



**ZIMMER BIOMET**  
Moving You Forward.™

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Exhibit 99.1

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**Zimmer Biomet Announces Third Quarter 2022 Financial Results**

- Third quarter net sales from continuing operations of \$1.670 billion decreased 0.9% and increased 5.0% on a constant currency<sup>1</sup> basis
- Third quarter diluted earnings per share from continuing operations were \$0.92; adjusted<sup>1</sup> diluted earnings per share from continuing operations were \$1.58
- Company updates 2022 financial guidance, raising range for full year outlook

**(WARSAW, IN)** November 2, 2022 — Zimmer Biomet Holdings, Inc. (NYSE and SIX: ZBH) today reported financial results for the quarter ended September 30, 2022. The Company reported third quarter net sales from continuing operations of \$1.670 billion, a decrease of 0.9% over the prior year period, and an increase of 5.0% on a constant currency basis. Net earnings from continuing operations for the third quarter were \$194.0 million, or \$333.1 million on an adjusted<sup>1</sup> basis.

Diluted earnings per share from continuing operations were \$0.92 for the third quarter, and adjusted diluted earnings per share from continuing operations were \$1.58.

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<sup>1</sup> Reconciliations of these measures to the corresponding U.S. generally accepted accounting principles measures are included in this press release.

"We had another solid quarter, bolstered by our team's execution and continued COVID recovery. Our performance and successful navigation of current macro pressures further increase our confidence and enable us to raise our financial guidance," said Bryan Hanson, Chairman, President and CEO of Zimmer Biomet. "We believe that our strategy is working and our innovation pipeline and product portfolio position Zimmer Biomet to serve our customers and patients and deliver growth and value for our shareholders."

## Recent Highlights

Aligned with the ongoing transformation of Zimmer Biomet's business, key third quarter highlights include:

- Announcement of a first-of-its-kind, [three-year agreement with Hospital for Special Surgery \(HSS\)](#) to create the HSS/Zimmer Biomet (ZB) Innovation Center for Artificial Intelligence (AI) in Robotic Joint Replacement. Through the collaboration, ZB and HSS aim to develop new decision support tools, powered by data collection and machine learning, to provide data-driven recommendations to surgeons for robotic-assisted joint surgery.
- [Launch of an exclusive, multi-year co-marketing agreement with Surgical Planning Associates, Inc.](#) to commercialize HipInsight™, the first FDA-cleared mixed reality navigation system for total hip replacement. HipInsight, the latest addition to the OptiVu™ Mixed Reality portfolio of applications, further expands the capabilities of the ZBEdge™ suite of integrated smart, digital and robotic technologies designed to deliver transformative data-powered insights with the goal of optimizing patient outcomes.
- U.S. Food and Drug Administration (FDA) 510(k) [clearance of the Identity™ Shoulder System](#) for anatomic, reverse and revision shoulder replacement. The Identity Shoulder System is a convertible system that uses proprietary technologies to align each surgeon's approach to an individual patient's anatomy, with the goal of alleviating pain and optimizing range of motion.

## Geographic and Product Category Sales

The following sales tables provide results by geography and product category for the three and nine-month periods ended September 30, 2022, as well as the percentage change compared to the applicable prior year period, on both a reported basis and a constant currency basis.

**NET SALES - THREE MONTHS ENDED SEPTEMBER 30, 2022**  
(in millions, unaudited)

	Net Sales	% Change	Constant Currency % Change
<b>Geographic Results</b>			
United States	\$ 973.0	3.2 %	3.2 %
International	696.8	(6.2)	7.3
<b>Total</b>	<u>\$ 1,669.8</u>	(0.9)%	5.0 %
<b>Product Categories</b>			
<b>Knees</b>			
United States	\$ 389.7	7.3 %	7.3 %
International	267.3	(6.2)	7.0
<b>Total</b>	<u>657.0</u>	1.4	7.2
<b>Hips</b>			
United States	235.6	5.3	5.3
International	232.4	0.9	15.5
<b>Total</b>	<u>468.0</u>	3.1	10.5
<b>S.E.T. *</b>	409.4	(6.4)	(2.1)
<b>Other</b>	135.4	(7.2)	(0.4)
<b>Total</b>	<u>\$ 1,669.8</u>	(0.9)%	5.0 %

