior credit agreement may restrict our ability to pay dividends, and the terms of agreements governing debt that we may incur in the future may also limit or prohibit dividend payments. We may not have sufficient surplus or net profits under Delaware law to be able to pay any dividends, which may result from extraordinary cash expenses, actual expenses exceeding contemplated costs, funding of capital expenditures or increases in reserves.

Anti-takeover provisions in our organizational documents and Delaware law could delay or prevent a change in control.

Provisions of our certificate of incorporation and bylaws may delay or prevent a merger or acquisition that a shareholder may consider favorable. These provisions include:

- the ability of our board of directors to issue shares of preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without shareholder approval, which could be used to significantly dilute the ownership of a hostile acquirer;
- the requirement that a special meeting of shareholders may be called only by the board of directors, the chair of the board of directors, the president, or stockholders holding at least 25% of our outstanding stock (subject to certain procedural and informational requirements), which may delay the ability of our shareholders to force consideration of a proposal or to take action;
- the procedural safeguards in place in connection with stockholder action by written consent, including a requirement that stockholders of at least 25% of our outstanding common stock request that the board of directors set a record date to determine the stockholders entitled to act by written consent;
- providing indemnification and exculpation rights to our directors and officers;
- advance notice procedures that shareholders must comply with in order to nominate candidates to our board of directors or to propose matters to be acted upon at a shareholders' meeting, which may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of us; and
- exclusive forum provisions, including provisions providing for the Court of Chancery of the State of Delaware as the exclusive forum for bringing certain actions.

As a Delaware corporation, we are also subject to Section 203 of the Delaware General Corporation Law, which provides that we may not engage in a business combination, such as a merger, consolidation, recapitalization, asset sale or disposition of stock, with any "interested stockholder" for a period of three years from the date that the interested stockholder first became an interested stockholder unless certain conditions are met.

Any provision of our certificate of incorporation and bylaws or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our shareholders to receive a premium for their shares of our common stock, and could also affect the price that some investors are willing to pay for our common stock.

Environmental laws and regulations and climate change initiatives could materially and adversely affect our business, financial condition, and results of operations.

Our business and facilities and those of our suppliers are subject to a number of federal, state, local and international laws and regulations governing the protection of human health and the environment. In addition, concern over climate change and sustainability has led to foreign and domestic legislative and regulatory initiatives directed at limiting carbon dioxide and other greenhouse gas emissions. A failure to comply with current or future environmental laws and regulations could result in fines or penalties. Any such expenses or liability could have a material adverse effect on our financial condition, results of operations or cash flows.

Our ability to attract and retain qualified employees is critical to our success.

CONMED's employees are its most important resource, and in many areas of the medical industry, competition for qualified personnel is intense. CONMED seeks to attract talented and diverse new employees and retain and motivate its existing employees. If we are unable to continue to attract or retain qualified employees, including our executives, CONMED's performance, including its competitive position, could be materially and adversely affected.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Facilities

The following table sets forth certain information with respect to our principal operating facilities. We believe that our facilities are generally well maintained, are suitable to support our business and adequate for present and anticipated needs.

Location	Square Feet	Own or Lease	Lease Expiration
Utica, NY	500,000	Own	—
Largo, FL	278,000	Own	—
Chihuahua, Mexico	207,720	Lease	October 2024
Chihuahua, Mexico	40,626	Lease	March 2028
Lithia Springs, GA	188,400	Lease	January 2025
Brussels, Belgium	58,276	Lease	June 2024
Mississauga, Canada	36,054	Lease	July 2031
Greenwood Village, CO	27,763	Lease	July 2024
Westborough, MA	19,533	Lease	November 2025
Frenchs Forest, Australia	16,959	Lease	July 2025

Our principal manufacturing facilities are located in Utica, NY, Largo, FL and Chihuahua, Mexico. Lithia Springs, GA and Brussels, Belgium are our principal distribution centers. We also maintain sales and administrative offices in countries throughout the world.

Item 3. Legal Proceedings

We are involved in various proceedings, legal actions and claims arising in the normal course of business, including proceedings related to product, labor and intellectual property and other matters that are more fully described in Note 13. We are not a party to any pending legal proceedings other than ordinary routine litigation incidental to our business.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock, par value $.01 per share, is traded on the New York Stock Exchange ("NYSE"), effective February 10, 2020, under the symbol "CNMD". Prior to this date, our common stock was traded on the NASDAQ Global Market under the same symbol. At February 15, 2022, there were 484 registered holders of our common stock and approximately 43,137 accounts held in "street name".

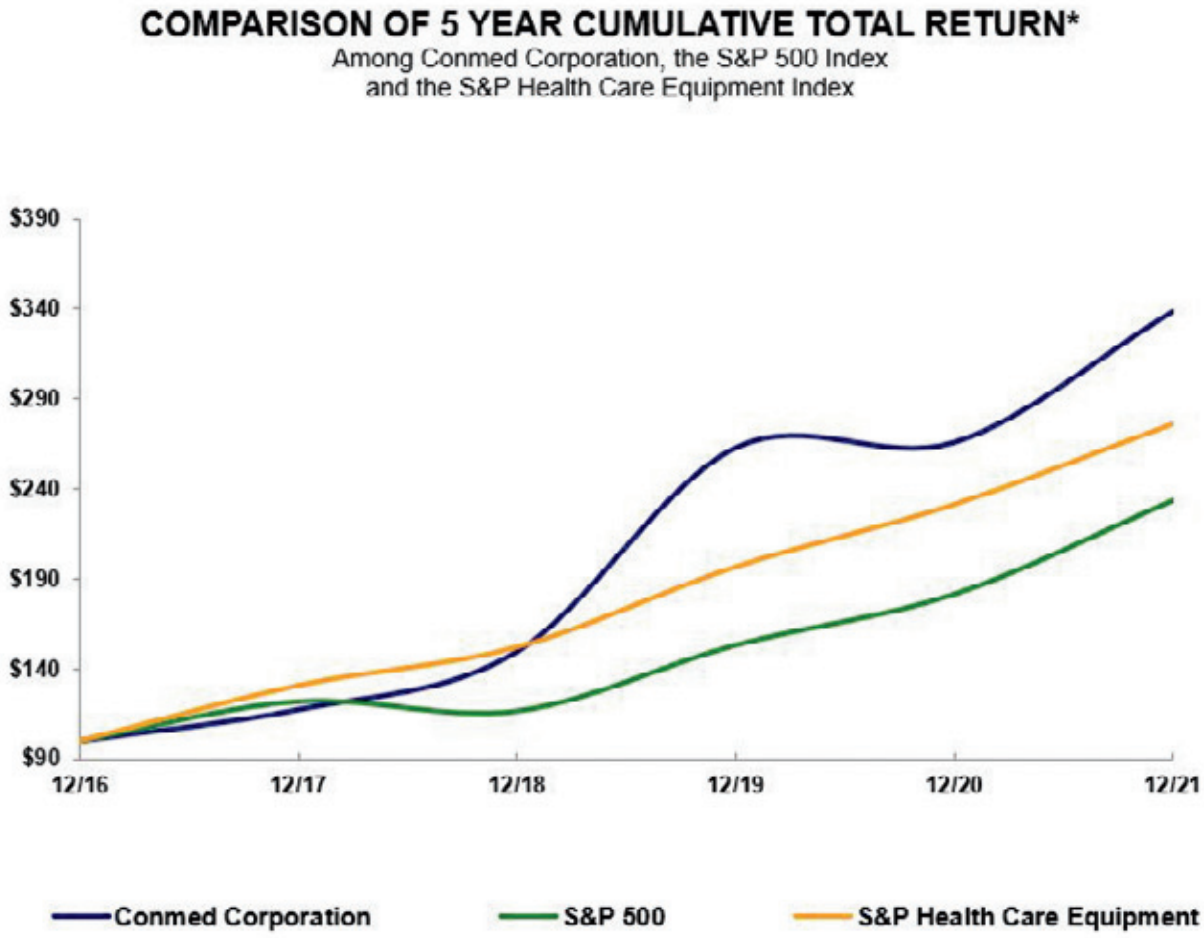
Our Board of Directors has authorized a share repurchase program; see Note 9 for further details.

The Board of Directors declared a quarterly cash dividend of $0.20 per share in 2020 and 2021. The fourth quarter dividend for 2021 was paid on January 5, 2022 to shareholders of record as of December 15, 2021. The total dividend payable at December 31, 2021 was $5.9 million and is included in other current liabilities in the consolidated balance sheet. Future decisions as to the payment of dividends will be at the discretion of the Board of Directors. See "Item 1A. Risk Factors - Other Risk Factors Related to our Business - Our Board of Directors may, in the future, limit or discontinue payment of a dividend on common stock."

Refer to Item 12 for information relating to compensation plans under which equity securities of CONMED Corporation are authorized for issuance.

Performance Graph

The performance graph below compares the cumulative five-year total shareholder return on the Company's Common Stock with the cumulative total return of the S&P 500 Index and the Standard & Poor's Health Care Equipment Index. In each case, the cumulative total return assumes reinvestment of dividends into the same class of equity securities at the frequency with which dividends are paid on such securities during the applicable fiscal year.



*$100 invested on 12/31/16 in stock or index, including reinvestment of dividends.
Fiscal year ending December 31.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with our Consolidated Financial Statements and related notes contained elsewhere in this report.

This section of this Form 10-K generally discusses 2021 and 2020 items and year-to-year comparisons between 2021 and 2020. Discussions of 2019 items and year-to-year comparisons between 2020 and 2019 that are not included in this Form 10-K can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2020.

Overview of CONMED Corporation

CONMED Corporation ("CONMED", the "Company", "we" or "us") is a medical technology company that provides devices and equipment for surgical procedures. The Company's products are used by surgeons and other healthcare professionals in a variety of specialties including orthopedics, general surgery, gynecology, thoracic surgery and gastroenterology.

Our product lines consist of orthopedic surgery and general surgery. Orthopedic surgery consists of sports medicine instrumentation and small bone, large bone and specialty powered surgical instruments as well as, imaging systems for use in minimally invasive surgical procedures and fees related to the promotion and marketing of sports medicine allograft tissue. General surgery consists of a complete line of endo-mechanical instrumentation for minimally invasive laparoscopic and gastrointestinal procedures, smoke evacuation devices, a line of cardiac monitoring products as well as electrosurgical generators and related instruments. These product lines as a percentage of consolidated net sales are as follows:

	2021	2020	2019
Orthopedic surgery	43 %	43 %	49 %
General surgery	57	57	51
Consolidated net sales	100 %	100 %	100 %

A significant amount of our products are used in surgical procedures with approximately 81% of our revenues derived from the sale of single-use products. Our capital equipment offerings also facilitate the ongoing sale of related single-use products and accessories, thus providing us with a recurring revenue stream. We manufacture substantially all of our products in facilities located in the United States and Mexico. We market our products both domestically and internationally directly to customers and through distributors. International sales approximated 45% in 2021, 44% in 2020 and 46% in 2019.

COVID-19

Our business continues to be impacted by the COVID-19 pandemic as variants of the virus emerge, with hospitals and surgery centers reducing the number of, or postponing, non-urgent surgical procedures in order to minimize the risk of infection and allow for proper staffing. We continue to restrict access to our facilities while maintaining production and distribution. While revenues increased in 2021 compared to 2020, we believe we will continue to experience market variability as a result of the pandemic that could influence sales, suppliers, patients and customers. There remains significant uncertainty related to the COVID-19 pandemic, including the duration and severity of future impacts to the business. See "Item 1A. Risk Factors" for more information. For additional discussion regarding COVID 19, see Liquidity and Capital Resources below.

Critical Accounting Policies

Preparation of our financial statements requires us to make estimates and assumptions which affect the reported amounts of assets, liabilities, revenues and expenses. Note 1 describes the significant accounting policies used in preparation of the consolidated financial statements. The most significant areas involving management judgments and estimates are described below and are considered by management to be critical to understanding the financial condition and results of operations of CONMED Corporation. Actual results may or may not differ from these estimates.

Goodwill and Intangible Assets

We have a history of growth through acquisitions. Assets and liabilities of acquired businesses are recorded at their estimated fair values as of the date of acquisition. Goodwill represents costs in excess of fair values assigned to the underlying net assets of acquired businesses. Factors that contribute to the recognition of goodwill include synergies that are expected to increase net sales and profits; acquisition of a talented workforce; cost savings opportunities; the strategic benefit of expanding our presence in core and adjacent markets; and diversifying our product portfolio. Customer and distributor relationships, trademarks, tradenames, developed technology, patents and other intangible assets primarily represent allocations of purchase price to identifiable intangible assets of acquired businesses. Sales representation, marketing and promotional rights represent intangible assets created under our agreement with Musculoskeletal Transplant Foundation ("MTF"). Determining the fair value of intangible assets acquired as part of a business combination requires us to make significant estimates. These estimates include the amount and timing of projected future cash flows of each project or technology, revenue growth rates, projected cost of sales, customer attrition rates, the discount rate used to discount those cash flows to present value, the assessment of the asset's useful life, and the consideration of legal, technical, regulatory, economic, and competitive risks. As these are significant estimates, we would obtain the assistance of a third-party valuation specialist in estimating fair values of intangible assets for significant acquisitions.

Goodwill and intangible assets deemed to have indefinite lives are not amortized, but are subject to at least annual impairment testing. It is our policy to perform our annual impairment testing in the fourth quarter. The identification and measurement of goodwill impairment involves the estimation of the fair value of our business. Estimates of fair value are based on the best information available as of the date of the assessment. We completed our goodwill impairment testing of our single reporting unit during the fourth quarter of 2021. We performed our impairment test utilizing the market capitalization approach to determine whether the fair value of a reporting unit is less than its carrying amount. Based upon our assessment, the fair value of our reporting unit continues to exceed carrying value.

Intangible assets with a finite life are amortized over the estimated useful life of the asset and are evaluated each reporting period to determine whether events and circumstances warrant a revision to the remaining period of amortization. Intangible assets subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The carrying amount of an intangible asset subject to amortization is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use of the asset. An impairment loss is recognized by reducing the carrying amount of the intangible asset to its current fair value.

For all other indefinite-lived intangible assets, we perform a qualitative impairment test. Based upon this assessment, we have determined that our indefinite-lived intangible assets are not impaired.

See Note 6 for further discussion of goodwill and other intangible assets.

Pension Plan

We sponsor a defined benefit pension plan (the "pension plan") that was frozen in 2009. It covered substantially all our United States based employees at the time it was frozen. In conjunction with the pension plan, we recorded a pension benefit obligation totaling $95.5 million as of December 31, 2021. In accounting for this pension plan, we are required to make a number of assumptions, including the discount rate and mortality. The discount rate represents the interest rate used in estimating the present value of projected cash flows to settle the Company's pension obligations. The discount rate assumption is determined by using a full yield curve approach, which involves applying the specific spot rates along the yield curve used in the determination of the benefit obligation that correlates to the relevant projected cash flows. The mortality assumptions are based on the Pri-2012 Mortality Tables using the MP-2021 mortality improvement scale.

In performing a sensitivity analysis on the pension benefit obligation, a 0.25% increase in our discount rate would decrease the pension benefit obligation by $2.6 million and a 0.25% decrease in the discount rate would increase the pension benefit obligation by $2.7 million. See Note 12 for further discussion of the pension plan.

Consolidated Results of Operations

The following table presents, as a percentage of net sales, certain categories included in our consolidated statements of comprehensive income for the periods indicated:

	Years Ended December 31,		
	2021	2020	2019
Net sales	100.0 %	100.0 %	100.0 %
Cost of sales	43.8	46.6	45.1
Gross profit	56.2	53.4	54.9
Selling and administrative expense	41.0	43.3	41.9
Research and development expense	4.3	4.7	4.8
Income from operations	10.9	5.3	8.3
Interest expense	3.5	5.1	4.5
Other expense	0.1	—	0.5
Income before income taxes	7.2	0.2	3.3
Provision (benefit) for income taxes	1.0	(0.9)	0.3
Net income	6.2 %	1.1 %	3.0 %

Net Sales

The following table presents net sales by product line for the years ended December 31, 2021, 2020 and 2019:

			% Change from 2021 to 2020		
	2021	2020	As Reported	Impact of Foreign Currency	Constant Currency [a]
Orthopedic surgery	$ 438.4	$ 374.7	17.0%	-1.3%	15.7%
General surgery	572.2	487.8	17.3%	-0.6%	16.7%
Net sales	$ 1,010.6	$ 862.5	17.2%	-0.9%	16.3%
Single-use products	$ 820.1	$ 703.0	16.7%	-0.9%	15.8%
Capital products	190.5	159.5	19.5%	-1.1%	18.4%
Net sales	$ 1,010.6	$ 862.5	17.2%	-0.9%	16.3%

			% Change from 2020 to 2019		
	2020	2019	As Reported	Impact of Foreign Currency	Constant Currency [a]
Orthopedic surgery	$ 374.7	$ 463.3	-19.1%	0.7%	-18.4%
General surgery	487.8	491.8	-0.8%	0.1%	-0.7%
Net sales	$ 862.5	$ 955.1	-9.7%	0.4%	-9.3%
Single-use products	$ 703.0	$ 756.3	-7.0%	0.4%	-6.6%
Capital products	159.5	198.8	-19.8%	0.2%	-19.6%
Net sales	$ 862.5	$ 955.1	-9.7%	0.4%	-9.3%

[(a)] Refer to Non-GAAP Financial Measures below for further details.

