

Zimmer Biomet

Advancing Our Commitment to Deliver
Greater Value for All Stakeholders

FEBRUARY 2021

Cautionary Note Regarding Forward-Looking Statements

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Delivering on Zimmer Biomet's Transformation to Drive Value

PHASE 1

Set Mission, Culture & Strategy

- Instilled One ZB culture
- Diversified management team
- Stabilized business – Supply, Quality & Compliance

PHASE 2

Accelerate Innovation & Drive Execution

- Created long-term strategy and roadmap focused on innovation and growth
- Established rigorous operating mechanisms
- Increased commercial confidence delivered execution – revenue growth & margin expansion
- ~20 new product launches in 2020 including ROSA Knee, Persona Revision, Avenir Hip

PHASE 3

Transform for the Future

- Undertaking active portfolio management
- Invest in priority areas: Knees, Hips, S.E.T. and CMFT
- Selective M&A to fill portfolio gaps and accelerate growth
- Strategic separation of non-core segments

Drive Long-Term Top Quartile TSR

- ✓ Deliver mid-single digit growth organically

- ✓ Expand margins while reinvesting in the business

- ✓ Drive EPS growth

Zimmer Biomet Announces Plan to Spin Off Spine & Dental Businesses

Designed to Achieve Faster Growth & Deliver Greater Value for All Stakeholders

- Creates a stronger growth profile for each company with enhanced management focus, while better aligning resources and processes more directly with the strategic priorities of each business
- Improves capital allocation based on the objectives of each independent company
- Reduces complexity and improves operating efficiencies
- Provides each company with a compelling financial profile that more accurately reflects the strengths and opportunities of each business and offers investors a more targeted investment opportunity



Transaction Overview

Transaction Details

- Zimmer Biomet to spin off Spine and Dental businesses into a new independent, publicly traded company (“NewCo”)
- Intended to take the form of a tax-free distribution of newly issued shares of NewCo to U.S. shareholders

Financial Implications

- Creation of a stronger growth profile for each company with enhanced management focus, resources and processes
- Both companies are expected to be well capitalized, with disciplined approaches to capital allocation
- Expected to be ~50bps accretive to revenue growth over the five-year strategic planning period, ~125bps accretive to EBITDA and operating margins and accelerate EPS growth for Zimmer Biomet on a pro forma basis
- Zimmer Biomet remains committed to maintaining its investment grade ratings

Timing

- Transaction is expected to be completed in mid 2022
- Subject to market, regulatory and certain other conditions, including timely receipt of IRS ruling

Closing Conditions

- Final approval by Zimmer Biomet Board of Directors
- Favorable opinion and ruling on tax-free nature of transaction
- Effectiveness of Form-10 registration statement filed with the SEC

Creation of Two Independent, Public Companies Providing Greater Focus



NewCo

Strategic Focus

Core orthopedic businesses in Knees, Hips, Sports Medicine, Extremities and Trauma (S.E.T.), and Craniomaxillofacial & Thoracic (CMFT)

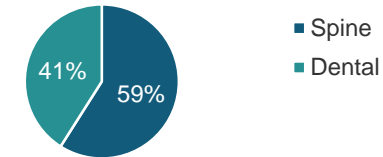
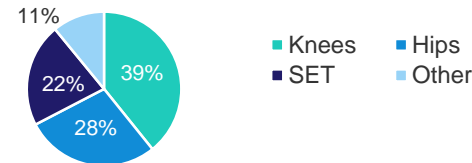
Global Spine and Dental businesses

2019A / 2020A Revenue

\$6,960mm / \$6,128mm¹

\$1,022mm / \$897mm²

Revenue by Category (2020A)



Scale

- Approximately 30 manufacturing site locations in the U.S., Switzerland, Ireland, U.K., China and Puerto Rico
- Approximately 17,000 team members

- 5 manufacturing site locations and global presence with operations in ~40 countries, including U.S., Canada, Spain, Portugal, France, Australia, New Zealand, India, Japan and China
- Approximately 2,500 team members