\* Sports Medicine, Extremities, Trauma, Craniomaxillofacial and Thoracic

**NET SALES - NINE MONTHS ENDED SEPTEMBER 30, 2022**  
(in millions, unaudited)

	Net Sales	% Change	Constant Currency % Change
<b>Geographic Results</b>			
United States	\$ 2,931.8	3.4 %	3.4 %
International	2,183.0	(1.4)	9.2
<b>Total</b>	<u>\$ 5,114.8</u>	1.3 %	6.0 %
<b>Product Categories</b>			
<b>Knees</b>			
United States	\$ 1,167.6	7.7 %	7.7 %
International	857.1	1.6	12.4
<b>Total</b>	<u>2,024.7</u>	5.0	9.8
<b>Hips</b>			
United States	707.7	3.7	3.7
International	698.5	0.8	12.1
<b>Total</b>	<u>1,406.2</u>	2.2	7.9
<b>S.E.T. *</b>	1,272.6	(3.4)	-
<b>Other</b>	411.3	(4.3)	0.9
<b>Total</b>	<u>\$ 5,114.8</u>	1.3 %	6.0 %

\* Sports Medicine, Extremities, Trauma, Craniomaxillofacial and Thoracic

## Financial Guidance

The Company is updating its full-year 2022 financial guidance to raise or tighten its previous projected ranges for revenue growth, foreign currency exchange impact, and adjusted diluted EPS from continuing operations:

<b>Projected Year Ending December 31, 2022</b>		
	<b>Previous Guidance</b>	<b>Updated Guidance</b>
2022 Reported Revenue Change	(1.0)% - 1.0%	0% - 1.0%
Foreign Currency Exchange Impact	(5.0)%	(5.5)%
Adjusted Operating Profit Margin <sup>(1)</sup>	26.75% - 27.75%	26.75% - 27.75%
Adjusted Tax Rate <sup>(1)</sup>	16.0% - 16.5%	16.0% - 16.5%
Adjusted Diluted EPS from Continuing Operations <sup>(1)</sup>	\$6.70 - \$6.90	\$6.80 - \$6.90

<sup>(1)</sup> These measures are non-GAAP financial measures for which a reconciliation to the most directly comparable GAAP financial measure is not available without unreasonable efforts. See "Forward-Looking Non-GAAP Financial Measures."

## Conference Call

The Company will conduct its third quarter investor conference call today, November 2, 2022, at 8:30 a.m. ET. The audio webcast can be accessed via Zimmer Biomet's Investor Relations website at <https://investor.zimmerbiomet.com>. It will be archived for replay following the conference call.

## About the Company

Zimmer Biomet is a global medical technology leader with a comprehensive portfolio designed to maximize mobility and improve health. We seamlessly transform the patient experience through our innovative products and suite of integrated digital and robotic technologies that leverage data, data analytics and artificial intelligence.

With 90+ years of trusted leadership and proven expertise, Zimmer Biomet is positioned to deliver the highest quality solutions to patients and providers. Our legacy continues to come to life today through our progressive culture of evolution and innovation.

For more information about our product portfolio, our operations in 25+ countries and sales in 100 + countries or about joining our team, visit [www.zimmerbiomet.com](http://www.zimmerbiomet.com) or follow Zimmer Biomet on Twitter at [www.twitter.com/zimmerbiomet](https://www.twitter.com/zimmerbiomet).

## **Website Information**

We routinely post important information for investors on our website, [www.zimmerbiomet.com](http://www.zimmerbiomet.com), in the “Investor Relations” section. We use this website as a means of disclosing material, non-public information and for complying with our disclosure obligations under Regulation FD. Accordingly, investors should monitor the Investor Relations section of our website, in addition to following our press releases, SEC filings, public conference calls, presentations and webcasts.