Net sales increased 17.2% to $1,010.6 million in 2021 from $862.5 million in 2020 driven by increases across all product lines as the COVID-19 pandemic had a significant impact on sales during 2020 as hospitals and surgery centers deferred non-urgent surgeries.

- Orthopedic surgery sales increased 17.0% in 2021 to $438.4 million from $374.7 million in 2020 as procedure volumes returned to more normal levels in 2021 after a 2020 which was significantly impacted by the COVID-19 pandemic.

- General surgery sales increased 17.3% in 2021 to $572.2 million from $487.8 million in 2020. The increase was mainly driven by continued growth in our advanced surgical products, including our AirSeal® and Buffalo Filter® products, and our advanced endoscopic technology products.

Cost of Sales

Cost of sales was $442.6 million in 2021 compared to $402.2 million in 2020. Gross profit margins were 56.2% in 2021 and 53.4% in 2020. The increase in gross profit margin of 2.8 percentage points in 2021 was driven by an increase in sales and more favorable product mix as well as the absence in 2021 of certain costs incurred in 2020 including the following:

- $6.6 million in costs related to plant underutilization due to abnormally low production as a result of decreased sales caused by the COVID-19 pandemic;
- $4.0 million in costs related to the consolidation of manufacturing operations including winding down operations at certain locations and moving production lines to other facilities;
- $2.8 million in costs related to inventory step-up adjustments from a previous acquisition;
- $2.2 million in costs related to product rationalization; and
- $1.1 million in restructuring costs related to a voluntary separation arrangement as a result of the COVID-19 pandemic.

Refer to Note 14 for further details.

Selling and Administrative Expense

Selling and administrative expense was $414.8 million in 2021 compared to $373.8 million in 2020. Selling and administrative expense as a percentage of net sales was 41.0% in 2021 and 43.3% in 2020.

The decrease in selling and administrative expense as a percentage of net sales in 2021 was mainly driven by higher sales in 2021 while continuing to manage our expense levels in response to the COVID-19 pandemic. In addition, 2020 included the following expenses:

- $4.8 million in severance costs related to a voluntary termination program and costs associated with the restructuring of our Orthopedic sales force;
- a $2.1 million write-off of field inventory used for customer demonstration and evaluation of products resulting from the product rationalization initiative; and
- $1.2 million in severance and integration costs mainly related to the Buffalo Filter acquisition.

Research and Development Expense

Research and development expense was $43.6 million in 2021 and $40.5 million in 2020. As a percentage of net sales, research and development expense was 4.3% in 2021 and 4.7% in 2020. The lower spend as a percentage of net sales in 2021 was driven by higher sales in 2021.

Interest Expense

Interest expense decreased to $35.5 million in 2021 compared to $44.1 million in 2020. The weighted average interest rates on our borrowings were 2.76% in 2021 decreasing from 3.65% in 2020. The decrease in interest expense is primarily due to decreases in our weighted average interest rates compared to prior year driven by lowering borrowings and lower interest rates as a result of the seventh amended and restated senior credit agreement.

Other Expense

Other expense during the year ended December 31, 2021 was related to costs associated with our seventh amended and restated senior credit agreement entered into July 16, 2021, as further described in Note 7. These costs included $1.1 million related to a loss on the early extinguishment of debt and third party fees.

Provision for Income Taxes

A provision (benefit) for income taxes was recorded at an effective rate of 14.4% and (493.9)% in 2021 and 2020, respectively. As compared to the federal statutory rate of 21.0%, the 2021 effective tax rate was lower primarily due to benefits from federal tax items including stock compensation and changes in the valuation allowance relating to certain foreign operations. The 2020 effective tax rate was lower than the federal statutory rate primarily due to benefits from federal tax items including stock compensation and tax regulations regarding United States tax on foreign earnings at different rates as well as settlements with taxing authorities. A reconciliation of the United States statutory income tax rate to our effective tax rate is included in Note 8.

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.

Because non-GAAP financial measures are not standardized, it may not be possible to compare this financial measure with other companies' non-GAAP financial measures having the same or similar names. This adjusted financial measure should not be considered in isolation or as a substitute for reported net sales growth, the most directly comparable GAAP financial measure. This non-GAAP financial measure is an additional way of viewing net sales that, when viewed with our GAAP results, provides a more complete understanding of our business. The Company strongly encourages investors and shareholders to review our financial statements and publicly-filed reports in their entirety and not to rely on any single financial measure.

Liquidity and Capital Resources

Our liquidity needs arise primarily from capital investments, working capital requirements and payments on indebtedness under the seventh amended and restated senior credit agreement, described below. We have historically met these liquidity requirements with funds generated from operations and borrowings under our revolving credit facility. In addition, we have historically used term borrowings, including borrowings under the amended and restated senior credit agreement and borrowings under separate loan facilities, in the case of real property purchases, to finance our acquisitions. We also have the ability to raise funds through the sale of stock or we may issue debt through a private placement or public offering.

We had total cash on hand at December 31, 2021 of $20.8 million, of which approximately $17.7 million was held by our foreign subsidiaries outside the United States with unremitted earnings. During 2021, we redeployed $28.2 million of cash from certain non-U.S. subsidiaries primarily for U.S. debt reduction which consisted primarily of earnings that were taxed in 2017 as part of the deemed repatriation toll charge implemented by Tax Reform. We may repatriate funds from certain foreign subsidiaries in the future. Refer to Note 8 for further details.

Operating Cash Flows

Our net working capital position was $263.5 million at December 31, 2021. Net cash provided by operating activities was $111.8 million in 2021 and $64.5 million in 2020 generated on net income of $62.5 million in 2021 and $9.5 million in 2020. The increase in cash provided by operating activities in 2021 as compared to 2020 was mainly driven by higher sales and net income in 2021 as the COVID-19 pandemic had a negative impact on sales during 2020. Significant impacts to operating cash flows include:

- A decrease in cash flows from accounts receivable based on the timing of sales and cash receipts;
- A decrease in cash flows from inventory as we increased inventory levels to mitigate inventory supply challenges;
- A decrease in cash flows from other assets primarily related to higher field inventory requirements due to more sales force activity in 2021;
- An increase in cash flows from accounts payable is primarily due to the timing of payments; and
- An increase in cash from accrued compensation and benefits caused by higher commissions and incentive compensation accruals associated with increased sales.

Investing Cash Flows

Net cash used in investing activities increased to $14.9 million in 2021 compared to $13.6 million in 2020 primarily due to higher capital expenditures in 2021 compared to 2020.

Financing Cash Flows

Financing activities in 2021 used cash of $101.5 million compared to $52.1 million in 2020. Below is a summary of the significant financing activities impacting the change during 2021 compared to 2020:

- We had net payments on our revolving line of credit of $67.0 million, inclusive of the impact of the seventh amended and restated senior credit agreement, compared to $13.0 million in net payments during 2020.
- We had net payments on our term loan of $14.2 million, inclusive of a $52.4 million impact on both borrowings and repayments between independent counterparties associated with the seventh amended and restated credit agreement, compared to $13.3 million in payments during the prior year.
- We paid $6.2 million and $2.7 million in 2021 and 2020, respectively, in contingent consideration related to prior acquisitions.

Other Liquidity Matters

Our cash balances and cash flows generated from operations may be used to fund strategic investments, business acquisitions, working capital needs, research and development, common stock repurchases and payments of dividends to our shareholders. Management believes that cash flow from operations, including cash and cash equivalents on hand and available borrowing capacity under our seventh amended and restated senior credit agreement, will be adequate to meet our anticipated operating working capital requirements, debt service, funding of capital expenditures, dividend payments and common stock repurchases in the foreseeable future. In addition, management believes we could access capital markets, as necessary, to fund future business acquisitions.

We continue to monitor our spending and expenses in light of our expectation that our revenues will continue to be impacted by the pandemic. While the results of operations support continued recovery, there remains uncertainty in the financial markets related to the COVID-19 pandemic which may have an impact on the demand for post-pandemic surgery levels that are difficult to predict. If the downturn is more severe and prolonged than we currently expect, we may need to take further steps to reduce our costs, or to refinance our debt. See “Item 1A. Risk Factors - Risks Related to Our Indebtedness."

On July 16, 2021, we entered into a seventh amended and restated senior credit agreement which extends the maturity of the term loan and revolving credit facilities to July 16, 2026 and reduced the applicable interest rate margins and commitment fees on the borrowings.

There were $227.6 million in borrowings outstanding on the term loan facility as of December 31, 2021. There were $140.0 million in borrowings outstanding under the revolving credit facility as of December 31, 2021. Our available borrowings on the revolving credit facility at December 31, 2021 were $442.5 million with approximately $2.5 million of the facility set aside for outstanding letters of credit.

The seventh amended and restated senior credit agreement contains covenants and restrictions which, among other things, require the maintenance of certain financial ratios and restrict dividend payments and the incurrence of certain indebtedness and other activities, including acquisitions and dispositions. We were in full compliance with these covenants and restrictions as of December 31, 2021. We are also required, under certain circumstances, to make mandatory prepayments from net cash proceeds from any issuance of equity and asset sales.

See Note 7 for further information on our financing agreements and outstanding debt obligations.

Our Board of Directors has authorized a $200.0 million share repurchase program. Through December 31, 2021, we have repurchased a total of 6.1 million shares of common stock aggregating $162.6 million under this authorization and have $37.4 million remaining available for share repurchases. The repurchase program calls for shares to be purchased in the open market or in private transactions from time to time. We may suspend or discontinue the share repurchase program at any time. We have not purchased any shares of common stock under the share repurchase program during 2021. We have financed the repurchases and may finance additional repurchases through operating cash flow and from available borrowings under our revolving credit facility.

The Board of Directors declared a quarterly cash dividend of $0.20 per share in 2020 and 2021. Future decisions as to the payment of dividends will be at the discretion of the Board of Directors. See "Item 1A. Risk Factors - Other Risk Factors Related to our Business - Our Board of Directors may, in the future, limit or discontinue payment of a dividend on common stock."

We expect an increased level of capital spending during the year ending December 31, 2022 compared to 2021. Capital spending will be monitored and controlled as the year progresses. We expect to use operating cash flows to satisfy capital spending requirements.

The following table summarizes our contractual obligations for the next five years and thereafter (amounts in thousands) as of December 31, 2021. Purchase obligations represent purchase orders for goods and services placed in the ordinary course of business.

	Payments Due by Period				
	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
Long-term debt	$ 712,569	$ 11,925	$ 380,775	$ 319,869	$ —
Purchase obligations	141,854	138,401	3,337	116	—
Lease obligations	22,741	7,486	10,635	2,445	2,175
Total contractual obligations	$ 877,164	$ 157,812	$ 394,747	$ 322,430	$ 2,175

In addition to the above contractual obligations, we are required to make periodic interest payments on our long-term debt obligations (see additional discussion under Item 7A. “Quantitative and Qualitative Disclosures About Market Risk—Interest Rate Risk” and Note 7). The above table also does not include unrecognized tax benefits of approximately $0.2 million, the timing and certainty of recognition for which is not known (See Note 8).

Stock-based Compensation

We have reserved shares of common stock for issuance to employees and directors under two shareholder-approved share-based compensation plans (the "Plans"). The Plans provide for grants of stock options, stock appreciation rights (“SARs”), dividend equivalent rights, restricted stock, restricted stock units (“RSUs”), performance share units (“PSUs”) and other equity-based and equity-related awards. The exercise price on all outstanding stock options and SARs is equal to the quoted fair market value of the stock at the date of grant. RSUs and PSUs are valued at the market value of the underlying stock on the date of grant. Stock options, SARs, RSUs and PSUs are generally non-transferable other than on death and generally become exercisable over a four to five year period from date of grant. Stock options and SARs expire ten years from date of grant. SARs are only settled in shares of the Company’s stock (See Note 9). Total pre-tax stock-based compensation expense recognized in the consolidated statements of comprehensive income was $16.3 million, $13.1 million and $11.8 million for the years ended December 31, 2021, 2020 and 2019, respectively.

Other Matters

Through April 1, 2020, our credit facility allowed us to seek to sell products to certain customers in Iran in compliance with applicable laws and regulations and subject to certain terms and conditions, including pre-approval by us and our lenders of the identity of any distributor and prior review of each of the end-customers. We had sales to a third-party distributor in Iran during the first quarter of 2020. We limited such sales into Iran to products that qualified as “medical supplies” within the meaning of the general license, or covered by specific licenses, provided by the Iranian Transactions and Sanctions Regulations set forth in the regulations promulgated by the Office of Foreign Assets Control (“OFAC”) of the United States Department of the Treasury set forth at 31 C.F.R. § 560.530. We have implemented certain controls and processes designed to ensure that the ultimate end-users for the products are those permitted under the OFAC general license, and that the sales and transactions with the Iranian distributor otherwise comply with the requirements of the OFAC regulations. The expected revenues and net profits associated with sales to the Iranian distributor were not material to our overall results of operations.

We do not believe that our activities to date have been subject to required disclosure under Section 13(r) of the Securities Exchange Act of 1934 (the “Exchange Act”), which, among other things, requires disclosure of transactions and activities knowingly entered into with the Government of Iran that do not benefit from an OFAC license and with certain

designated parties. If, however, activities are in the future discovered to be within the scope of the transactions and activities captured by Section 13(r) of the Exchange Act, we will make the required disclosures and notices.

New Accounting Pronouncements

See Note 17 for a discussion of new accounting pronouncements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Market risk is the potential loss arising from adverse changes in market rates and prices such as commodity prices, foreign currency exchange rates and interest rates. In the normal course of business, we are exposed to various market risks, including changes in foreign currency exchange rates and interest rates. We manage our exposure to these and other market risks through regular operating and financing activities and as necessary through the use of derivative financial instruments.

Foreign currency risk

Approximately 45% of our total 2021 consolidated net sales were to customers outside the United States. We have sales subsidiaries in a significant number of countries in Europe as well as Australia, Canada, China, Japan and Korea. In those countries in which we have a direct presence, our sales are denominated in the local currency amounting to approximately 34% of our total net sales in 2021. The remaining 11% of sales to customers outside the United States was on an export basis and transacted in United States dollars.

Because a significant portion of our operations consist of sales activities in foreign jurisdictions, our financial results may be affected by factors such as changes in foreign currency exchange rates or weak economic conditions in the markets in which we distribute products. During 2021, foreign currency exchange rates, including the effects of the hedging program, caused sales to increase by approximately $8.2 million.

We hedge forecasted intercompany sales denominated in foreign currencies through the use of forward contracts. We account for these forward contracts as cash flow hedges. To the extent these forward contracts meet hedge accounting criteria, changes in their fair value are not included in current earnings but are included in accumulated other comprehensive loss. These changes in fair value will be recognized into earnings as a component of sales or cost of sales when the forecasted transaction occurs.

We also enter into forward contracts to exchange foreign currencies for United States dollars in order to hedge our currency transaction exposures on intercompany receivables denominated in foreign currencies. These forward contracts settle each month at month-end, at which time we enter into new forward contracts. We have not designated these forward contracts as hedges and have not applied hedge accounting to them.

Refer to Note 16 for further discussion.

Interest rate risk

At December 31, 2021, we had approximately $367.6 million of variable rate long-term debt outstanding under our senior credit agreement. Assuming no repayments, if market interest rates for similar borrowings averaged 1.0% more in 2022 than they did in 2021, interest expense would increase, and income before income taxes would decrease by $4.1 million. Comparatively, if market interest rates for similar borrowings average 1.0% less in 2022 than they did in 2021, our interest expense would decrease, and income before income taxes would increase by $4.1 million.

Item 8. Financial Statements and Supplementary Data

Our 2021 Financial Statements are included in this Form 10-K beginning on page 39 and incorporated by reference herein.

Item 9. Changes In and Disagreements with Accountants on Accounting and Financial Disclosures

There were no changes in or disagreement with accountants on accounting and financial disclosure.

Item 9A. Controls and Procedures

As of the end of the period covered by this report, an evaluation was carried out by CONMED Corporation's management, with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934). Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that these disclosure controls and procedures were effective as of the end of the period covered by this report. In addition, no change in our internal control over financial reporting (as defined in Rule 13a-15 under the Securities Exchange Act of 1934) occurred during the fourth quarter of the year ended December 31, 2021 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting and the Report of Independent Registered Public Accounting Firm thereon are set forth in Part IV, Item 15 of the Annual Report on Form 10-K.