Key Products / Brands



Transaction Benefits

Enhancing value & improving financial profile





- Accretive to revenue growth, EBITDA and operating margin and EPS growth
- Committed to maintaining investment grade ratings
- Supports sharpened focus, capital allocation prioritization and commitment to innovation, R&D
- Better positioned to pursue high-growth sub-markets

Scale and substantial growth potential

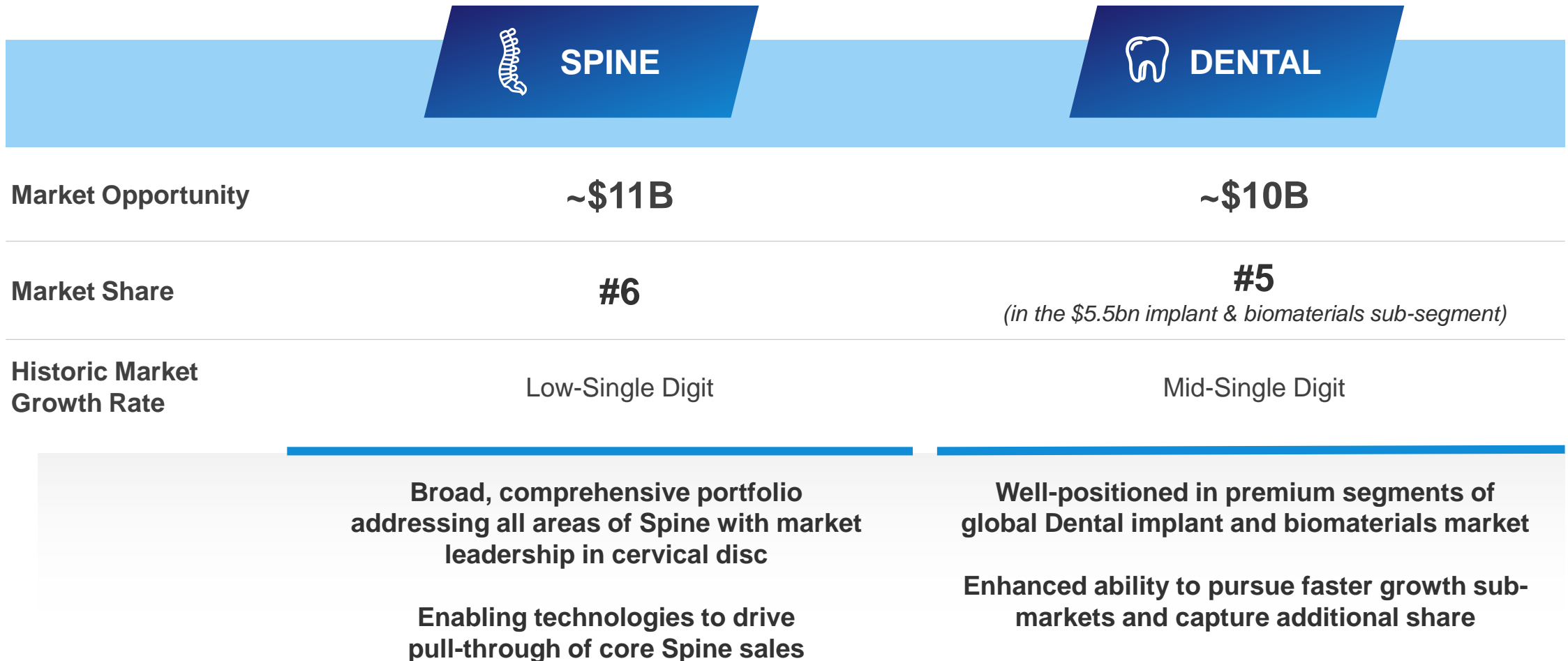
- Increased management focus and resource prioritization
- Untapped revenue potential coming from growing, underpenetrated global markets
- Benefit from improved margins over time to support investment in innovation