The information contained on, or that may be accessed through, our website or any other website referenced herein is not incorporated by reference into, and is not a part of, this document.

## **Note on Non-GAAP Financial Measures**

This press release includes non-GAAP financial measures that differ from financial measures calculated in accordance with U.S. generally accepted accounting principles (“GAAP”). These non-GAAP financial measures may not be comparable to similar measures reported by other companies and should be considered in addition to, and not as a substitute for, or superior to, other measures prepared in accordance with GAAP.

Net sales from continuing operations change information for the three and nine-month periods ended September 30, 2022 is presented on a GAAP (reported) basis and on a constant currency basis. Constant currency percentage changes exclude the effects of foreign currency exchange rates. They are calculated by translating current and prior-period sales at the same predetermined exchange rate. The translated results are then used to determine year-over-year percentage increases or decreases.

Net earnings from continuing operations and diluted earnings per share from continuing operations for the three and nine-month periods ended September 30, 2022 and 2021 are presented on a GAAP (reported) basis and on an adjusted basis. Adjusted earnings from continuing operations and adjusted diluted earnings per share from continuing operations exclude the effects of certain items, which are detailed in the reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures presented later in this press release.

Free cash flow from continuing operations is an additional non-GAAP measure that is presented in this press release. Free cash flow from continuing operations is computed by deducting additions to instruments and other property, plant and equipment of continuing operations from net cash provided by operating activities from continuing operations.

Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures are included in this press release. This press release also contains

supplemental reconciliations of additional non-GAAP financial measures that the Company presents in other contexts. These additional non-GAAP financial measures are computed from the most directly comparable GAAP financial measure as indicated in the applicable reconciliation.

Management uses non-GAAP financial measures internally to evaluate the performance of the business. Additionally, management believes these non-GAAP measures provide meaningful incremental information to investors to consider when evaluating the performance of the Company. Management believes these measures offer the ability to make period-to-period comparisons that are not impacted by certain items that can cause dramatic changes in reported income but that do not impact the fundamentals of our operations. The non-GAAP measures enable the evaluation of operating results and trend analysis by allowing a reader to better identify operating trends that may otherwise be masked or distorted by these types of items that are excluded from the non-GAAP measures. In addition, constant currency sales changes, adjusted operating profit, adjusted diluted earnings per share from continuing operations and free cash flow from continuing operations are used as performance metrics in our incentive compensation programs.

#### **Forward-Looking Non-GAAP Financial Measures**

This press release also includes certain forward-looking non-GAAP financial measures for the year ending December 31, 2022. We calculate forward-looking non-GAAP financial measures based on internal forecasts that omit certain amounts that would be included in GAAP financial measures. For instance, we exclude the impact of certain charges related to initial compliance with the European Union Medical Device Regulation; restructuring and other cost reduction initiatives; quality remediation; acquisition, integration, divestiture and related; certain legal and tax matters; and discontinued operations. We have not provided quantitative reconciliations of these forward-looking non-GAAP financial measures to the most directly comparable forward-looking GAAP financial measures because the excluded items are not available on a prospective basis without unreasonable efforts. For example, the timing of certain transactions is difficult to predict because management's plans may change. In addition, the Company believes such reconciliations would imply a degree of precision and certainty that could be confusing to investors. It is probable that these forward-looking non-GAAP financial measures may be materially different from the corresponding GAAP financial measures.

#### **Cautionary Note Regarding Forward-Looking Statements**

*This press release contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including statements regarding*