Item 9B. Other Information

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item is incorporated herein by reference to the sections captioned “Proposal One: Election of Directors”, “Directors, Executive Officers, Other Company Officers and Nominees for the Board of Directors”, “Delinquent Section 16(a) Reports", “Ethics Disclosure” and "Meetings of the Board of Directors and Committees, Leadership Structure and Risk Oversight” in CONMED Corporation’s definitive Proxy Statement or other informational filing to be filed with the Securities and Exchange Commission on or about April 15, 2022.

Item 11. Executive Compensation

The information required by this item is incorporated herein by reference to the sections captioned “Compensation Discussion and Analysis”, “Compensation Committee Report on Executive Compensation”, “Summary Compensation Table”, “Grants of Plan-Based Awards”, “Outstanding Equity Awards at Fiscal Year-End”, “Option Exercises and Stock Vested”, “Non-Qualified Deferred Compensation”, “Potential Payments on Termination or Change in Control”, “Director Compensation,” “Pay Ratio” and “Board of Directors and Compensation Committee Interlocks and Insider Participation; Certain Relationships and Related Transactions” in CONMED Corporation’s definitive Proxy Statement or other informational filing to be filed with the Securities and Exchange Commission on or about April 15, 2022.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this item is incorporated herein by reference to the section captioned “Security Ownership of Certain Beneficial Owners and Management” in CONMED Corporation’s definitive Proxy Statement or other informational filing to be filed with the Securities and Exchange Commission on or about April 15, 2022.

Information relating to shareholder approved compensation plans under which equity securities of CONMED Corporation are authorized for issuance is set forth below:

Equity Compensation Plan Information

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	3,264,061	$ 80.79	3,398,344
Equity compensation plans not approved by security holders	—	—	—
Total	3,264,061	80.79	3,398,344

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item is incorporated herein by reference to the section captioned “Directors, Executive Officers and Nominees for the Board of Directors” and “Board of Directors and Compensation Committee Interlocks and Insider Participation; Certain Relationships and Related Transactions” in CONMED Corporation’s definitive Proxy Statement or other informational filing to be filed with the Securities and Exchange Commission on or about April 15, 2022.

Item 14. Principal Accounting Fees and Services

The information required by this item is incorporated herein by reference to the section captioned “Principal Accounting Fees and Services” in CONMED Corporation’s definitive Proxy Statement or other informational filing to be filed with the Securities and Exchange Commission on or about April 15, 2022.

PART IV

Item 15. Exhibits, Financial Statement Schedules

Index to Financial Statements

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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

By: /s/ Curt R. Hartman
Curt R. Hartman
(Chair of the Board, President and
Chief Executive Officer)

Date:
February 22, 2022

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ CURT R. HARTMAN Curt R. Hartman	Chair of the Board, President & Chief Executive Officer	February 22, 2022
/s/ TODD W. GARNER Todd W. Garner	Executive Vice President and Chief Financial Officer	February 22, 2022
/s/ TERENCE M. BERGE Terence M. Berge	Vice President- Corporate Controller	February 22, 2022
/s/ MARTHA GOLDBERG ARONSON Martha Goldberg Aronson	Lead Independent Director	February 22, 2022
/s/ DAVID BRONSON David Bronson	Director	February 22, 2022
/s/ BRIAN P. CONCANNON Brian P. Concannon	Director	February 22, 2022
/s/ LAVERNE COUNCIL Laverne Council	Director	February 22, 2022
/s/ CHARLES M. FARKAS Charles M. Farkas	Director	February 22, 2022
/s/ JEROME J. LANDE Jerome J. Lande	Director	February 22, 2022
/s/ BARBARA SCHWARZENTRAUB Barbara Schwarzentraub	Director	February 22, 2022
/s/ MARK E. TRYNISKI Mark E. Tryniski	Director	February 22, 2022
/s/ JOHN L. WORKMAN John L. Workman	Director	February 22, 2022

Exhibit Index

Exhibit No.		Description
2.1	-	Agreement and Plan of Merger, dated May 21, 2020, by and between CONMED Corporation, a New York corporation, and CONMED Corporation, a Delaware corporation (Incorporated by reference to Exhibit 2.1 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 22, 2020).
3.1	-	By-laws of CONMED Corporation, a Delaware corporation (Incorporated by reference to Exhibit 3.2 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 22, 2020).
3.2	-	Certificate of Incorporation of CONMED Corporation, a Delaware corporation (Incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 22, 2020).
4.1*	-	Description of the Common Stock of CONMED Corporation, a Delaware corporation.
10.1+	-	Employment Agreement between the Company and Curt R. Hartman, dated November 9, 2014 (Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on November 10, 2014).
10.2+	-	Amendment Number 1 to Employment Agreement between CONMED Corporation and Curt R. Hartman dated December 28, 2020 (Incorporated by reference to Exhibit 10.2 of the Company's Annual Report on Form 10-K for the year ended December 31, 2020).
10.3	-	Amended and Restated 1999 Long Term Incentive Plan (Incorporated by reference to Exhibit 4.3 of the Company's Registration Statement on Form S-8 on November 3, 2009).
10.4	-	2002 Employee Stock Purchase Plan (Incorporated by reference to the Company's Definitive Proxy Statement for the 2002 Annual Meeting filed with the Securities and Exchange Commission on April 17, 2002).
10.5	-	Amendment to CONMED Corporation 2002 Employee Stock Purchase Plan (Incorporated by reference to Exhibit 10.11 of the Company's Annual Report on Form 10-K for the year ended December 31, 2005).
10.6	-	CONMED Corporation Amended and Restated 2020 Employee Stock Purchase Plan (incorporated by reference to Exhibit E of the Registrant's Proxy Statement on Schedule 14A filed on April 10, 2020).
10.7	-	2006 Stock Incentive Plan (Incorporated by reference to Exhibit 4.3 of the Company's Registration Statement on Form S-8 on August 8, 2006).
10.8	-	Amended and Restated 2007 Non-Employee Director Equity Compensation Plan of CONMED Corporation (Incorporated by reference to Exhibit 4.3 of the Company's Registration Statement on Form S-8 on August 3, 2010).
10.9	-	Amended and Restated Long Term Incentive Plan (Incorporated by reference to Exhibit 4.3 of the Company's Registration Statement on Form S-8 on July 27, 2012).
10.10	-	CONMED Corporation Executive Severance Plan (Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 10-Q filed with the Securities and Exchange Commission on July 27, 2015).
10.11	-	Amended and Restated 2015 Long-Term Incentive Plan (Incorporated by reference to Exhibit 4.3 of the Company's Registration Statement on Form S-8 on October 23, 2015).

10.12	-	Amended and Restated 2016 Non-Employee Director Equity Compensation Plan (Incorporated by reference to Exhibit 4.3 of the Company's Registration Statement on Form S-8 on October 28, 2016).
10.13	-	Amended and Restated 2020 Non-Employee Director Equity Compensation Plan of CONMED Corporation (incorporated by reference to Exhibit D of the Registrant's Proxy Statement on Schedule 14A filed on April 10, 2020).
10.14	-	2018 Long-Term Incentive Plan (incorporated by reference to Exhibit 4.3 of the Registrants Form S-8 filed on November 5, 2018).
10.15	-	Guarantee and Collateral Agreement, dated August 28, 2002, made by CONMED Corporation and certain of its subsidiaries in favor of JP Morgan Chase Bank (Incorporated by reference to Exhibit 10.2 of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2002).
10.16	-	First Amendment to Guarantee and Collateral Agreement, dated June 30, 2003, made by CONMED Corporation and certain of its subsidiaries in favor of JP Morgan Chase Bank and the several banks and other financial institutions or entities from time to time parties thereto (Incorporated by reference to Exhibit 10.2 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003).
10.17	-	Second Amendment to Guarantee and Collateral Agreement, dated April 13, 2006, made by CONMED Corporation and certain of its subsidiaries in favor of JP Morgan Chase Bank and the several banks and other financial institutions or entities from time to time parties thereto (Incorporated by reference to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 19, 2006).
10.18	-	Third Amendment to Guarantee and Collateral Agreement, dated as of January 17, 2013, made by CONMED Corporation and certain of its subsidiaries in favor of JP Morgan Chase Bank (Incorporated by reference to Exhibit 4.6 of the Company's Annual Report on Form 10-K for the year ended December 31, 2012).
10.19	-	Fourth Amendment to Guarantee and Collateral Agreement, dated as of January 4, 2016, made by CONMED Corporation and certain of its subsidiaries in favor of JP Morgan Chase Bank (Incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 4, 2016).
10.20	-	Fifth Amendment to Guarantee and Collateral Agreement, dated as of July 16, 2021, made by CONMED Corporation and certain of its subsidiaries in favor of JPMorgan Chase Bank, N.A., as administrative agent (Incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 16, 2021).
10.21	-	Seventh Amended and Restated Credit Agreement, dated as of July 16, 2021, among CONMED Corporation, the foreign subsidiary borrowers from time to time party thereto, the several lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as administrative agent (Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 16, 2021).
10.22	-	Sports Medicine Joint Development and Distribution Agreement by and between Musculoskeletal Transplant Foundation, Inc. and CONMED Corporation dated as of January 3, 2012 (Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K dated January 3, 2012).
10.23+	-	Employment Agreement between the Company and Patrick Beyer, dated April 25, 2019 (Incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2019).
10.24+	-	Offer Letter from CONMED Corporation to Todd W. Garner dated January 2, 2018. (Incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 2, 2018).
10.25+	-	Amendment Number 1 to Offer Letter from CONMED Corporation to Todd W. Garner dated December 28, 2020 (Incorporated by reference to Exhibit 10.27 on the Company's Annual Report on Form 10-K for the year ended December 31, 2020).

10.26	-	Stock Option Inducement Award (incorporated by reference to Exhibit 4.3 of the Registrants Form S-8 filed on February 27, 2018).
10.27	-	Restricted Stock Unit Inducement Award (incorporated by reference to Exhibit 4.4 of the Registrants Form S-8 filed on February 27, 2018).
10.28	-	Securities Purchase Agreement, dated as of December 13, 2018, by and between CONMED Corporation and Filtration Group FGC LLC (Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 13, 2018).
10.29	-	Indenture, dated as of January 29, 2019, by and between CONMED Corporation and MUFG Union Bank, N.A., as trustee (Incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 29, 2019).
10.30	-	Base Notes Hedge Transaction Confirmation, dated as of January 24, 2019, between CONMED Corporation and Barclays Bank PLC (Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 29, 2019).
10.31	-	Base Notes Hedge Transaction Confirmation, dated as of January 24, 2019, between CONMED Corporation and Bank of America, N.A (Incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 29, 2019).
10.32	-	Base Notes Hedge Transaction Confirmation, dated as of January 24, 2019, between CONMED Corporation and Wells Fargo Bank, National Association (Incorporated by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 29, 2019).
10.33	-	Base Notes Hedge Transaction Confirmation, dated as of January 24, 2019, between CONMED Corporation and J.P. Morgan Securities LLC, as agent for JPMorgan Chase Bank, National Association, London Branch (Incorporated by reference to Exhibit 10.4 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 29, 2019).
10.34	-	Base Warrant Transaction Confirmation, dated as of January 24, 2019, between CONMED Corporation and Barclays Bank PLC (Incorporated by reference to Exhibit 10.5 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 29, 2019).
10.35	-	Base Warrant Transaction Confirmation, dated as of January 24, 2019, between CONMED Corporation and Bank of America, N.A (Incorporated by reference to Exhibit 10.6 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 29, 2019).
10.36	-	Base Warrant Transaction Confirmation, dated as of January 24, 2019, between CONMED Corporation and Wells Fargo Bank, National Association (Incorporated by reference to Exhibit 10.7 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 29, 2019).
10.37	-	Base Warrant Transaction Confirmation, dated as of January 24, 2019, between CONMED Corporation and J.P. Morgan Securities LLC, as agent for JPMorgan Chase Bank, National Association, London Branch (Incorporated by reference to Exhibit 10.8 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 29, 2019).
10.38	-	Additional Notes Hedge Transaction Confirmation, dated as of January 25, 2019, between CONMED Corporation and Barclays Bank PLC (Incorporated by reference to Exhibit 10.9 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 29, 2019).
10.39	-	Additional Notes Hedge Transaction Confirmation, dated as of January 25, 2019, between CONMED Corporation and Bank of America, N.A. (Incorporated by reference to Exhibit 10.10 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 29, 2019).
10.40	-	Additional Notes Hedge Transaction Confirmation, dated as of January 25, 2019, between CONMED Corporation and Wells Fargo Bank, National Association (Incorporated by reference to Exhibit 10.11 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 29, 2019).

10.41	-	Additional Notes Hedge Transaction Confirmation, dated as of January 25, 2019, between CONMED Corporation and J.P. Morgan Securities LLC, as agent for JPMorgan Chase Bank, National Association, London Branch (Incorporated by reference to Exhibit 10.12 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 29, 2019).
10.42	-	Additional Warrant Transaction Confirmation, dated as of January 25, 2019, between CONMED Corporation and Barclays Bank PLC (Incorporated by reference to Exhibit 10.13 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 29, 2019).
10.43	-	Additional Warrant Transaction Confirmation, dated as of January 25, 2019, between CONMED Corporation and Bank of America, N.A. (Incorporated by reference to Exhibit 10.14 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 29, 2019).
10.44	-	Additional Warrant Transaction Confirmation, dated as of January 25, 2019, between CONMED Corporation and Wells Fargo Bank, National Association (Incorporated by reference to Exhibit 10.15 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 29, 2019).
10.45	-	Additional Warrant Transaction Confirmation, dated as of January 25, 2019, between CONMED Corporation and J.P. Morgan Securities LLC, as agent for JPMorgan Chase Bank, National Association, London Branch (Incorporated by reference to Exhibit 10.16 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 29, 2019).
14	-	Code of Ethics. The CONMED code of ethics may be accessed via the Company's website at http://www.conmed.com/en/about-us/investors/investor-relations
21*	-	Subsidiaries of the Registrant.
23*	-	Consent of Independent Registered Public Accounting Firm.
31.1*	-	Certification of Curt R. Hartman pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	-	Certification of Todd W. Garner. pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	-	Certifications of Curt R. Hartman and Todd W. Garner pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	-	XBRL Instance Document - The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	-	XBRL Taxonomy Extension Schema Document
101.CAL*	-	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	-	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	-	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	-	XBRL Taxonomy Extension Presentation Linkbase Document
104*	-	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document (included in Exhibit 101)
	*	Filed herewith
	+	Management contract or compensatory plan or arrangement

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of CONMED Corporation is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with generally accepted accounting principles. Our internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets; provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures are being made only in accordance with authorizations of management and the directors of the Company; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Management assessed the effectiveness of CONMED's internal control over financial reporting as of December 31, 2021. In making its assessment, management utilized the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in "Internal Control-Integrated Framework", released in 2013. Management has concluded that based on its assessment, CONMED's internal control over financial reporting was effective as of December 31, 2021. The effectiveness of the Company's internal control over financial reporting as of December 31, 2021 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein.

/s/ Curt R. Hartman
Curt R. Hartman
Chair of the Board, President and
Chief Executive Officer

/s/ Todd W. Garner
Todd W. Garner
Executive Vice President and
Chief Financial Officer

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of CONMED Corporation

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of CONMED Corporation and its subsidiaries (the "Company") as of December 31, 2021 and 2020, and the related consolidated statements of comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2021, including the related notes and financial statement schedule listed in the index appearing under Item 15(a)(2) (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the

company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Valuation of the Pension Benefit Obligation

As described in Note 12 to the consolidated financial statements, the Company's consolidated pension benefit obligation was $95.5 million as of December 31, 2021. Management's discount rate and mortality assumptions are the significant assumptions in determining the projected benefit obligation of the Company's pension plan. The discount rate assumption is determined by management using a full yield curve approach, which involves applying the specific spot rates along the yield curve used in the determination of the benefit obligation that correlates to the relevant projected cash flows. The mortality assumptions are based on a mortality table using the mortality improvement scale.

The principal considerations for our determination that performing procedures relating to the valuation of the pension benefit obligation is a critical audit matter are (i) the significant judgment by management to determine the pension benefit obligation, (ii) significant auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions related to discount rate and mortality, and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the valuation of the pension benefit obligation, including controls over management's methodology, significant assumptions, and data. These procedures also included, among others, (i) testing the completeness and accuracy of underlying data used in the valuation of the pension benefit obligation and (ii) the involvement of professionals with specialized skill and knowledge to assist in (a) testing management's process for determining the pension benefit obligation, (b) evaluating the appropriateness of the methodology used by management, and (c) evaluating the reasonableness of the discount rate and mortality significant assumptions.

/s/ PricewaterhouseCoopers LLP
Rochester, New York
February 22, 2022

We have served as the Company's auditor since 1982.

