

ZIMMER BIOMET HOLDINGS, INC.
Reconciliation of Gross Profit & Margin to Adjusted Gross Profit & Margin
For the Three Months Ended March 31, 2017
(in millions, unaudited)

	<u>Three Months Ended</u> <u>March 31, 2017</u>
Net Sales	\$ 1,977.3
Cost of products sold, excluding intangible asset amortization	512.9
Intangible asset amortization	<u>152.0</u>
Gross profit	\$ 1,312.4
Inventory step-up and other inventory and manufacturing related charges	23.2
Intangible asset amortization	<u>152.0</u>
Adjusted gross profit	<u>\$ 1,487.6</u>
Gross margin	66.4 %
Inventory step-up and other inventory and manufacturing related charges	1.1
Intangible asset amortization	<u>7.7</u>
Adjusted gross margin	<u>75.2 %</u>

ZIMMER BIOMET HOLDINGS, INC.
Reconciliation of Gross Profit & Margin to Adjusted Gross Profit & Margin
For the Quarterly and Year-to-Date Periods in Calendar Year Ending December 31, 2016
(in millions, unaudited)

	<u>Three Months Ended</u> <u>March 31, 2016</u>	<u>Three Months Ended</u> <u>June 30, 2016</u>	<u>Three Months Ended</u> <u>September 30, 2016</u>	<u>Three Months Ended</u> <u>December 31, 2016</u>	<u>Year Ended</u> <u>December 31, 2016</u>
Net Sales	\$ 1,904.0	\$ 1,934.0	\$ 1,832.8	\$ 2,013.1	\$ 7,683.9
Cost of products sold, excluding intangible asset amortization	640.6	640.1	479.3	621.8	2,381.8
Intangible asset amortization	<u>126.6</u>	<u>133.8</u>	<u>164.3</u>	<u>141.2</u>	<u>565.9</u>
Gross profit	\$ 1,136.8	\$ 1,160.1	\$ 1,189.2	\$ 1,250.1	\$ 4,736.2
Inventory step-up and other inventory and manufacturing related charges	178.3	156.6	22.8	111.4	469.1
Intangible asset amortization	<u>126.6</u>	<u>133.8</u>	<u>164.3</u>	<u>141.2</u>	<u>565.9</u>
Adjusted gross profit	<u>\$ 1,441.7</u>	<u>\$ 1,450.5</u>	<u>\$ 1,376.3</u>	<u>\$ 1,502.7</u>	<u>\$ 5,771.2</u>
Gross margin	59.7 %	60.0 %	64.9 %	62.1 %	61.6 %
Inventory step-up and other inventory and manufacturing related charges	9.4	8.1	1.2	5.5	6.1
Intangible asset amortization	<u>6.6</u>	<u>6.9</u>	<u>9.0</u>	<u>7.0</u>	<u>7.4</u>
Adjusted gross margin	<u>75.7 %</u>	<u>75.0 %</u>	<u>75.1 %</u>	<u>74.6 %</u>	<u>75.1 %</u>