*financial guidance, the impact of the COVID-19 pandemic on our business, including any continued recovery, and any statements about our forecasts, expectations, plans, intentions, strategies or prospects. All statements other than statements of historical or current fact are, or may be deemed to be, forward-looking statements. Such statements are based upon the current beliefs, expectations and assumptions of management and are subject to significant risks, uncertainties and changes in circumstances that could cause actual outcomes and results to differ materially from the forward-looking statements. These risks, uncertainties and changes in circumstances include, but are not limited to: the effects of the COVID-19 global pandemic and other adverse public health developments on the global economy, our business and operations and the business and operations of our suppliers and customers, including the deferral of elective surgical procedures and our ability to collect accounts receivable; the failure of vaccine rollouts and other strategies to mitigate or reverse the impacts of the COVID-19 pandemic; the emergence of new pandemic variants; the failure of elective surgical procedures to recover at the levels or on the timeline anticipated; the risks and uncertainties related to our ability to successfully execute our restructuring plans; our ability to attract, retain and develop the highly skilled employees we need to support our business; the success of our quality and operational excellence initiatives, including ongoing quality remediation efforts at our Warsaw North Campus facility; the ability to remediate matters identified in inspectional observations or warning letters issued by the U.S. Food and Drug Administration (FDA), while continuing to satisfy the demand for our products; the risks and uncertainties associated with the spinoff of ZimVie Inc. (ZimVie), including, without limitation, the tax-free nature of the transaction, the tax-efficient nature of any subsequent disposal of the ZimVie common stock we retain, possible disruptions in our relationships with customers, suppliers and other business partners and the possibility that the anticipated benefits and synergies of the transaction, strategic and competitive advantages, and future growth and other opportunities will not be realized within the expected time periods or at all; the impact of substantial indebtedness on our ability to service our debt obligations and/or refinance amounts outstanding under our debt obligations at maturity on terms favorable to us, or at all; the ability to retain the employees, independent agents and distributors who market our products; dependence on a limited number of suppliers for key raw materials and outsourced activities; the possibility that the anticipated synergies and other benefits from mergers and acquisitions will not be realized, or will not be realized within the expected time periods; the risks and uncertainties related to our ability to successfully integrate the operations, products, employees and distributors of acquired companies; the effect of the potential disruption of management's attention from ongoing business operations due to integration matters related to mergers and acquisitions; the effect of mergers and acquisitions on our relationships with customers, suppliers and lenders and on our operating results and businesses generally; challenges relating to changes in and compliance with governmental laws and regulations*

*affecting our U.S. and international businesses, including regulations of the FDA and foreign government regulators, such as more stringent requirements for regulatory clearance of products; the outcome of government and regulatory investigations; competition; pricing pressures; changes in customer demand for our products and services caused by demographic changes or other factors; the impact of healthcare reform measures; reductions in reimbursement levels by third-party payors and other cost containment efforts sponsored by government agencies, legislative bodies, the private sector and healthcare purchasing organizations, including the volume-based procurement in China; dependence on new product development, technological advances and innovation; shifts in the product category or regional sales mix of our products and services; supply and prices of raw materials, especially of titanium and other inputs used in our products; control of costs and expenses; the ability to obtain and maintain adequate intellectual property protection; breaches or failures of our information technology systems or products, including by cyberattack, unauthorized access or theft; the ability to form and implement alliances; changes in tax obligations arising from tax reform measures, including European Union rules on state aid, or examinations by tax authorities; product liability, intellectual property and commercial litigation losses; changes in general industry and market conditions, including domestic and international growth rates; changes in general domestic and international economic conditions, including interest rate and currency exchange rate fluctuations; the domestic and international business impact of political, social and economic instability, tariffs, trade embargoes, sanctions, wars, disputes and other conflicts; the effects of inflation, including the effects of different rates of inflation in different countries, on our costs, on the costs of our products and on demand for our products; the effects of supply chain disruptions; and the impact of the ongoing and potential new financial and political uncertainty relating to the Russian-Ukrainian crisis, or which may emerge from other potential conflicts, such as may arise involving China and Taiwan, including on our ability to operate in, export from or collect accounts receivable in affected countries. A further list and description of these risks and uncertainties and other factors can be found in our Annual Report on Form 10-K for the year ended December 31, 2021, including in the sections captioned “Cautionary Note Regarding Forward-Looking Statements” and “Item 1A. Risk Factors,” and our subsequent filings with the Securities and Exchange Commission (SEC). Copies of these filings are available online at [www.sec.gov](http://www.sec.gov), [www.zimmerbiomet.com](http://www.zimmerbiomet.com) or on request from us. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in our filings with the SEC. Forward-looking statements speak only as of the date they are made, and we expressly disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Readers of this press release are cautioned not to rely on these forward-looking statements since there can be no assurance that these forward-*