CONMED CORPORATION
CONSOLIDATED BALANCE SHEETS
December 31, 2021 and 2020
(In thousands except share and per share amounts)

	2021	2020
ASSETS		
Current assets:		
Cash and cash equivalents	$ 20,847	$ 27,356
Accounts receivable, less allowance for doubtful accounts of $4,528 in 2021 and $3,876 in 2020	183,882	177,152
Inventories	231,644	194,868
Prepaid expenses and other current assets	23,750	17,278
Total current assets	460,123	416,654
Property, plant and equipment, net	108,863	111,407
Deferred income taxes	9,657	6,842
Goodwill	617,528	618,440
Other intangible assets, net	471,049	501,537
Other assets	98,797	96,793
Total assets	$ 1,766,017	$ 1,751,673
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 12,249	$ 18,415
Accounts payable	58,197	53,310
Accrued compensation and benefits	60,488	50,171
Other current liabilities	65,712	68,305
Total current liabilities	196,646	190,201
Long-term debt	672,407	735,221
Deferred income taxes	68,537	57,875
Other long-term liabilities	42,992	59,338
Total liabilities	980,582	1,042,635
Commitments and contingencies (Note 13)		
Shareholders' equity:		
Preferred stock, par value $.01 per share; authorized 500,000 shares, none issued or outstanding	—	—
Common stock, par value $.01 per share; 100,000,000 authorized; 31,299,194 issued in 2021 and 2020, respectively	313	313
Paid-in capital	396,771	382,628
Retained earnings	496,605	457,417
Accumulated other comprehensive loss	(54,203)	(63,681)
Less: Treasury stock, at cost; 1,925,893 and 2,410,045 shares in 2021 and 2020, respectively	(54,051)	(67,639)
Total shareholders' equity	785,435	709,038
Total liabilities and shareholders' equity	$ 1,766,017	$ 1,751,673

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

CONMED CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Years Ended December 31, 2021, 2020 and 2019
(In thousands except per share amounts)

	2021	2020	2019
Net sales	$ 1,010,635	$ 862,459	$ 955,097
Cost of sales	442,599	402,159	430,382
Gross profit	568,036	460,300	524,715
Selling and administrative expense	414,754	373,817	400,141
Research and development expense	43,565	40,473	45,460
Operating expenses	458,319	414,290	445,601
Income from operations	109,717	46,010	79,114
Interest expense	35,485	44,052	42,701
Other expense	1,127	355	5,188
Income before income taxes	73,105	1,603	31,225
Provision (benefit) for income taxes	10,563	(7,914)	2,605
Net income	$ 62,542	$ 9,517	$ 28,620
Per share data:			
Basic	$ 2.14	$ 0.33	$ 1.01
Diluted	$ 1.94	$ 0.32	$ 0.97
Other comprehensive income (loss), before income tax:			
Cash flow hedging	$ 12,660	$ (8,489)	$ (4,736)
Pension liability	9,163	(6,499)	35
Foreign currency translation adjustments	(7,072)	6,963	25
Other comprehensive income (loss), before income tax	$ 14,751	$ (8,025)	$ (4,676)
Provision (benefit) for income taxes related to items in other comprehensive income	5,273	(3,621)	(1,136)
Other comprehensive income (loss), net of income tax	$ 9,478	$ (4,404)	$ (3,540)
Comprehensive income	$ 72,020	$ 5,113	$ 25,080

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

CONMED CORPORATION
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
Years Ended December 31, 2021, 2020 and 2019
(In thousands)

	Common Stock		Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Shareholders' Equity
	Shares	Amount					
Balance at December 31, 2018	31,299	$ 313	$ 341,738	$ 464,851	$ (55,737)	$ (88,895)	$ 662,270
Common stock issued under employee plans			(3,843)			8,158	4,315
Stock-based compensation			11,779				11,779
Dividends on common stock ($.80 per share)				(22,627)			(22,627)
Convertible notes discount, net			39,145				39,145
Convertible notes debt issuance costs			(1,233)				(1,233)
Convertible notes hedge, net			(38,829)				(38,829)
Issuance of warrants			30,567				30,567
Comprehensive income (loss):							
Cash flow hedging loss, net					(3,592)		
Pension liability, net					27		
Foreign currency translation adjustments					25		
Net income				28,620			
Total comprehensive income							25,080
Balance at December 31, 2019	31,299	$ 313	$ 379,324	$ 470,844	$ (59,277)	$ (80,737)	$ 710,467
Common stock issued under employee plans			(9,807)			13,098	3,291
Stock-based compensation			13,111				13,111
Dividends on common stock ($.80 per share)				(22,944)			(22,944)
Comprehensive income (loss):							
Cash flow hedging loss, net					(6,438)		
Pension liability, net					(4,929)		
Foreign currency translation adjustments					6,963		
Net income				9,517			
Total comprehensive income							5,113
Balance at December 31, 2020	31,299	$ 313	$ 382,628	$ 457,417	$ (63,681)	$ (67,639)	$ 709,038
Common stock issued under employee plans			(2,192)			13,588	11,396
Stock-based compensation			16,335				16,335
Dividends on common stock ($.80 per share)				(23,354)			(23,354)
Comprehensive income (loss):							
Cash flow hedging gain, net					9,601		
Pension liability, net					6,949		
Foreign currency translation adjustments					(7,072)		
Net income				62,542			
Total comprehensive income							72,020
Balance at December 31, 2021	31,299	$ 313	$ 396,771	$ 496,605	$ (54,203)	$ (54,051)	$ 785,435

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

CONMED CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended December 31, 2021, 2020 and 2019
(In thousands)

	2021	2020	2019
Cash flows from operating activities:			
Net income	$ 62,542	$ 9,517	$ 28,620
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	16,494	18,044	18,688
Amortization of debt discount	10,217	9,692	8,302
Amortization of deferred debt issuance costs	3,726	3,723	3,454
Amortization	54,249	54,581	53,635
Stock-based compensation	16,335	13,111	11,779
Impairment charges	—	—	312
Deferred income taxes	3,005	(14,234)	(6,310)
Loss on early extinguishment of debt	899	—	300
Increase (decrease) in cash flows from changes in assets and liabilities, net of acquired assets:			
Accounts receivable	(9,159)	13,920	(13,943)
Inventories	(37,806)	(30,397)	(117)
Accounts payable	4,890	(2,977)	38
Income taxes	(1,675)	(1,644)	(1,867)
Accrued compensation and benefits	11,067	(4,123)	9,957
Other assets	(24,005)	(8,170)	(22,263)
Other liabilities	991	3,488	4,548
Net cash provided by operating activities	111,770	64,531	95,133
Cash flows from investing activities:			
Purchases of property, plant and equipment	(14,866)	(13,013)	(20,066)
Payments related to business and asset acquisitions, net of cash acquired	—	(3,852)	(367,596)
Proceeds from sale of a facility	—	3,227	—
Net cash used in investing activities	(14,866)	(13,638)	(387,662)
Cash flows from financing activities:			
Payments on term loan	(66,654)	(13,250)	(154,312)
Proceeds from term loan	52,411	—	265,000
Payments on revolving line of credit	(393,753)	(212,000)	(484,000)
Proceeds from revolving line of credit	326,753	199,000	392,000
Proceeds from convertible notes	—	—	345,000
Payments on mortgage notes	—	—	(836)
Payments related to contingent consideration	(6,222)	(2,671)	(6,466)
Payments related to debt issuance costs	(2,000)	(3,153)	(16,210)
Dividends paid on common stock	(23,256)	(22,818)	(22,600)
Purchases of convertible notes hedges	—	—	(51,198)
Proceeds from issuance of warrants	—	—	30,567
Other, net	11,173	2,833	3,936
Net cash provided by (used in) financing activities	(101,548)	(52,059)	300,881
Effect of exchange rate changes on cash and cash equivalents	(1,865)	2,666	(7)
Net increase (decrease) in cash and cash equivalents	(6,509)	1,500	8,345
Cash and cash equivalents at beginning of year	27,356	25,856	17,511
Cash and cash equivalents at end of year	$ 20,847	$ 27,356	$ 25,856

	2021	2020	2019
Non-cash investing and financing activities:			
Contractual obligations from asset acquisition	$ —	$ —	$ 5,639
Dividends payable	5,874	5,775	5,684
Supplemental disclosures of cash flow information:			
Cash paid during the year for:			
Interest	$ 21,797	$ 30,448	$ 27,274
Income taxes	8,559	9,120	10,576

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

Note 1 — Operations and Significant Accounting Policies

Organization and operations

CONMED Corporation ("CONMED", the "Company", "we" or "us") is a medical technology company that provides devices and equipment for surgical procedures. The Company's products are used by surgeons and other healthcare professionals in a variety of specialties including orthopedics, general surgery, gynecology, thoracic surgery and gastroenterology.

Principles of consolidation

The consolidated financial statements include the accounts of CONMED Corporation and its controlled subsidiaries. All significant intercompany accounts and transactions have been eliminated.

Use of estimates

The preparation of 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 financial statements and the reported amount of revenues and expenses during the reporting period. The Company considered COVID-19 related impacts on its estimates, as appropriate, within its consolidated financial statements and there may be changes to those estimates in future periods. The Company believes that the accounting estimates are appropriate after giving consideration to the increased uncertainties surrounding the severity and duration of the COVID-19 pandemic. 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	12 to 40 years
Leasehold improvements	Shorter of life of asset or life of lease
Machinery and equipment	2 to 15 years

Leases

The Company leases various manufacturing facilities, office facilities and equipment under operating and finance leases. We determine if an arrangement is a lease at inception. Right-of-use ("ROU") assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. We use the implicit rate when readily determinable. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Certain of our leases include variable lease payments, mainly when a lease is tied to an index rate. These variable lease payments are recorded as expense in the period incurred and are not material.

The Company has lease agreements with lease and non-lease components, which we account for separately. For certain equipment leases, we apply a portfolio approach to efficiently account for the operating lease ROU assets and lease liabilities. We also elected the short-term lease exemption and do not recognize leases with terms less than one year on the balance sheet. The related short-term lease expense is not material.

Our leases have remaining lease terms of one year to ten years, some of which include options to extend the leases for up to five years, and some of which include options to terminate the leases within one year. We only account for such extensions or early terminations when it is reasonably certain we will exercise such options. Refer to Note 5 for further detail on leases.

The Company places certain of our capital equipment with customers on a loaned basis and at no charge in exchange for commitments to purchase related single-use products over time periods generally ranging from one to three years. Placed equipment is loaned and subject to return if minimum single-use purchases are not met. The Company accounts for these placements as operating leases but applies a practical expedient and does not separate the non-lease and lease components from the combined component. Accordingly, the Company accounts for the combined component as a single performance obligation with revenue recognized upon shipment of the related single use-products. The cost of the equipment is amortized over its estimated useful life which is generally five years.

Goodwill and other intangible assets

We have a history of growth through acquisitions. Assets and liabilities of acquired businesses are recorded at their estimated fair values as of the date of acquisition. Goodwill represents costs in excess of fair values assigned to the underlying net assets of acquired businesses. Factors that contribute to the recognition of goodwill include synergies expected to increase net sales and profits; acquisition of a talented workforce; cost savings opportunities; the strategic benefit of expanding our presence in core and adjacent markets; and diversifying our product portfolio. Customer and distributor relationships, trademarks, tradenames, developed technology, patents and other intangible assets primarily represent allocations of purchase price to identifiable intangible assets of acquired businesses. Sales representation, marketing and promotional rights represent intangible assets created under our agreement with Musculoskeletal Transplant Foundation (“MTF”).

Goodwill and intangible assets deemed to have indefinite lives are not amortized, but are subject to at least annual impairment testing. It is our policy to perform our annual impairment testing in the fourth quarter. The identification and measurement of goodwill impairment involves the estimation of the fair value of our business. Estimates of fair value are based on the best information available as of the date of the assessment. We completed our goodwill impairment testing of our single reporting unit during the fourth quarter of 2021. We performed our impairment test utilizing the market capitalization approach to determine whether the fair value of a reporting unit is less than its carrying amount. Based upon our assessment, the fair value of our reporting unit continues to exceed carrying value.

Intangible assets with a finite life are amortized over the estimated useful life of the asset and are evaluated each reporting period to determine whether events and circumstances warrant a revision to the remaining period of amortization. Intangible assets subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The carrying amount of an intangible asset subject to amortization is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use of the asset. An impairment loss is recognized by reducing the carrying amount of the intangible asset to its current fair value.

For all other indefinite-lived intangible assets, we perform a qualitative impairment test. Based upon this assessment, we have determined that our indefinite-lived intangible assets are not impaired.

Other long-lived assets

We review other long-lived assets consisting of property, plant and equipment and 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, 2021 and 2020 is $42.5 million and $43.3 million, respectively.

Translation of foreign currency financial statements

Assets and liabilities of foreign subsidiaries have been translated into United States dollars at the applicable rates of exchange in effect at the end of the period reported. Revenues and expenses have been translated at the applicable weighted average rates of exchange in effect during the period reported. Translation adjustments are reflected in accumulated other comprehensive loss. Transaction gains and losses are included in net income.

Foreign exchange and hedging activity

We manage our foreign currency transaction risks through the use of forward contracts to hedge forecasted cash flows associated with foreign currency transaction exposures. We account for these forward contracts as cash flow hedges. To the extent these forward contracts meet hedge accounting criteria, changes in their fair value are not included in current earnings but are included in accumulated other comprehensive loss. These changes in fair value will be reclassified into earnings as a component of sales or cost of sales when the forecasted transaction occurs.

We also enter into forward contracts to exchange foreign currencies for United States dollars in order to hedge our currency transaction exposures on intercompany receivables denominated in foreign currencies. These forward contracts settle each month at month-end, at which time we enter into new forward contracts. We have not designated these forward contracts as hedges and have not applied hedge accounting to them. We record these forward contracts at fair value with resulting gains and losses included in selling and administrative expense in the consolidated statements of comprehensive income.

Income taxes

Deferred income tax assets and liabilities are based on the difference between the financial statement and tax basis of assets and liabilities and operating loss and tax credit carryforwards as measured by the enacted tax rates that are anticipated to be in effect in the respective jurisdictions when these differences reverse. The deferred income tax provision generally represents the net change in the assets and liabilities for deferred income taxes. A valuation allowance is established when it is necessary to reduce deferred income tax assets to amounts for which realization is likely. In assessing the need for a valuation allowance, we estimate future taxable income, considering the feasibility of ongoing tax planning strategies and the realizability of tax loss carryforwards following tax law ordering rules. Valuation allowances related to deferred tax assets may be impacted by changes to tax laws, changes to statutory tax rates, reversal of temporary differences and ongoing and future taxable income levels.

Deferred income taxes are not provided on the unremitted earnings of certain subsidiaries outside of the United States earned after December 31, 2017 as it is expected that these earnings are permanently reinvested. Such earnings may become taxable upon a repatriation of assets from a subsidiary or the sale or liquidation of a subsidiary. Deferred income taxes are provided when the Company no longer considers subsidiary earnings to be permanently invested, such as in situations where the Company's subsidiaries plan to make future dividend distributions.

Revenue recognition

The Company recognizes revenue when we have satisfied a performance obligation by transferring a promised good or service (that is an asset) to a customer. An asset is transferred when the customer obtains control of that asset. The following policies apply to our major categories of revenue transactions:

- Revenue is recognized when product is shipped at which point the performance obligation is satisfied and the customer obtains control of the product.

- We place certain of our capital equipment with customers on a loaned basis and at no charge in exchange for commitments to purchase related single-use products over time periods generally ranging from one to three years. In these circumstances, no revenue is recognized upon capital equipment shipment as the equipment is loaned and subject to return if certain minimum single-use purchases are not met. Revenue is recognized upon the sale and shipment of the related single-use products. The cost of the equipment is amortized over its estimated useful life which is generally five years.

- We recognize revenues in accordance with the terms of our agreement with MTF on a net basis as our role is that of an agent earning a commission or fee. MTF is responsible for the sourcing, processing and distribution of allograft tissue for sports medicine procedures while the Company represents, markets and promotes MTF's sports medicine allograft tissues to customers. The Company is paid a fee by MTF which is calculated as a percentage of the net amounts invoiced by MTF to customers for sports medicine allograft tissues. The Company accounts for the services provided to MTF as a series of distinct performance obligations and each service is recognized over time as MTF simultaneously receives and consumes the benefit.

- 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 and provisions for warranty are provided at the time of product sale based upon an analysis of historical data.

- 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 $17.0 million, $14.6 million and $15.4 million for 2021, 2020 and 2019, respectively.

- We sell to a diversified base of customers around the world and, therefore, believe there is no material concentration of credit risk.

- We assess the risk of loss on accounts receivable and adjust the allowance for doubtful accounts based on this risk assessment. We do so by applying historical loss rates to our accounts receivable aging schedule to estimate expected credit losses. We further adjusted expected credit losses for specifically identified and forecasted credit losses. Historically, losses on accounts receivable have not been material. Management believes that the allowance for doubtful accounts is adequate to provide for probable losses resulting from accounts receivable.

- We sell extended warranties to customers that are typically for a period of one to three years. The related revenue is recorded as a contract liability and recognized over the life of the contract on a straight-line basis, which is reflective of our obligation to stand ready to provide repair services.

  Please refer to Note 10 for further detail on revenue.