¹ Represents sum of Hips, Knees, S.E.T., CMFT and other segments; ² Represents sum of Spine (including bone healing technologies) and Dental segments

Zimmer Biomet to Enhance Focus on Core High Value, High Growth Priority Markets

	 KNEE	 HIP	 S.E.T.	 CMFT
Market Opportunity	~\$9B	~\$8B	~\$24B	~\$2.5B
Market Share	#1	#1	#5	#3
Historic Market Growth Rate	Low-Single Digit	Low-Single Digit	Mid-Single Digit	Mid-Single Digit
	ROSA Knee and new product innovation provides opportunity for growth above market rate	Growth at market rate, with potential to rise above post-introduction of ROSA Hip	Growth in line with market rate, expected to rise to upper-end due to progress in high-growth submarkets	Investment in fast-growing and attractive sub-markets to drive above market growth

NewCo Better Positioned to Realize Potential in Growing & Underpenetrated Markets



Source: Internal company models, research

NewCo Positioned to Capitalize on Multiple Opportunities for Growth and Value Enhancement



Well-positioned in large and growing markets

- \$20+B combined global Spine and Dental markets
- Substantial expansion opportunities with attractive fundamentals



Comprehensive portfolio of established brands and products

- Differentiated product profiles, supported by extensive clinical evidence
- Multiple product launches in near term



Broad commercial footprint supported by robust global infrastructure

- Leading platforms and competencies will provide flexibility to pursue multiple avenues to accelerate growth
- Best-in-class medical and customer education programs around the world
- Established high quality manufacturing facilities and R&D capabilities



Compelling financial profile

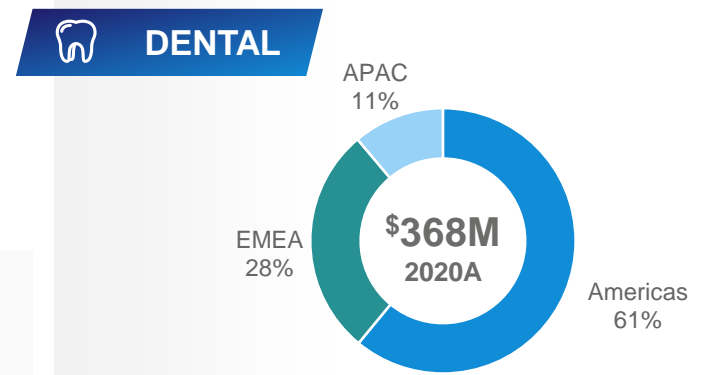
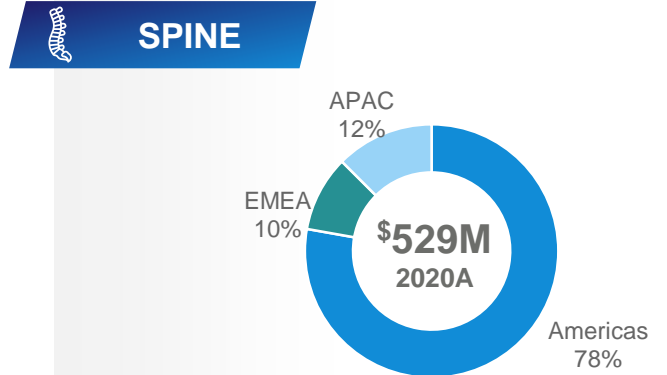
- ~\$1B in total revenue supported by a broad geographic revenue base, with opportunity for revenue growth
- Margin profile generally in line with peers with opportunity for margin expansion over time
- Free cash flow diversification will support innovation and investment

NewCo Broad Commercial Footprint Supported by Robust Global Infrastructure

- Broad geographic revenue base, with meaningful exposure to both established and emerging markets
- Ability to commercialize key new product launches and existing product offerings with a focused execution strategy for each geography in which NewCo operates



Revenue by geography breakdown



Strategic Rationale Summary

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ZIMMER BIOMET

Your progress. Our promise.®