*looking statements will prove to be accurate. This cautionary note is applicable to all forward-looking statements contained in this press release.*

**###**

**ZIMMER BIOMET HOLDINGS, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022 and 2021**  
(in millions, except per share amounts, unaudited)

	<b>2022</b>	<b>2021</b>
<b>Net Sales</b>	\$ 1,669.8	\$ 1,685.4
Cost of products sold, excluding intangible asset amortization	488.2	491.4
Intangible asset amortization	131.5	132.2
Research and development	101.7	93.8
Selling, general and administrative	654.9	684.4
Restructuring and other cost reduction initiatives	28.3	22.5
Quality remediation	8.1	11.7
Acquisition, integration, divestiture and related	11.8	6.4
Operating expenses	<u>1,424.5</u>	<u>1,442.4</u>
<b>Operating Profit</b>	245.3	243.0
Other (expense) income, net	(25.4)	0.3
Interest expense, net	(42.3)	(52.6)
Earnings from continuing operations before income taxes	177.6	190.7
(Benefit) provision for income taxes from continuing operations	(16.6)	28.3
<b>Net Earnings from continuing operations</b>	194.2	162.4
Less: Net earnings attributable to noncontrolling interest	0.2	0.2
Net Earnings from Continuing Operations of Zimmer Biomet Holdings, Inc.	194.0	162.2
Loss from discontinued operations, net of taxes	-	(16.6)
<b>Net Earnings of Zimmer Biomet Holdings, Inc.</b>	<b><u>\$ 194.0</u></b>	<b><u>\$ 145.6</u></b>
<b>Earnings Per Common Share - Basic</b>		
Earnings from continuing operations	\$ 0.92	\$ 0.78
Loss from discontinued operations	-	(0.08)
<b>Net Earnings Per Common Share - Basic</b>	<b><u>\$ 0.92</u></b>	<b><u>\$ 0.70</u></b>
<b>Earnings Per Common Share - Diluted</b>		
Earnings from continuing operations	\$ 0.92	\$ 0.77
Loss from discontinued operations	-	(0.08)
<b>Net Earnings Per Common Share - Diluted</b>	<b><u>\$ 0.92</u></b>	<b><u>\$ 0.69</u></b>
<b>Weighted Average Common Shares Outstanding</b>		
Basic	209.8	208.8
Diluted	210.3	210.6

**ZIMMER BIOMET HOLDINGS, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 and 2021**  
(in millions, except per share amounts, unaudited)

	<b>2022</b>	<b>2021</b>
<b>Net Sales</b>	\$ 5,114.8	\$ 5,050.1
Cost of products sold, excluding intangible asset amortization	1,499.2	1,423.9
Intangible asset amortization	395.3	398.7
Research and development	298.0	339.8
Selling, general and administrative	2,034.6	2,038.2
Intangible asset impairment	3.0	16.3
Restructuring and other cost reduction initiatives	129.2	62.6
Quality remediation	22.4	32.8
Acquisition, integration, divestiture and related Operating expenses	8.5	11.3
	<u>4,390.2</u>	<u>4,323.6</u>
<b>Operating Profit</b>	724.6	726.5
Other (expense) income, net	(124.1)	16.0
Interest expense, net	(122.2)	(159.6)
Earnings from continuing operations before income taxes	478.3	582.9
Provision for income taxes from continuing operations	56.9	82.7
<b>Net Earnings from continuing operations</b>	421.4	500.2
Less: Net earnings attributable to noncontrolling interest	0.7	0.4
Net Earnings from Continuing Operations of Zimmer Biomet Holdings, Inc.	420.7	499.8
Loss from discontinued operations, net of taxes	(58.8)	(14.2)
<b>Net Earnings of Zimmer Biomet Holdings, Inc.</b>	<u>\$ 361.9</u>	<u>\$ 485.6</u>
<b>Earnings Per Common Share - Basic</b>		
Earnings from continuing operations	\$ 2.01	\$ 2.40
Loss from discontinued operations	(0.28)	(0.07)
<b>Net Earnings Per Common Share - Basic</b>	<u>\$ 1.73</u>	<u>\$ 2.33</u>
<b>Earnings Per Common Share - Diluted</b>		
Earnings from continuing operations	\$ 2.00	\$ 2.37
Loss from discontinued operations	(0.28)	(0.06)
<b>Net Earnings Per Common Share - Diluted</b>	<u>\$ 1.72</u>	<u>\$ 2.31</u>
<b>Weighted Average Common Shares Outstanding</b>		
Basic	209.5	208.5
Diluted	210.2	210.5