Earnings per share

Basic earnings per share ("basic EPS") is computed by dividing net income by the weighted average number of common shares outstanding for the reporting period. Diluted earnings per share ("diluted EPS") gives effect to all dilutive potential shares outstanding resulting from employee stock options, restricted stock units, performance share units and stock appreciation rights during the period. The following table sets forth the computation of basic and diluted earnings per share at December 31, 2021, 2020 and 2019, respectively:

	2021	2020	2019
Net income	$ 62,542	$ 9,517	$ 28,620
Basic-weighted average shares outstanding	29,162	28,581	28,325
Effect of dilutive potential securities	3,054	883	1,170
Diluted-weighted average shares outstanding	32,216	29,464	29,495
Net income (per share)			
Basic	$ 2.14	$ 0.33	$ 1.01
Diluted	1.94	0.32	0.97

The shares used in the calculation of diluted EPS exclude options and stock appreciation rights ("SARs") to purchase shares where the exercise price was greater than the average market price of common shares for the year and the effect of the inclusion would be anti-dilutive. Such shares aggregated approximately 0.6 million, 1.4 million and 0.7 million at December 31, 2021, 2020 and 2019, respectively. As more fully described in Note 7, our 2.625% convertible notes due in 2024 (the "Notes") are convertible under certain circumstances, as defined in the indenture, into a combination of cash and CONMED common stock.

The following is intended to describe the impact of the Notes and related hedge transactions on the calculation of diluted EPS. Additional shares to be issued pursuant to the terms of the Notes and related hedge transactions, if any, would occur at maturity.

The calculation of diluted EPS would include potential diluted shares upon conversion of the Notes when the average market price per share of our common stock for the period, is greater than the conversion price of the Notes of $88.80. We intend to settle in cash the principal outstanding and use the treasury stock method when calculating their potential dilutive effect, if any.

During the year ended December 31, 2021, our average share price exceeded the conversion price of the Notes and we included in our diluted share count 1.3 million shares assumed to be issued if the Notes were converted. During the years ended December 31, 2020 and 2019, our average share price had not exceeded the conversion price of the Notes; therefore, under the net share settlement method, there were no potential shares issuable under the Notes to be used in the calculation of diluted EPS.

We previously entered into convertible note hedge transactions to increase the effective conversion price of the Notes to $114.92. However, our convertible notes hedges are not included when calculating potential dilutive shares since their effect is always anti-dilutive.

Concurrently with entering into the hedge transactions, we also previously entered into warrant transactions under which we agreed to sell shares of our common stock at $114.92.

The calculation of diluted EPS also includes potential diluted shares to be issued under the warrants when the average market price per share of our common stock for the period is greater than $114.92. During the year ended December 31, 2021, our average share price exceeded $114.92 and we therefore included in our diluted share count an additional 0.5 million shares assumed to be issued under the warrants. During the years ended December 31, 2020 and 2019, our average share price had not exceeded $114.92; therefore, there were no potential shares issuable under the warrants to be used in the calculation of diluted EPS.

Stock-based compensation

All share-based payments to employees, including grants of employee stock options, restricted stock units, performance share units and stock appreciation rights are recognized in the financial statements at their fair values. Compensation expense is generally recognized using a straight-line method over the vesting period. Compensation expense for performance share units is recognized using the graded vesting method.

We issue shares under our stock based compensation plans out of treasury stock whereby treasury stock is reduced by the weighted average cost of such treasury stock. To the extent there is a difference between the cost of the treasury stock and the exercise price of shares issued under stock based compensation plans, we record gains to paid in capital; losses are recorded to paid in capital to the extent any gain was previously recorded, otherwise the loss is recorded to retained earnings.

Accumulated other comprehensive loss

Accumulated other comprehensive loss consists of the following:

	Cash Flow Hedging Gain (Loss)	Pension Liability	Foreign Currency Translation Adjustments	Accumulated Other Comprehensive Loss
Balance, December 31, 2018	$ 4,085	$ (31,718)	$ (28,104)	$ (55,737)
Other comprehensive income (loss) before reclassifications, net of tax	2,936	(2,158)	25	803
Amounts reclassified from accumulated other comprehensive income before tax[(a)]	(8,607)	2,881	—	(5,726)
Income tax	2,079	(696)	—	1,383
Net current-period other comprehensive income (loss)	(3,592)	27	25	(3,540)
Balance, December 31, 2019	$ 493	$ (31,691)	$ (28,079)	$ (59,277)
Other comprehensive income (loss) before reclassifications, net of tax	(5,393)	(7,068)	6,963	(5,498)
Amounts reclassified from accumulated other comprehensive income (loss) before tax[(a)]	(1,378)	2,821	—	1,443
Income tax	333	(682)	—	(349)
Net current-period other comprehensive income (loss)	(6,438)	(4,929)	6,963	(4,404)
Balance, December 31, 2020	$ (5,945)	$ (36,620)	$ (21,116)	$ (63,681)
Other comprehensive income (loss) before reclassifications, net of tax	6,560	4,426	(7,072)	3,914
Amounts reclassified from accumulated other comprehensive income (loss) before tax[(a)]	4,010	3,327	—	7,337
Income tax	(969)	(804)	—	(1,773)
Net current-period other comprehensive income (loss)	9,601	6,949	(7,072)	9,478
Balance, December 31, 2021	$ 3,656	$ (29,671)	$ (28,188)	$ (54,203)

(a) The cash flow hedging gain (loss) and pension liability accumulated other comprehensive income components are included in sales or cost of sales and as a component of net periodic pension cost, respectively. Refer to Note 16 and Note 12, respectively, for further details.

Note 2 – Business Acquisitions

On February 11, 2019 we acquired Buffalo Filter, LLC and all of the issued and outstanding common stock of Palmerton Holdings, Inc. from Filtration Group FGC LLC (the "Buffalo Filter Acquisition") for approximately $365 million in cash. Buffalo Filter develops, manufactures and markets smoke evacuation technologies that are complementary to our general surgery offering. The business combination was funded through a combination of cash on hand and long-term borrowings as further described in Note 7.

The unaudited pro forma information for the year ended December 31, 2019, assuming the Buffalo Filter Acquisition occurred as of January 1, 2018 is presented below. This information has been prepared for comparative purposes only and does not purport to be indicative of the results of operations which actually would have resulted had the Buffalo Filter acquisition occurred on the dates indicated, or which may result in the future.

	2019
Net sales	$ 960,115
Net income	44,361

These pro forma results include certain adjustments, primarily due to increases in amortization expense due to fair value adjustments of intangible assets, increases in interest expense due to additional borrowings incurred to finance the acquisition, and acquisition related costs including transaction costs such as legal, accounting, valuation and other professional services as well as integration costs such as severance and retention.

Net sales associated with Buffalo Filter of $49.6 million have been recorded in the consolidated statement of comprehensive income for the year ended December 31, 2019. It is impracticable to determine the earnings recorded in the consolidated statement of comprehensive income for the year ended December 31, 2019 as these amounts are not separately measured.

Note 3 — Inventories

Inventories consist of the following at December 31:

	2021	2020
Raw materials	$ 83,386	$ 71,807
Work in process	17,449	15,864
Finished goods	130,809	107,197
	$ 231,644	$ 194,868

Note 4 — Property, Plant and Equipment

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

	2021	2020
Land	$ 4,027	$ 4,027
Building and improvements	95,518	93,886
Machinery and equipment	256,478	243,810
Construction in progress	16,601	15,680
	372,624	357,403
Less: Accumulated depreciation	(263,761)	(245,996)
	$ 108,863	$ 111,407

Internal-use software, included in gross machinery and equipment at December 31, 2021 and 2020 was $49.1 million and $50.3 million, respectively, with related accumulated depreciation of $45.3 million and $42.9 million, respectively. Internal use software depreciation expense was $3.3 million, $4.7 million and $4.8 million for the years ended December 31, 2021, 2020 and 2019, respectively. Also, during 2020, we sold a vacant facility for $3.2 million.

Note 5 – Leases

Lease costs for the year ended December 31, consist of the following:

	2021	2020	2019
Operating lease cost:			
Straight-line lease cost	$ 7,720	$ 7,255	$ 7,780
Right-of-use asset impairment cost	—	—	312
Total operating lease cost	7,720	7,255	8,092
Finance lease cost:			
Depreciation	389	355	238
Interest on lease liabilities	30	33	27
Total finance lease cost	419	388	265
Total lease cost	$ 8,139	$ 7,643	$ 8,357

Supplemental balance sheet information related to leases as of December 31, is as follows:

	2021	2020
Operating leases		
Other assets	$ 19,425	$ 21,659
Other current liabilities	$ 7,162	$ 7,469
Other long-term liabilities	12,726	14,756
Total operating lease liabilities	$ 19,888	$ 22,225
Finance leases		
Property, plant and equipment, gross	$ 1,984	$ 1,762
Accumulated depreciation	(1,145)	(825)
Property, plant and equipment, net	$ 839	$ 937
Current portion of long-term debt	$ 324	$ 197
Long-term debt	240	390
Total finance lease liabilities	$ 564	$ 587
Weighted average remaining lease term (in years)		
Operating leases	3.90 years	3.76 years
Finance leases	3.05 years	3.22 years
Weighted average discount rate		
Operating leases	5.02 %	5.00 %
Finance leases	4.47 %	4.93 %

Supplemental cash flow information related to leases for the year ended December 31, was as follows:

	2021	2020	2019
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	$ 7,791	$ 7,535	$ 8,459
Financing cash flows from finance leases	287	373	380
Right-of-use assets obtained in exchange for lease obligations:			
Operating leases	4,704	4,242	12,800
Finance leases	305	76	563

Maturities of lease liabilities as of December 31, 2021 are as follows:

	Finance Lease	Operating Lease
2022	$ 324	$ 7,162
2023	188	5,830
2024	62	4,555
2025	8	1,637
2026	5	795
Thereafter	1	2,174
Total lease payments	588	22,153
Less imputed interest	(24)	(2,265)
Total lease liabilities	$ 564	$ 19,888

As of December 31, 2021, we have entered into approximately $0.1 million of operating leases that have not yet commenced. As of December 31, 2021 we have not entered into any finance leases that have not yet commenced.

Note 6 – Goodwill and Other Intangible Assets

The changes in the net carrying amount of goodwill for the years ended December 31, are as follows:

	2021	2020
Balance as of January 1,	$ 618,440	$ 618,042
Goodwill adjustment resulting from business combinations	—	(1,009)
Foreign currency translation	(912)	1,407
Balance as of December 31,	$ 617,528	$ 618,440

Total accumulated goodwill impairment losses aggregated $107.0 million at December 31, 2021 and 2020, respectively. During 2019, the Company acquired a distributor and in 2020 recorded a measurement period adjustment related to the acquired distributor.

Other intangible assets consist of the following:

	December 31, 2021			December 31, 2020	
	Weighted Average Amortization Period (Years)	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Intangible assets with definite lives:	22				
Customer and distributor relationships	24	$ 342,452	$ (152,934)	$ 342,639	$ (134,555)
Sales representation, marketing and promotional rights	25	149,376	(60,000)	149,376	(54,000)
Patents and other intangible assets	16	76,392	(50,890)	73,516	(48,882)
Developed technology	16	106,604	(26,495)	106,604	(19,705)
Intangible assets with indefinite lives:					
Trademarks and tradenames		86,544	—	86,544	—
		$ 761,368	$ (290,319)	$ 758,679	$ (257,142)

Amortization expense related to intangible assets which are subject to amortization totaled $33.3 million, $34.2 million and $32.3 million for the years ending December 31, 2021, 2020 and 2019, respectively, and is included as a reduction of revenue (for amortization related to our sales representation, marketing and promotional rights) and in selling and administrative expense (for all other intangible assets) in the consolidated statements of comprehensive income.

The estimated amortization expense related to intangible assets at December 31, 2021 and for each of the five succeeding years is as follows:

	Amortization included in expense	Amortization recorded as a reduction of revenue	Total
2022	$ 26,397	$ 6,000	$ 32,397
2023	25,665	6,000	31,665
2024	24,947	6,000	30,947
2025	25,140	6,000	31,140
2026	24,651	6,000	30,651

Note 7 — Long Term Debt

Long-term debt consists of the following at December 31:

	2021	2020
Revolving line of credit	$ 140,000	$ 207,000
Term loan, net of deferred debt issuance costs of $1,373 and $1,668 in 2021 and 2020, respectively	226,196	240,145
2.625% convertible notes, net of deferred debt issuance costs of $3,700 and $5,475 in 2021 and 2020, respectively, and unamortized discount of $23,404 and $33,620 in 2021 and 2020, respectively	317,896	305,904
Financing leases	564	587
Total debt	684,656	753,636
Less: Current portion	12,249	18,415
Total long-term debt	$ 672,407	$ 735,221

On July 16, 2021, we entered into a seventh amended and restated senior credit agreement consisting of: (a) a $233.5 million term loan facility and (b) a $585.0 million revolving credit facility. The revolving credit facility will terminate and the loans outstanding under the term loan facility will expire on July 16, 2026. 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. Interest rates are at LIBOR (subject to 0.125% floor) plus an interest rate margin of 1.50% (1.625% at December 31, 2021). For borrowings where we elect to use the alternate base rate, the initial base rate is the greatest of (i) the Prime Rate, (ii) the Federal Funds Rate plus 0.50% or (iii) the one-month Adjusted LIBOR plus 1.00%, plus, in each case, an interest rate margin.

There were $227.6 million in borrowings outstanding on the term loan facility as of December 31, 2021. There were $140.0 million in borrowings outstanding under the revolving credit facility as of December 31, 2021. Our available borrowings on the revolving credit facility at December 31, 2021 were $442.5 million with approximately $2.5 million of the facility set aside for outstanding letters of credit. The carrying amounts of the term loan and revolving credit facility approximate fair value.

The seventh amended and restated senior credit agreement is collateralized by substantially all of our personal property and assets. The seventh amended and restated senior credit agreement contains covenants and restrictions which, among other things, require the maintenance of certain financial ratios and restrict dividend payments and the incurrence of certain indebtedness and other activities, including acquisitions and dispositions. We were in full compliance with these covenants and restrictions as of December 31, 2021. We are also required, under certain circumstances, to make mandatory prepayments from net cash proceeds from any issuance of equity and asset sales.

On January 29, 2019, we issued $345.0 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 $88.80 per share of common stock). Holders of the Notes may convert the 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 the 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 as further described below.

Our effective borrowing rate for nonconvertible debt at the time of issuance of the Notes was estimated to be 6.14%, which resulted in $51.6 million of the $345.0 million aggregate principal amount of Notes issued, or $39.1 million after taxes, being attributable to equity. For the years ended December 31, 2021, 2020 and 2019, we have recorded interest expense related to the amortization of debt discount on the Notes of $10.2 million, $9.7 million and $8.3 million respectively, at the effective interest rate of 6.14%. The debt discount on the Notes is being amortized through February 2024. For the years ended December 31, 2021, 2020 and 2019, we have recorded interest expense on the Notes of $9.1 million, $9.1 million and $8.4 million, respectively, at the contractual coupon rate of 2.625%.

The estimated fair value of the Notes was approximately $576.0 million as of December 31, 2021 based on a market approach which represents a Level 2 valuation in the fair value hierarchy. The estimated fair value was determined based on the estimated or actual bids and offers of the Notes in an over-the-counter market transaction on the last business day of the period.

In connection with the offering of the Notes, we entered into convertible note hedge transactions with a number of financial institutions (each, an "option counterparty"). The convertible note hedge transactions cover, subject to anti-dilution adjustments substantially similar to those applicable to the Notes, the number of shares of our common stock underlying the Notes. Concurrently with entering into the convertible note hedge transactions, we also entered into separate warrant transactions with each option counterparty whereby we sold to such option counterparty warrants to purchase, subject to customary anti-dilution adjustments, the same number of shares of our common stock.

The convertible note hedge transactions are expected generally to reduce the potential dilution upon conversion of the Notes and/or offset any cash payments we are required to make in excess of the principal amount of converted Notes, as the case may be, in the event that the market price per share of our common stock, as measured under the terms of the convertible note hedge transactions, is greater than the strike price of the convertible note hedge transactions, which initially corresponds to the conversion price of the Notes and is subject to anti-dilution adjustments substantially similar to those applicable to the conversion rate of the Notes. If, however, the market price per share of our common stock, as measured under the terms of the warrant transactions, exceeds the strike price ($114.92) of the warrants, there would nevertheless be dilution to the extent that such market price exceeds the strike price of the warrants, unless we elect to settle the warrants in cash.

See additional discussion regarding a new accounting standard and related impact on our Notes in Note 17.

The scheduled maturities of long-term debt outstanding at December 31, 2021 are as follows:

2022	$ 11,925
2023	14,906
2024	365,869
2025	23,850
2026	296,019

The above amounts exclude debt discount,deferred debt issuance costs and financing leases.

Note 8 — Income Taxes

The provision (benefit) for income taxes for the years ended December 31, 2021, 2020 and 2019 consists of the following:

	2021	2020	2019
Current tax expense (benefit):			
Federal	$ (97)	$ (729)	$ 96
State	609	86	444
Foreign	7,046	6,963	8,375
	7,558	6,320	8,915
Deferred income tax expense (benefit):			
Federal	3,466	(12,253)	(3,970)
State	1,449	(1,173)	(938)
Foreign	(1,910)	(808)	(1,402)
	3,005	(14,234)	(6,310)
Provision (benefit) for income taxes	$ 10,563	$ (7,914)	$ 2,605

A reconciliation between income taxes computed at the statutory federal rate and the provision (benefit) for income taxes for the years ended December 31, 2021, 2020 and 2019 follows:

	2021	2020	2019
Tax provision at statutory rate based on income before income taxes	21.0 %	21.0 %	21.0 %
Stock-based compensation	(9.4)	(267.7)	(15.4)
Federal research credit	(2.3)	(124.2)	(4.0)
Valuation allowance	(2.2)	49.7	1.9
US tax on worldwide earnings at different rates	(0.4)	(123.7)	7.9
Settlement of taxing authority examinations	—	(122.9)	(7.7)
Tax treaty protocols	—	—	(2.9)
Non deductible/non-taxable items	0.8	28.6	2.8
Foreign income taxes	3.1	79.9	4.5
State income taxes, net of federal tax benefit	3.7	(24.5)	0.3
Other, net	0.1	(10.1)	(0.1)
	14.4 %	(493.9)%	8.3 %

The Company has elected to account for Global Intangible Low Tax Income ("GILTI") using the period cost method. The net impact of GILTI including the allowable GILTI deduction is presented in the rate reconciliation as a component of "US tax on worldwide earnings at different rates" and is offset in part by the Foreign Derived Intangible Income deduction ("FDII").

The tax effects of the significant temporary differences which comprise the deferred income tax assets and liabilities at December 31, 2021 and 2020 are as follows:

	2021	2020
Assets:		
Inventory	$ 4,694	$ 4,649
Net operating losses	18,383	22,197
Capitalized research and development	4,173	5,187
Deferred compensation	2,563	2,240
Accounts receivable	3,147	2,784
Compensation and benefits	6,583	7,540
Accrued pension	3,930	5,348
Research and development credit	15,542	13,540
Convertible notes hedge	4,869	6,999
Lease liabilities	3,573	4,452
Other	5,741	6,793
Less: valuation allowances	(786)	(2,721)
	72,412	79,008
Liabilities:		
Goodwill and intangible assets	106,065	104,119
Depreciation	2,546	2,512
State taxes	11,833	9,614
Unremitted foreign earnings	2,449	2,423
Convertible notes debt discount	4,915	7,060
Lease right-of-use assets	3,484	4,313
	131,292	130,041
Net liability	$ (58,880)	$ (51,033)

Income before income taxes consists of the following U.S. and foreign income:

	2021	2020	2019
U.S. income	$ 45,260	$ (16,026)	$ 5,332
Foreign income	27,845	17,629	25,893
Total income	$ 73,105	$ 1,603	$ 31,225

As of December 31, 2021, the amount of federal net operating loss carryforward was $15.7 million and begins to expire in 2027. As of December 31, 2021, the amount of federal research credit carryforward available was $15.5 million. These credits begin to expire in 2027.

We have accrued tax liabilities related to the amount of unremitted earnings at December 31, 2017 and certain subsequent unremitted earnings as these are not considered permanently reinvested. Deferred taxes have not been accrued on unremitted earnings subsequent to December 31, 2017 that are considered permanently reinvested. The amount of such untaxed foreign earnings for the periods occurring after December 2017 totaled $20.3 million. If we were to repatriate these funds, we would be required to accrue and pay taxes on such amounts. The Company has estimated foreign withholding taxes of $0.9 million would be due if these earnings were repatriated.

The Company is subject to taxation in the United States and various states and foreign jurisdictions. Taxing authority examinations can involve complex issues and may require an extended period of time to resolve. Our federal income tax returns have been examined by the Internal Revenue Service ("IRS") for calendar years ending through 2019.

We recognize tax liabilities in accordance with the provisions for accounting for uncertainty in income taxes. Such guidance prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

The following table summarizes the activity related to our unrecognized tax benefits for the years ending December 31,:

	2021	2020	2019
Balance as of January 1,	$ 200	$ 2,170	$ 3,073
Increases for positions taken in current periods	—	—	1,650
Decreases in unrecorded tax positions related to settlement with the taxing authorities	—	(1,970)	(2,404)
Decreases in unrecorded tax positions related to lapse of statute of limitations	—	—	(149)
Balance as of December 31,	$ 200	$ 200	$ 2,170

If the total unrecognized tax benefits of $0.2 million at December 31, 2021 were recognized, it would reduce our annual effective tax rate. The amount of interest accrued in 2019, 2020 and 2021 related to these unrecognized tax benefits was not material and is included in the provision (benefit) for income taxes in the consolidated statements of comprehensive income.

Note 9 – Shareholders' Equity

On February 29, 2012, the Board of Directors adopted a cash dividend policy and declared an initial quarterly dividend of $0.15 per share. On October 28, 2013, the Board of Directors increased the quarterly dividend to $0.20 per share. The total dividend per share was $0.80 for each of 2021, 2020 and 2019. The fourth quarter dividend for 2021 was paid on January 5, 2022 to shareholders of record as of December 15, 2021. The total dividend payable was $5.9 million and $5.8 million at December 31, 2021 and 2020, respectively, and is included in other current liabilities in the consolidated balance sheet.

Our shareholders have authorized 500,000 shares of preferred stock, par value $.01 per share, which may be issued in one or more series by the Board of Directors without further action by the shareholders. As of December 31, 2021 and 2020, no preferred stock had been issued.

Our Board of Directors has authorized a $200.0 million share repurchase program. Through December 31, 2021, we have repurchased a total of 6.1 million shares of common stock aggregating $162.6 million under this authorization and have $37.4 million remaining available for share repurchases. The repurchase program calls for shares to be purchased in the open market or in private transactions from time to time. We may suspend or discontinue the share repurchase program at any time. During 2021, 2020, and 2019 we did not repurchase any shares.

We have reserved 6.7 million shares of common stock for issuance to employees and directors under two shareholder approved share-based compensation plans (the "Plans") of which approximately 3.4 million shares remain available for grant at December 31, 2021. The exercise price on all outstanding stock options and stock appreciation rights ("SARs") is equal to the quoted fair market value of the stock at the date of grant. Restricted stock units ("RSUs") and performance stock units ("PSUs") are valued at the market value of the underlying stock on the date of grant. Stock options, SARs, RSUs and PSUs are generally non-transferable other than on death and generally become exercisable over a 4 to 5 year period from date of grant. Stock options and SARs expire 10 years from date of grant. SARs are only settled in shares of the Company's stock. The issuance of shares pursuant to the exercise of stock options and SARs and vesting of RSUs and PSUs are from the Company's treasury stock.

Total pre-tax stock-based compensation expense recognized in the consolidated statements of comprehensive income was $16.3 million, $13.1 million and $11.8 million for the years ended December 31, 2021, 2020 and 2019, respectively. These amounts are included in selling and administrative expense. Tax related benefits of $3.9 million, $3.2 million and $2.8 million were also recognized for the years ended December 31, 2021, 2020 and 2019, respectively. Cash received from the exercise of stock options was $19.6 million, $13.7 million and $7.7 million for the years ended December 31, 2021, 2020 and 2019, respectively, and is reflected in cash flows from financing activities in the consolidated statements of cash flows.

The Company uses the Black-Scholes option pricing model to estimate the fair value of stock options and SARs at the date of grant. Use of a valuation model requires management to make certain assumptions with respect to select model inputs. Expected volatilities are based upon historical volatility of the Company's stock over a period equal to the expected life of each stock option and SAR grant. The risk free interest rate is based on the stock option and SAR grant date for a traded U.S. Treasury bond with a maturity date closest to the expected life. The expected annual dividend yield is based on the Company's anticipated cash dividend payouts. The expected life represents the period of time that the stock options and SARs are expected to be outstanding based on a study of historical data of option holder exercise and termination behavior. Forfeitures are recognized as incurred.

The following table illustrates the assumptions used in estimating fair value in the years ended December 31, 2021, 2020 and 2019:

	2021	2020	2019
Grant date fair value of stock options and SARs	$ 42.47	$ 22.62	$ 20.59
Expected stock price volatility	39.27 %	26.89 %	26.59 %
Risk-free interest rate	0.81 %	0.89 %	2.58 %
Expected annual dividend yield	0.64 %	0.82 %	1.08 %
Expected life of options & SARs (years)	5.5	5.5	5.6

The following table illustrates the stock option and SAR activity for the year ended December 31, 2021:

	Number of Shares (in 000's)	Weighted-Average Exercise Price
Outstanding at December 31, 2020	3,336	$ 66.76
Granted	701	$ 123.21
Forfeited	(177)	$ 82.35
Exercised	(596)	$ 51.59
Outstanding at December 31, 2021	3,264	$ 80.79
Exercisable at December 31, 2021	1,284	$ 59.40
Stock options & SARs expected to vest	1,980	$ 94.67

The weighted average remaining contractual term for SARs and stock options outstanding and exercisable at December 31, 2021 was 7.0 years and 5.5 years, respectively. The aggregate intrinsic value of SARs and stock options outstanding and exercisable at December 31, 2021 was $199.0 million and $105.8 million, respectively. The aggregate intrinsic value of stock options and SARs exercised during the years ended December 31, 2021, 2020 and 2019 was $49.2 million, $26.6 million and $17.0 million, respectively.

The following table illustrates the RSU activity for the year ended December 31, 2021:

	Number of Shares (in 000's)	Weighted-Average Grant-Date Fair Value
Outstanding at December 31, 2020	61	$ 77.03
Granted	21	$ 129.94
Vested	(30)	$ 73.11
Forfeited	(1)	$ 55.96
Outstanding at December 31, 2021	51	$ 101.55

The weighted average fair value of RSU awards granted in the years ended December 31, 2021, 2020 and 2019 was $129.94, $85.45 and $78.64, respectively.

The total fair value of RSUs and PSUs vested was $2.2 million, $6.2 million and $2.8 million for the years ended December 31, 2021, 2020 and 2019, respectively.

As of December 31, 2021, there was $45.4 million of total unrecognized compensation cost related to nonvested stock options, SARs and RSUs granted under the Plans which is expected to be recognized over a weighted average period of 3.5 years.

We offer to our employees a shareholder-approved Employee Stock Purchase Plan (the "Employee Plan"), under which we reserved 1.0 million shares of common stock for issuance to our employees. The Employee Plan provides employees with the opportunity to invest from 1% to 10% of their annual salary to purchase shares of CONMED common stock at a purchase price equal to 95% of the fair market value of the common stock on the exercise date. During 2021, we issued approximately 13,024 shares of common stock under the Employee Plan. No stock-based compensation expense has been recognized in the accompanying consolidated financial statements as a result of common stock issuances under the Employee Plan.

Note 10 — Revenues

The following tables present revenue disaggregated by product line and timing of revenue recognition for the years ended December 31, 2021, 2020 and 2019:

	2021		
	Orthopedic Surgery	General Surgery	Total
Timing of Revenue Recognition			
Goods transferred at a point in time	$ 398,963	$ 567,244	$ 966,207
Services transferred over time	39,461	4,967	44,428
Total sales from contracts with customers	$ 438,424	$ 572,211	$ 1,010,635

	2020		
	Orthopedic Surgery	General Surgery	Total
Timing of Revenue Recognition			
Goods transferred at a point in time	$ 340,318	$ 484,147	$ 824,465
Services transferred over time	34,387	3,607	37,994
Total sales from contracts with customers	$ 374,705	$ 487,754	$ 862,459

	2019		
	Orthopedic Surgery	General Surgery	Total
Timing of Revenue Recognition			
Goods transferred at a point in time	$ 426,893	$ 489,313	$ 916,206
Services transferred over time	36,429	2,462	38,891
Total sales from contracts with customers	$ 463,322	$ 491,775	$ 955,097

Revenue disaggregated by primary geographic market where the products are sold is included in Note 11.

Contract liability balances related to the sale of extended warranties to customers are as follows:

	December 31, 2021	December 31, 2020
Contract Liability	$ 16,760	$ 13,666

Revenue recognized during years ended December 31, 2021, 2020 and 2019 from amounts included in contract liabilities at the beginning of the period were $10.3 million, $9.3 million and $6.8 million, respectively. There were no material contract assets as of December 31, 2021 and December 31, 2020.

Note 11 — Business Segments and Geographic Areas

We are accounting and reporting for our business as a single operating segment entity engaged in the development, manufacturing and sale on a global basis of surgical devices and related equipment. Our chief operating decision maker (the CEO) evaluates the various global product portfolios on a net sales basis and evaluates profitability, investment, cash flow metrics and allocates resources on a consolidated worldwide basis due to shared infrastructure and resources. Our product lines consist of orthopedic surgery and general surgery. Orthopedic surgery consists of sports medicine instrumentation and small bone, large bone and specialty powered surgical instruments as well as imaging systems for use in minimally invasive surgical procedures and fees related to sales representation, promotion and marketing of sports medicine allograft tissue. General surgery consists of a complete line of endo-mechanical instrumentation for minimally invasive laparoscopic and gastrointestinal procedures, smoke evacuation devices, a line of cardiac monitoring products as well as electrosurgical generators and related instruments. These product lines' net sales and primary geographic market where the products are sold, are as follows for the years ended December 31, 2021, 2020 and 2019:

	2021		
	Orthopedic Surgery	General Surgery	Total
Primary Geographic Markets			
United States	$ 158,553	$ 393,980	$ 552,533
Europe, Middle East & Africa	108,457	81,238	189,695
Asia Pacific	107,590	63,628	171,218
Americas (excluding the United States)	63,824	33,365	97,189
Total sales from contracts with customers	$ 438,424	$ 572,211	$ 1,010,635

	2020		
	Orthopedic Surgery	General Surgery	Total
Primary Geographic Markets			
United States	$ 139,715	$ 342,349	$ 482,064
Europe, Middle East & Africa	90,998	70,086	161,084
Asia Pacific	93,636	46,961	140,597
Americas (excluding the United States)	50,356	28,358	78,714
Total sales from contracts with customers	$ 374,705	$ 487,754	$ 862,459

	2019		
	Orthopedic Surgery	General Surgery	Total
Primary Geographic Markets			
United States	$ 179,419	$ 337,246	$ 516,665
Europe, Middle East & Africa	118,301	64,248	182,549
Asia Pacific	101,333	59,277	160,610
Americas (excluding the United States)	64,269	31,004	95,273
Total sales from contracts with customers	$ 463,322	$ 491,775	$ 955,097

Sales are attributed to countries based on the location of the customer. There were no significant investments in long-lived assets located outside the United States at December 31, 2021 and 2020. No single customer represented over 10% of our consolidated net sales for the years ended December 31, 2021, 2020 and 2019.

Note 12 — Employee Benefit Plans

We sponsor an employee savings plan ("401(k) plan") covering substantially all of our United States based employees. We also sponsor a defined benefit pension plan (the "pension plan") that was frozen in 2009. It covered substantially all our United States based employees at the time it was frozen.

Total employer contributions to the 401(k) plan were $9.2 million, $8.9 million and $9.1 million during the years ended December 31, 2021, 2020 and 2019, respectively.

We use a December 31, measurement date for our pension plan. Cumulative gains and losses in excess of 10% of the greater of the benefit obligation or the market-related value of assets are amortized on a straight-line basis over the lesser of the expected average remaining life expectancy of the plan's participants or 12 years. The limit of 12 years is adjusted to reflect the percentage change in the average remaining service period for the plan's active membership.

The following table provides a reconciliation of the projected benefit obligation, plan assets and funded status of the pension plan at December 31:

	2021	2020
Accumulated benefit obligation	$ 95,508	$ 101,242
Change in benefit obligation		
Projected benefit obligation at beginning of year	$ 101,242	$ 92,052
Service cost	991	717
Interest cost	1,803	2,555
Actuarial loss (gain)	(3,427)	10,963
Benefits paid	(2,703)	(1,933)
Settlements	(2,398)	(3,112)
Projected benefit obligation at end of year	$ 95,508	$ 101,242
Change in plan assets		
Fair value of plan assets at beginning of year	$ 76,940	$ 75,321
Actual gain on plan assets	7,565	6,664
Benefits paid	(2,703)	(1,933)
Settlements	(2,398)	(3,112)
Fair value of plan assets at end of year	$ 79,404	$ 76,940
Funded status	$ (16,104)	$ (24,302)

The projected benefit obligation decreased $5.7 million as of December 31, 2021 mainly due to the increase in the discount rate from 2.44% at December 31, 2020 to 2.81% at December 31, 2021.

Amounts recognized in the consolidated balance sheets consist of the following at December 31,:

	2021	2020
Other long-term liabilities	$ (16,104)	$ (24,302)
Accumulated other comprehensive loss	(39,122)	(48,285)

Accumulated other comprehensive loss for the years ended December 31, 2021 and 2020 consists of net actuarial losses not yet recognized in net periodic pension cost (before income taxes).