**ZIMMER BIOMET HOLDINGS, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in millions, unaudited)

	September 30, 2022	December 31, 2021
<b>Assets</b>		
Cash and cash equivalents	\$ 545.4	\$ 378.1
Receivables, net	1,278.5	1,259.6
Inventories	2,128.6	2,148.0
Other current assets	581.9	597.7
Current assets of discontinued operations	-	501.6
Total current assets	4,534.4	4,885.0
Property, plant and equipment, net	1,801.6	1,836.6
Goodwill	8,798.8	8,919.4
Intangible assets, net	5,136.5	5,533.6
Other assets	1,062.0	1,005.0
Noncurrent assets of discontinued operations	-	1,276.8
<b>Total Assets</b>	<b>\$ 21,333.3</b>	<b>\$ 23,456.4</b>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities	\$ 1,636.6	\$ 1,685.6
Current portion of long-term debt	659.1	1,605.1
Current liabilities of discontinued operations	-	177.2
Other long-term liabilities	1,731.3	1,690.0
Long-term debt	5,055.2	5,463.7
Noncurrent liabilities of discontinued operations	-	168.4
Stockholders' equity	12,251.1	12,666.4
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 21,333.3</b>	<b>\$ 23,456.4</b>

**ZIMMER BIOMET HOLDINGS, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 and 2021**  
(in millions, unaudited)

	2022	2021
<b>Cash flows provided by (used in) operating activities from continuing operations</b>		
Net earnings from continuing operations	\$ 421.4	\$ 500.2
Depreciation and amortization	697.9	704.5
Share-based compensation	78.2	61.1
Intangible asset impairment	3.0	16.3
Changes in operating assets and liabilities, net of acquired assets and liabilities		
Income taxes	(12.4)	(64.7)
Receivables	(114.5)	(2.0)
Inventories	(63.5)	(95.6)
Accounts payable and accrued liabilities	(1.6)	22.5
Other assets and liabilities	103.5	(75.6)
Net cash provided by operating activities from continuing operations	<u>1,112.0</u>	<u>1,066.7</u>
<b>Cash flows provided by (used in) investing activities from continuing operations</b>		
Additions to instruments	(192.2)	(203.0)
Additions to other property, plant and equipment	(124.5)	(94.4)
Net investment hedge settlements	71.2	(2.4)
Business combination investments, net of acquired cash	(99.8)	-
Investments in other assets	(64.2)	(19.5)
Net cash used in investing activities from continuing operations	<u>(409.5)</u>	<u>(319.3)</u>
<b>Cash flows provided by (used in) financing activities from continuing operations</b>		
Proceeds from revolving facility	220.0	-
Payments on revolving facility	(220.0)	-
Redemption of senior notes	(750.0)	(500.0)
Proceeds from term loan	83.0	-
Payments on term loans	(242.9)	-
Dividends paid to stockholders	(150.8)	(149.9)
Proceeds from employee stock compensation plans	63.2	117.3
Distribution from ZimVie, Inc.	540.6	-
Business combination contingent consideration payments	-	(6.5)
Deferred business combination payments	-	(100.0)
Other financing activities	(5.4)	(11.1)
Net cash used in financing activities from continuing operations	<u>(462.3)</u>	<u>(650.2)</u>
<b>Cash flows provided by (used in) discontinued operations</b>		
Net cash (used in) provided by operating activities	(71.5)	66.8
Net cash used in investing activities	(7.2)	(38.1)
Net cash used in financing activities	(68.1)	-
Net cash flows (used in) provided by discontinued operations	<u>(146.8)</u>	<u>28.7</u>
Effect of exchange rates on cash and cash equivalents	(26.5)	(8.4)
Increase in cash and cash equivalents	66.9	117.5
Cash and cash equivalents, beginning of period (includes \$100.4 and \$27.4 at January 1, 2022 and 2021, respectively, of discontinued operations cash)	478.5	802.1
Cash and cash equivalents, end of period (includes \$24.1 at September 30, 2021 of discontinued operations cash)	<u>\$ 545.4</u>	<u>\$ 919.6</u>