The following actuarial assumptions were used to determine our accumulated and projected benefit obligations as of December 31,:

	2021	2020
Discount rate	2.81 %	2.44 %

Other changes in plan assets and benefit obligations recognized in other comprehensive income in 2021 and 2020 are as follows:

	2021	2020
Current year actuarial loss (gain)	$ 5,836	$ (9,320)
Amortization of actuarial loss	3,327	2,821
Total recognized in other comprehensive income (loss)	$ 9,163	$ (6,499)

Net periodic pension cost for the years ended December 31, consists of the following:

	2021	2020	2019
Service cost	$ 991	$ 717	$ 1,010
Interest cost on projected benefit obligation	1,803	2,555	3,130
Expected return on plan assets	(5,155)	(5,021)	(4,725)
Amortization of loss	3,327	2,821	2,881
Net periodic pension cost	$ 966	$ 1,072	$ 2,296

Non-service cost of $0.4 million and $1.3 million is included in other expense in the consolidated statements of comprehensive income for the years ended 2020 and 2019, respectively. Non-service pension cost was immaterial for the year ended 2021.

The following actuarial assumptions were used to determine our net periodic pension benefit cost for the years ended December 31,:

	2021	2020	2019
Discount rate on benefit obligation	2.44 %	3.33 %	4.37 %
Effective rate for interest on benefit obligation	1.83 %	2.88 %	4.01 %
Expected return on plan assets	7.00 %	7.00 %	7.50 %

The Company’s discount rate and mortality assumptions are the significant assumptions in determining the projected benefit obligation of the Company’s pension plan.

The discount rate represents the interest rate used in estimating the present value of projected cash flows to settle the Company’s pension obligations. The discount rate assumption is determined by management using a full yield curve approach, which involves applying the specific spot rates along the yield curve used in the determination of the benefit obligation that correlates to the relevant projected cash flows.

Mortality assumptions are based on published mortality studies developed primarily based on past experience of the broad population and modified for projected longevity trends. The mortality assumptions used for 2021 and 2020 are based on the Pri-2012 Mortality Tables using the MP-2021 and MP-2020, respectively, mortality improvement scales.

In determining the expected return on pension plan assets, we consider the relative weighting of plan assets, the historical performance of total plan assets and individual asset classes and economic and other indicators of future performance. In addition, we consult with financial and investment management professionals in developing appropriate targeted rates of return.

Asset management objectives include maintaining an adequate level of diversification to reduce interest rate and market risk and providing adequate liquidity to meet immediate and future benefit payment requirements.

The allocation of plan assets by category is as follows at December 31,:

	Percentage of Pension Plan Assets		Target Allocation
	2021	2020	2022
Equity securities	73 %	76 %	75 %
Debt securities	27 %	24 %	25 %
Total	100 %	100 %	100 %

As of December 31, 2021, the pension plan held 27,562 shares of our common stock, which had a fair value of $3.9 million. We believe that our long-term asset allocation on average will approximate the targeted allocation. We regularly review our actual asset allocation and periodically rebalance the pension plan's investments to our targeted allocation when deemed appropriate.

FASB guidance defines fair value and establishes a framework for measuring fair value and related disclosure requirements as described in Note 16. Following is a description of the valuation methodologies used for our pension assets. There have been no changes in the methodologies used at December 31, 2021 and 2020:

Common Stock:	Common stock is valued at the closing price reported on the common stock's respective stock exchange and is classified within level 1 of the valuation hierarchy.
Fixed Income Securities:	Valued at the closing price reported on the active market on which the individual securities are traded and are classified within level 1 of the valuation hierarchy.
Money Market Fund:	These investments are public investment vehicles valued using the Net Asset Value (NAV).
Mutual Funds:	These investments are public investment vehicles valued using the Net Asset Value (NAV) provided by the administrator of the fund. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the pension plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth the value of the pension plan's assets as of December 31, 2021 and December 31, 2020:

	2021	2020
Investments measured at fair value:		
Level 1		
Common Stock	$ 9,767	$ 9,185
Fixed Income Securities	20,272	17,848
Total Investments measured at fair value	30,039	27,033
Investments measured at NAV:		
Money Market Fund	1,098	915
Mutual Funds	48,267	48,992
Total Investments measured at NAV	49,365	49,907
Total Investments	$ 79,404	$ 76,940

We do not expect to make any contributions to our pension plan for 2022.

The following table summarizes the benefits and settlements expected to be paid by our pension plan in each of the next five years and in aggregate for the following five years. The expected payments are estimated based on the same assumptions used to measure the Company's projected benefit obligation at December 31, 2021 and reflect the impact of expected future employee service.

2022	$6,427
2023	5,801
2024	5,627
2025	5,890
2026	6,026
2027-2031	26,543

Note 13 — Legal Matters and Contingencies

From time to time, the Company may receive an information request, subpoena or warrant from a government agency such as the Securities and Exchange Commission, Department of Justice, Equal Employment Opportunity Commission, the Occupational Safety and Health Administration, the United States Food and Drug Administration, the Department of Labor, the Treasury Department or other federal and state agencies or foreign governments or government agencies. These information requests, subpoenas or warrants may or may not be routine inquiries, or may begin as routine inquiries and over time develop into enforcement actions of various types. Likewise, if we receive reports of alleged misconduct from employees and third parties, we investigate as appropriate.

Manufacturers of medical devices have been the subject of various enforcement actions relating to interactions with health care providers domestically or internationally whereby companies are claimed to have provided health care providers with inappropriate incentives to purchase their products. Similarly, the Foreign Corrupt Practices Act ("FCPA") imposes obligations on manufacturers with respect to interactions with health care providers who may be considered government officials based on their affiliation with public hospitals. The FCPA also requires publicly listed manufacturers to maintain accurate books and records, and maintain internal accounting controls sufficient to provide assurance that transactions are accurately recorded, lawful and in accordance with management's authorization. The FCPA poses unique challenges both because manufacturers operate in foreign cultures in which conduct illegal under the FCPA may not be illegal in local jurisdictions, and because, in some cases, a United States manufacturer may face risks under the FCPA based on the conduct of third parties over whom the manufacturer may not have complete control. While CONMED has not experienced any material enforcement action to date, there can be no assurance that the Company will not be subject to a material enforcement action in the future, or that the Company will not incur costs including, in the form of fees for lawyers and other consultants, that are material to the Company's results of operations in the course of responding to a future inquiry or investigation.

Manufacturers of medical products may face exposure to significant product liability claims, as well as patent infringement and other claims incurred in the ordinary course of business. To date, we have not experienced any claims that have been material to our financial statements or financial condition, but any such claims arising in the future could have a material adverse effect on our business, results of operations or cash flows. We currently maintain commercial product liability insurance of $35 million per incident and $35 million in the aggregate annually, which we believe is adequate. This coverage is on a claims-made basis. There can be no assurance that claims will not exceed insurance coverage, that the carriers will be solvent or that such insurance will be available to us in the future at a reasonable cost.

Our operations are subject, and in the past have been subject, to a number of environmental laws and regulations governing, among other things, air emissions; wastewater discharges; the use, handling and disposal of hazardous substances and wastes; soil and groundwater remediation and employee health and safety. Likewise, the operations of our suppliers and sterilizers are subject to similar environmental laws and regulations. In some jurisdictions, environmental requirements may be expected to become more stringent in the future. In the United States, certain environmental laws can impose liability for the entire cost of site restoration upon each of the parties that may have contributed to conditions at the site regardless of fault or the lawfulness of the party's activities. While we do not believe that the present costs of environmental compliance and remediation are material, there can be no assurance that future compliance or remedial obligations would not have a material adverse effect on our financial condition, results of operations or cash flows.

In 2014, the Company acquired EndoDynamix, Inc. The agreement governing the terms of the acquisition provides that, if various conditions are met, certain contingent payments relating to the first commercial sale of the products (the milestone payment), as well as royalties based on sales (the revenue based payments), are due to the seller. In 2016, we notified the seller that there was a need to redesign the product, and that, as a consequence, the first commercial sale had been delayed. Consequently, the payment of contingent milestone and revenue-based payments were delayed. On January 18, 2017, the seller provided notice (the "Notice") seeking $12.7 million under a liquidated damages clause, which essentially represents the seller's view as to the sum of the projected contingent milestone and revenue-based payments on an accelerated basis. CONMED responded to the Notice denying that there was any basis for acceleration of the payments due under the acquisition agreement. On February 22, 2017, the representative of the former shareholders of EndoDynamix filed a complaint in Delaware Chancery Court claiming breach of contract with respect to the duty to commercialize the product and seeking the contingent payments on an accelerated basis. We believe that there was a substantive contractual basis to support the Company's decision to redesign the product, such that there was no legitimate basis for seeking the liquidated damages. In the third quarter of 2018, the Company decided to halt the development of the EndoDynamix clip applier and recorded a charge to write off assets and released a previously accrued contingent consideration liability. In court filings the Plaintiffs claim to seek liquidated damages, as well as additional damages up to $24.8 million. A non-jury trial in the Delaware Chancery Court commenced on March 18, 2021, and testimony concluded on April 7, 2021. The parties have submitted post-trial briefs, the Court heard oral arguments at a hearing on September 16, 2021 and requested additional briefs which are expected to be filed at the end of February 2022. The Court will thereafter issue a ruling. The Company has not recorded any expense related to potential damages in connection with this matter because the Company does not believe any potential loss is probable. We expect to defend the claims asserted by the sellers of EndoDynamix, although there can be no assurance that we will prevail in the trial and/or any resulting appeals.

CONMED is defending two Georgia State Court actions. The first in Cobb County was filed by various employees, former employees, contract workers and others against CONMED, and against a contract sterilizer. The second action in Douglas County is against CONMED's landlord and other allegedly related entities. Plaintiffs in the lawsuits allege personal injury and related claims purportedly arising from or relating to exposure to Ethylene Oxide, a chemical used to sterilize certain products. CONMED is defending the claims asserted directly against it and is providing indemnification for certain other defendants based on contractual provisions. CONMED has submitted all of the claims for insurance coverage. One insurer is providing coverage for certain of the claims asserted directly against the Company. CONMED is currently in litigation with one of the other insurers regarding coverage for certain of the indemnification claims. Both actions are in their early stages and discovery has not yet started. The Company's motion to dismiss in the Cobb County action was heard on January 10, 2022. CONMED believes it has strong defenses to the claims and will vigorously defend itself and all parties it is indemnifying. As with any litigation, there are risks, including the risk that CONMED may not prevail with respect to the defense of the underlying claims, or with respect to securing adequate insurance coverage for the indemnification claims. The Company is unable to estimate any range of possible loss at this time, and has not recorded any expense related to potential damages in connection with this matter because the Company does not believe any potential loss is probable.

From time to time, we are also subject to negligence and other claims arising out of the ordinary conduct of our business, including, for example, accidents our employees may experience within the course of their employment or otherwise. We are currently defending one such claim, which we expect to be fully covered by insurance, involving potentially significant personal injuries. The Company is unable to estimate any range of possible loss at this time, and therefore has not recorded any liability related to potential damages in connection with this matter.

We record reserves sufficient to cover probable and estimable losses associated with any such pending claims. We do not expect that the resolution of any pending claims, investigations or reports of alleged misconduct will have a material adverse effect on our financial condition, results of operations or cash flows. There can be no assurance, however, that future claims or investigations, or the costs associated with responding to such claims, investigations or reports of misconduct, especially claims and investigations not covered by insurance, will not have a material adverse effect on our financial condition, results of operations or cash flows.

Note 14 — Acquisition and Other Expense

Acquisition and other expense for the year ended December 31, consists of the following:

	2021	2020	2019
Plant underutilization costs	$ —	$ 6,586	$ —
Manufacturing consolidation costs	—	3,993	2,858
Acquisition and integration costs	—	2,820	1,335
Product rationalization costs - inventory	—	2,169	—
Restructuring costs	—	1,087	—
Acquisition and other expense included in cost of sales	$ —	$ 16,655	$ 4,193
Restructuring and related costs	$ 414	$ 4,782	$ —
Product rationalization costs - field inventory	—	2,095	—
Acquisition and integration costs	—	1,192	13,066
Acquisition and other expense included in selling and administrative expense	$ 414	$ 8,069	$ 13,066
Debt refinancing costs included in other expense	$ 1,127	$ —	$ 3,904

During 2020, we recorded a $6.6 million charge to cost of sales related to plant underutilization due to abnormally low production as a result of decreased sales caused by the COVID-19 pandemic.

During 2020, we incurred $4.0 million in costs related to the consolidation of manufacturing operations which were charged to cost of sales. These costs included winding down operations at certain locations and moving production lines to other facilities. During 2019, we incurred $2.9 million in severance and other costs related to the consolidation of certain manufacturing operations which were charged to cost of sales.

During 2020, we recognized costs for inventory step-up adjustments and other costs related to a previous acquisition of $2.8 million. During 2019, we incurred $1.3 million in costs for inventory adjustments and other costs associated with the acquisition of Buffalo Filter as further described in Note 2. These costs were charged to cost of sales.

During 2020, we performed an analysis of our product lines and determined certain catalog numbers, principally related to capital equipment, would be discontinued and consolidated into existing product offerings. We consequently recorded a $2.2 million charge to cost of sales to write-off inventory of the discontinued products. In addition, we incurred $2.1 million in costs related to the write-off of field inventory used for customer demonstration and evaluation of the discontinued products which we charged to selling and administrative expense.

During 2020, we incurred $1.1 million in restructuring costs related to a voluntary separation arrangement with employees as a result of the COVID-19 pandemic which were charged to cost of sales based on the job function of the affected employees. Substantially all of the costs associated with the voluntary separation arrangement were paid during 2020.

During 2021 and 2020, we recorded charges of $0.4 million and $3.8 million, respectively, related to the restructuring of our sales force which consisted primarily of termination payments to Orthopedic distributors made in exchange for ongoing assistance to transition to employee-based sales representatives and severance that was charged to selling and administrative expense.

During 2020, we recorded $0.9 million in restructuring charges principally related to a voluntary separation arrangement with employees as a result of the COVID-19 pandemic which were charged to selling and administrative expense based on the nature of the costs and function of the affected employees. Substantially all of the costs associated with the voluntary separation arrangement were paid during 2020.

During 2020 and 2019, we incurred $1.2 million and $13.1 million, respectively, in costs associated with the February 11, 2019 acquisition of Buffalo Filter as further described in Note 2 that were included in selling and administrative expense. These costs include investment banking fees, consulting fees, legal fees, severance and integration related costs.

During 2021, we recorded $1.1 million related to a loss on early extinguishment and third party fees associated with the seventh amended and restated senior credit agreement as further described in Note 7. These costs were included in other expense. During 2019, we incurred a $3.6 million charge related to commitment fees paid to certain of our lenders, which provided a financing commitment for the Buffalo Filter acquisition and recorded a loss on the early extinguishment of debt of $0.3 million in conjunction with the sixth amended and restated senior credit agreement.

Note 15 — Guarantees

We provide warranties on certain of our products at the time of sale and sell extended warranties. The standard warranty period for our capital equipment is generally one year and our extended warranties typically vary from one to three years. Liability under service and warranty policies is based upon a review of historical warranty and service claim experience. Adjustments are made to accruals as claim data and historical experience warrant.

Changes in the carrying amount of standard warranties for the year ended December 31, are as follows:

	2021	2020	2019
Balance as of January 1,	$ 1,826	$ 2,186	$ 1,585
Provision for warranties	1,458	783	1,699
Claims made	(940)	(1,143)	(1,098)
Balance as of December 31,	$ 2,344	$ 1,826	$ 2,186

Costs associated with extended warranty repairs are recorded as incurred and amounted to $6.8 million, $6.1 million and $5.3 million for the years ended December 31, 2021, 2020 and 2019 respectively.

Note 16 – Fair Value Measurement

We enter into derivative instruments for risk management purposes only. We operate internationally and, in the normal course of business, are exposed to fluctuations in interest rates, foreign exchange rates and commodity prices. These fluctuations can increase the costs of financing, investing and operating the business. We use forward contracts, a type of derivative instrument, to manage certain foreign currency exposures.

By nature, all financial instruments involve market and credit risks. We enter into forward contracts with major investment grade financial institutions and have policies to monitor the credit risk of those counterparties. While there can be no assurance, we do not anticipate any material non-performance by any of these counterparties.

Foreign Currency Forward Contracts. We hedge forecasted intercompany sales denominated in foreign currencies through the use of forward contracts. We account for these forward contracts as cash flow hedges. To the extent these forward contracts meet hedge accounting criteria, changes in their fair value are not included in current earnings but are included in accumulated other comprehensive loss. These changes in fair value will be recognized into earnings as a component of sales or cost of sales when the forecasted transaction occurs.

We also enter into forward contracts to exchange foreign currencies for United States dollars in order to hedge our currency transaction exposures. These forward contracts settle each month at month-end, at which time we enter into new forward contracts. We have not designated these forward contracts as hedges and have not applied hedge accounting to them.

The following table presents the notional contract amounts for forward contracts outstanding:

		As of	
	FASB ASC Topic 815 Designation	December 31, 2021	December 31, 2020
Forward exchange contracts	Cash flow hedge	$ 172,894	$ 154,504
Forward exchange contracts	Non-designated	38,897	42,380

The remaining time to maturity as of December 31, 2021 is within two years for hedge designated foreign exchange contracts and approximately one month for non-hedge designated forward exchange contracts.

Statement of comprehensive income presentation

Derivatives designated as cash flow hedges

Foreign exchange contracts designated as cash flow hedges had the following effects on accumulated other comprehensive income (loss) ("AOCI") and net earnings on our consolidated statements of comprehensive income and our consolidated balance sheets:

	Amount of Gain (Loss) Recognized in AOCI			Consolidated Statements of Comprehensive Income				Amount of Gain (Loss) Reclassified from AOCI		
	Years Ended				Total Amount of Line Item Presented			Years Ended		
Derivative Instrument	2021	2020	2019	Location of amount reclassified	2021	2020	2019	2021	2020	2019
Foreign exchange contracts	$ 8,650	$(7,111)	$ 3,871	Net Sales	$1,010,635	$862,459	$955,097	$(5,421)	$ 1,997	$ 7,969
				Cost of Sales	442,599	402,159	430,382	1,411	(619)	638
Pre-tax gain (loss)	$ 8,650	$(7,111)	$ 3,871					$(4,010)	$ 1,378	$ 8,607
Tax expense (benefit)	2,090	(1,718)	935					(969)	333	2,079
Net gain (loss)	$ 6,560	$(5,393)	$ 2,936					$(3,041)	$ 1,045	$ 6,528

At December 31, 2021, $3.7 million of net unrealized gains on forward contracts accounted for as cash flow hedges, and included in accumulated other comprehensive loss, are expected to be recognized in earnings in the next twelve months.

Derivatives not designated as cash flow hedges

Net gains and losses from derivative instruments not accounted for as hedges offset by gains and losses on our intercompany receivables on our consolidated statements of comprehensive income were:

		Years Ended		
Derivative Instrument	Location on Consolidated Statements of Comprehensive Income	2021	2020	2019
Net loss on currency forward contracts	Selling and administrative expense	$ (451)	$ (2,269)	$ (573)
Net gain (loss) on currency transaction exposures	Selling and administrative expense	$ (1,832)	$ 646	$ (653)

Balance sheet presentation

We record these forward foreign exchange contracts at fair value. The following tables summarize the fair value for forward foreign exchange contracts outstanding at December 31, 2021 and 2020:

December 31, 2021	Location on Consolidated Balance Sheet	Asset Fair Value	Liabilities Fair Value	Net Fair Value
Derivatives designated as hedging instruments:				
Foreign exchange contracts	Prepaid expenses and other current assets	$ 5,331	$ (430)	$ 4,901
Foreign exchange contracts	Other long-term liabilities	82	(161)	(79)
		$ 5,413	$ (591)	$ 4,822
Derivatives not designated as hedging instruments:				
Foreign exchange contracts	Other current liabilities	38	(180)	(142)
Total derivatives		$ 5,451	$ (771)	$ 4,680

December 31, 2020	Location on Consolidated Balance Sheet	Asset Fair Value	Liabilities Fair Value	Net Fair Value
Derivatives designated as hedging instruments:				
Foreign exchange contracts	Other current liabilities	$ 1,500	$ (8,826)	$ (7,326)
Foreign exchange contracts	Other long-term liabilities	23	(535)	(512)
		$ 1,523	$ (9,361)	$ (7,838)
Derivatives not designated as hedging instruments:				
Foreign exchange contracts	Other current liabilities	25	(150)	(125)
Total derivatives		$ 1,548	$ (9,511)	$ (7,963)

Our forward foreign exchange contracts are subject to a master netting agreement and qualify for netting in the consolidated balance sheets.

Fair Value Disclosure. FASB guidance defines fair value and establishes a framework for measuring fair value and related disclosure requirements. This guidance applies when fair value measurements are required or permitted. The guidance indicates, among other things, that a fair value measurement assumes that the transaction to sell an asset or transfer a liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability. Fair value is defined based upon an exit price model.

Valuation Hierarchy. A valuation hierarchy was established for disclosure of the inputs to the valuations used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, including interest rates, yield curves and credit risks, or inputs that are derived principally from or corroborated by observable market data through correlation. Level 3 inputs are unobservable inputs based on our own assumptions used to measure assets and liabilities at fair value. A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement. There have been no significant changes in the assumptions.

Valuation Techniques. Assets and liabilities carried at fair value and measured on a recurring basis as of December 31, 2021 consist of forward foreign exchange contracts. The Company values its forward foreign exchange contracts

using quoted prices for similar assets. The most significant assumption is quoted currency rates. The value of the forward foreign exchange contract assets and liabilities were valued using Level 2 inputs and are listed in the table above.

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

Note 17 - New Accounting Pronouncements

Recently Issued Accounting Standards, Not Yet Adopted

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting, which provides optional guidance if certain criteria are met for entities that have contracts, hedging relationships, and other transactions that reference LIBOR or other reference rates expected to be discontinued as a result of reference rate reform. This ASU is effective as of March 12, 2020 through December 31, 2022. The Company has not adopted the ASU as of December 31, 2021. Our seventh amended and restated senior credit agreement includes language to address the change from LIBOR to an alternative base rate, therefore we do not believe reference rate reform will have a significant impact on our consolidated financial statements, however we will continue to monitor our transition away from LIBOR and the potential to elect to apply this guidance in our consolidated financial statements in the event that we are impacted by reference rate reform.

In August 2020, the FASB issued ASU 2020-06, Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity, which simplifies the accounting for convertible instruments by removing certain separation models requiring separate accounting for embedded conversion features which will result in more convertible debt instruments accounted for as a single liability. The ASU eliminates certain settlement conditions that are required for equity classification to qualify for the derivative scope exception. The ASU addresses how convertible instruments are accounted for in the calculation of diluted earnings per share by using the if-converted method. The ASU is effective for fiscal years beginning after December 15, 2021, with early adoption permitted no earlier than fiscal years beginning after December 15, 2020. The Company will adopt this standard on January 1, 2022 using the modified retrospective method. The adoption of this new guidance is estimated to result in an increase of approximately $22.6 million to long-term debt in the consolidated balance sheets, to reflect the full principal amount of the convertible notes outstanding net of issuance costs, a reduction of approximately $37.9 million to additional paid-in capital, net of estimated income tax effects, to remove the equity component separately recorded for the conversion features associated with the convertible notes, a decrease to deferred tax liabilities, net of approximately $5.5 million, and a cumulative-effect adjustment of approximately $20.8 million, net of estimated income tax effects, to the beginning balance of retained earnings as of January 1, 2022. The adoption of this new guidance is anticipated to reduce interest expense by approximately $10.4 million during the year ended December 31, 2022. Additionally, the modified retrospective approach will result in an increase in the dilutive share count as a result of calculating the impact of dilution from the Company's convertible notes using the if-converted method.

SCHEDULE II—Valuation and Qualifying Accounts
(In thousands)

Description	Balance at Beginning of Period	Additions Charged to Costs and Expenses	Deductions	Balance at End of Period
2021				
Allowance for bad debts	$ 3,876	$ 2,305	$ (1,653)	$ 4,528
Sales returns and allowance	3,684	1,261	(504)	4,441
Deferred tax asset valuation allowance	2,721	621	(2,556)	786
2020				
Allowance for bad debts	$ 2,786	$ 1,611	$ (521)	$ 3,876
Sales returns and allowance	3,667	384	(367)	3,684
Deferred tax asset valuation allowance	1,732	989	—	2,721
2019				
Allowance for bad debts	$ 2,660	$ 852	$ (726)	$ 2,786
Sales returns and allowance	3,246	518	(97)	3,667
Deferred tax asset valuation allowance	1,159	573	—	1,732

Item 16. Form 10-K Summary

Registrants may voluntarily provide a summary of information required by Form 10-K under this Item 16. The Company has elected not to include such summary information.

Exhibit 4.1

Description of Common Stock

The following is a description of the general terms, provisions and rights of the common stock, par value $0.01 ("Common Stock"), of CONMED Corporation, a Delaware corporation (the "Company," "we," "us," and "our"), related provisions of the Company's certificate of incorporation (the "Certificate of Incorporation") and bylaws (the "Bylaws") and applicable Delaware law. This description is qualified in its entirety by, and should be read in conjunction with, the Certificate of Incorporation and Bylaws, which have been publicly filed with the Securities and Exchange Commission, and applicable Delaware law.

Authorized Shares

We have the authority to issue an aggregate of 100,000,000 shares of Common Stock. As of February 16, 2022, there were 31,299,194 shares of our Common Stock issued and 29,411,246 shares of our Common Stock outstanding.

Dividend Rights

Subject to the preferences, limitations and relative rights of holders of our preferred stock, the holders of Common Stock are entitled to share ratably in dividends if, when and as declared by our board of directors out of funds legally available therefor.

Voting Rights

Subject to the preferences, limitations and relative rights of holders of our preferred stock, the holders of Common Stock are entitled to one vote for each share held of record on all matters at all meetings of stockholders.

Liquidation Rights

Subject to the preferences, limitations and relative rights of holders of our preferred stock, the holders of Common Stock are entitled, in the event of our liquidation, dissolution or winding-up, to share ratably in the distribution of assets remaining after payment of debts and expenses.

Absence of Other Rights

Our Common Stock has no sinking fund or redemption provisions or preemptive, conversion or exchange rights.

Anti-Takeover Effects of Our Certificate of Incorporation and Bylaws

Our Certificate of Incorporation and Bylaws contain provisions that may delay, defer or discourage another party from acquiring control of us. We expect that these provisions, some of which are summarized below, will discourage coercive takeover practices or inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with the board of directors, which we believe may result in an improvement of the terms of any such acquisition in favor of our stockholders. However, they also give the board of directors the power to discourage acquisitions that some stockholders may favor.

Special Meetings of Stockholders

Our Bylaws provide that special meetings of stockholders may be called by the board of directors, the chair of the board of directors, if any, the lead independent director of the board of directors, if any, or the president, or upon the request of stockholders holding at least 25% of the Company's outstanding stock entitled to vote, subject to certain procedural and informational requirements for calling special meetings of stockholders set forth in the Bylaws.

Stockholder Action by Written Consent

Our Certificate of Incorporation provides that stockholders can take action by written consent if stockholders holding not less than the minimum number of votes required to authorize or take such action consent, subject to certain procedural safeguards set forth in the Certificate of Incorporation, including a requirement that the holders of at least 25% of the

Company's outstanding Common Stock (provided that such shares are determined to be Net Long Shares (as defined in the Bylaws) that have been held continuously for at least one year) request that the Board set a record date to determine the stockholders entitled to act by written consent.

Advance Notice Requirements for Stockholder Proposals and Director Nominations

Our Bylaws require compliance with advance notice procedures for stockholder proposals and director nominations to be brought before an annual meeting of the stockholders.

Exclusive Forum

Our Bylaws provide that unless the Company consents in writing to the selection of an alternate forum, (a) the Court of Chancery of the State of Delaware will be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf; (ii) any action asserting a breach of fiduciary duty owed by any of our directors, officers, employees, or stockholders to the Company or our stockholders; (iii) any action asserting a claim arising pursuant to the Delaware General Corporation Law (the "DGCL"), our Certificate of Incorporation or our Bylaws; (iv) any action to interpret, apply, enforce or determine the validity of our Certificate of Incorporation or our Bylaws; or (v) any action asserting a claim against us that is governed by the internal affairs doctrine (or, if the Court of Chancery does not have jurisdiction, then the Superior Court of the State of Delaware, or if no state court in Delaware has jurisdiction, the federal district court for the District of Delaware); and (b) the federal district courts of the United States shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended.

Amendment to Certificate of Incorporation and Bylaws

Delaware law provides generally that a majority vote of all the outstanding shares entitled to vote thereon at a meeting of stockholders is required to approve amendments to a corporation's certificate of incorporation, unless a corporation's certificate of incorporation requires a greater percentage.

Delaware law provides generally that by-laws may be amended, adopted or repealed by the vote of a majority of the shares cast at a meeting of the Company's stockholders, unless the certificate of incorporation or by-laws provide otherwise. Our Bylaws provide that they may be amended, altered or repealed by a majority vote of the outstanding shares of the Company entitled to vote thereon. Additionally, if permitted under the corporation's certificate of incorporation, under Delaware law the board of directors may also amend, adopt or repeal the Company's by-laws. Our Certificate of Incorporation provides that the Bylaws may be amended, altered, or repealed by our board of directors without stockholder approval; provided, however, that any by-law adopted by the board of directors may be amended or repealed by our stockholders.

Delaware Anti-Takeover Statute

We are subject to Section 203 of the DGCL. Accordingly, we may not engage in a business combination, such as a merger, consolidation, recapitalization, asset sale or disposition of stock, with any "interested stockholder" for a period of three years from the date that the interested stockholder first became an interested stockholder unless certain conditions are met.

Indemnification and Limitations on Liability of Officers and Directors

Our Certificate of Incorporation and Bylaws require the indemnification of directors and officers by the Company to the fullest extent permitted by law, but our Bylaws provide that no indemnification is required with respect to any settlement or disposition of a proceeding unless the Company has given its prior consent to such settlement/disposition. Our Bylaws also permit us to indemnify employees and to advance expenses to any person entitled to indemnification upon request.

Section 102(b)(7) of the DGCL permits a corporation to provide in its certificate of incorporation that a director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability for (i) any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) payments of unlawful dividends or unlawful stock purchases or redemptions, or (iv) any transaction from which the director derived an improper personal benefit. Our Certificate of Incorporation contains a provision eliminating the personal liability of directors for monetary damages to the fullest extent permitted by law.

Listing

The Company's Common Stock is listed on the New York Stock Exchange under the trading symbol "CNMD."

Transfer Agent and Registrar

The transfer agent and registrar for our Common Stock is Computershare Investor Services.

EXHIBIT 21

CONMED Corporation
Subsidiaries of the Registrant

Name	State or Country of Incorporation
Aspen Laboratories, Inc.	Colorado
Buffalo Filter LLC	Delaware
CONMED Andover Medical, Inc.	New York
CONMED Austria GmbH	Austria
CONMED Denmark ApS	Denmark
CONMED Deutschland GmbH	Germany
CONMED Endoscopic Technologies, Inc.	Massachusetts
CONMED Finland Oy	Finland
CONMED France SAS	France
CONMED Iberia SL	Spain
CONMED Italia SrL	Italy
CONMED Japan K. K.	Japan
CONMED Linvatec Australia PTY Ltd	Australia
CONMED Linvatec (Beijing) Medical Appliances Co., Ltd	China
CONMED Linvatec Biomaterials Oy	Finland
CONMED Switzerland GmbH	Switzerland
CONMED U.K. Ltd.	United Kingdom
Consolidated Medical Equipment Company S. de R.L. de C.V.	Mexico
EndoDynamix, Inc.	Delaware
GWH Limited Partnership	Florida
Conmed do Brasil Comércio Importação e Exportação de Produtos Médicos Hospitalares Ltda.	Brazil
Largo Lakes I Limited Partnership	Delaware
Linvatec Corporation	Florida
Linvatec Belgium NV	Belgium
Linvatec Canada ULC	Canada
CONMED Europe BV	Belgium
CONMED Korea Ltd.	Korea
Linvatec Nederland B.V.	Netherlands
Linvatec Polska Sp. z.o.o	Poland
Linvatec Conmed Sweden AB	Sweden
Palmerton Holdings, Inc.	New York
SurgiQuest, Inc.	Delaware
Viking Systems, Inc.	Delaware
Linvatec India Private Limited	India

EXHIBIT 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-78987, 333-90444, 333-124202, 333-136453, 333-145150, 333-162834, 333-168493, 333-182878, 333-207582, 333-214299, 333-223258 and 333-228171) of CONMED Corporation of our report dated February 22, 2022 relating to the consolidated financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Rochester, New York
February 22, 2022

Exhibit 31.1

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Curt R. Hartman, certify that:

1. I have reviewed this annual report on Form 10-K of CONMED Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

February 22, 2022

/s/ Curt R. Hartman
Curt R. Hartman
Chair of the Board, President and
Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Todd W. Garner, certify that:

1. I have reviewed this annual report on Form 10-K of CONMED Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

February 22, 2022

/s/ Todd W. Garner
Todd W. Garner
Executive Vice President and
Chief Financial Officer

Exhibit 32.1

CERTIFICATIONS
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(SUBSECTIONS (a) AND (b) OF SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE)

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of CONMED Corporation, a Delaware corporation (the "Corporation"), does hereby certify that:

The Annual Report on Form 10-K for the year ended December 31, 2021 (the "Form 10-K") of the Corporation fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

Date: February 22, 2022

/s/ Curt R. Hartman
Curt R. Hartman
Chair of the Board, President and
Chief Executive Officer

Date: February 22, 2022

/s/ Todd W. Garner
Todd W. Garner
Executive Vice President and
Chief Financial Officer

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