**ZIMMER BIOMET HOLDINGS, INC.**  
**RECONCILIATION OF REPORTED NET SALES % CHANGE TO**  
**CONSTANT CURRENCY % CHANGE**  
(unaudited)

	For the Three Months Ended September 30, 2022 vs. 2021		
	% Change	Foreign Exchange Impact	Constant Currency % Change
<b>Geographic Results</b>			
United States	3.2 %	- %	3.2 %
International	(6.2)	(13.5)	7.3
<b>Total</b>	(0.9)%	(5.9)%	5.0 %
<b>Product Categories</b>			
<b>Knees</b>			
United States	7.3 %	- %	7.3 %
International	(6.2)	(13.2)	7.0
<b>Total</b>	1.4	(5.8)	7.2
<b>Hips</b>			
United States	5.3	-	5.3
International	0.9	(14.6)	15.5
<b>Total</b>	3.1	(7.4)	10.5
<b>S.E.T.</b>	(6.4)	(4.3)	(2.1)
<b>Other</b>	(7.2)	(6.8)	(0.4)
<b>Total</b>	(0.9)%	(5.9)%	5.0 %

**ZIMMER BIOMET HOLDINGS, INC.**  
**RECONCILIATION OF REPORTED NET SALES % CHANGE TO**  
**CONSTANT CURRENCY % CHANGE**  
(unaudited)

	For the Nine Months Ended September 30, 2022 vs. 2021		
	% Change	Foreign Exchange Impact	Constant Currency % Change
<b>Geographic Results</b>			
United States	3.4 %	- %	3.4 %
International	(1.4)	(10.6)	9.2
<b>Total</b>	<b>1.3 %</b>	<b>(4.7)%</b>	<b>6.0 %</b>
<b>Product Categories</b>			
<b>Knees</b>			
United States	7.7 %	- %	7.7 %
International	1.6	(10.8)	12.4
<b>Total</b>	<b>5.0</b>	<b>(4.8)</b>	<b>9.8</b>
<b>Hips</b>			
United States	3.7	-	3.7
International	0.8	(11.3)	12.1
<b>Total</b>	<b>2.2</b>	<b>(5.7)</b>	<b>7.9</b>
<b>S.E.T</b>	<b>(3.4)</b>	<b>(3.4)</b>	<b>-</b>
<b>Other</b>	<b>(4.3)</b>	<b>(5.2)</b>	<b>0.9</b>
<b>Total</b>	<b>1.3 %</b>	<b>(4.7)%</b>	<b>6.0 %</b>

**ZIMMER BIOMET HOLDINGS, INC.**  
**RECONCILIATION OF REPORTED TO ADJUSTED RESULTS**  
**FOR THE THREE MONTHS ENDED SEPTEMBER, 2022 and 2021**  
(in millions, except per share amounts, unaudited)

**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022**

	Cost of products sold, excluding intangible asset amortization	Intangible asset amortization	Research and development	Selling, general and administrative	Restructuring and other cost reduction initiatives	Quality remediation	Acquisition, integration, divestiture and related	Other (expense) income, net	(Benefit) provision for income taxes from continuing operations	Net Earnings from Continuing Operations of Zimmer Biomet Holdings, Inc.	Diluted earnings from continuing operations per common share
<b>As Reported</b>	\$ 488.2	\$ 131.5	\$ 101.7	\$ 654.9	\$ 28.3	\$ 8.1	\$ 11.8	\$ (25.4)	\$ (16.6)	\$ 194.0	\$ 0.92
Inventory and manufacturing-related charges <sup>(1)</sup>	0.6	-	-	-	-	-	-	-	1.1	(1.7)	(0.01)
Intangible asset amortization <sup>(2)</sup>	-	(131.5)	-	-	-	-	-	-	27.3	104.2	0.50
Restructuring and other cost reduction initiatives <sup>(4)</sup>	-	-	-	-	(28.3)	-	-	-	12.3	16.0	0.07
Quality remediation <sup>(5)</sup>	-	-	-	-	-	(8.1)	-	-	1.9	6.2	0.03
Acquisition, integration, divestiture and related <sup>(6)</sup>	-	-	-	-	-	-	(11.8)	-	(0.1)	11.9	0.06
Litigation <sup>(7)</sup>	-	-	-	0.1	-	-	-	-	0.2	(0.3)	-
European Union Medical Device Regulation <sup>(8)</sup>	-	-	(13.5)	-	-	-	-	-	3.2	10.3	0.05
Other charges <sup>(9)</sup>	-	-	-	(1.7)	-	-	-	26.4	(6.7)	34.8	0.16
Other certain tax adjustments <sup>(10)</sup>	-	-	-	-	-	-	-	-	42.3	(42.3)	(0.20)
<b>As Adjusted</b>	<u>\$ 488.8</u>	<u>\$ -</u>	<u>\$ 88.2</u>	<u>\$ 653.3</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1.0</u>	<u>\$ 64.9</u>	<u>\$ 333.1</u>	<u>\$ 1.58</u>

**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021**

	Cost of products sold, excluding intangible asset amortization	Intangible asset amortization	Research and development	Selling, general and administrative	Restructuring and other cost reduction initiatives	Quality remediation	Acquisition, integration, divestiture and related	Other (expense) income, net	(Benefit) provision for income taxes from continuing operations	Net Earnings from Continuing Operations of Zimmer Biomet Holdings, Inc.	Diluted earnings from continuing operations per common share
<b>As Reported</b>	\$ 491.4	\$ 132.2	\$ 93.8	\$ 684.4	\$ 22.5	\$ 11.7	\$ 6.4	\$ 0.3	\$ 28.3	\$ 162.2	\$ 0.77
Inventory and manufacturing-related charges <sup>(1)</sup>	(5.2)	-	-	-	-	-	-	-	6.6	(1.4)	(0.01)
Intangible asset amortization <sup>(2)</sup>	-	(132.2)	-	-	-	-	-	-	20.0	112.2	0.53
Restructuring and other cost reduction initiatives <sup>(4)</sup>	-	-	-	-	(22.5)	-	-	-	2.1	20.4	0.10
Quality remediation <sup>(5)</sup>	-	-	-	-	-	(11.7)	-	-	2.8	8.9	0.04
Acquisition, integration, divestiture and related <sup>(6)</sup>	-	-	-	-	-	-	(6.4)	-	0.6	5.8	0.03
Litigation <sup>(7)</sup>	-	-	-	(43.6)	-	-	-	-	4.9	38.7	0.18
European Union Medical Device Regulation <sup>(8)</sup>	-	-	(10.6)	-	-	-	-	-	2.4	8.2	0.04
Other charges <sup>(9)</sup>	-	-	-	(2.1)	-	-	-	3.8	(3.7)	9.6	0.05
Other certain tax adjustments <sup>(10)</sup>	-	-	-	-	-	-	-	-	4.2	(4.2)	(0.02)
<b>As Adjusted</b>	<u>\$ 486.2</u>	<u>\$ -</u>	<u>\$ 83.2</u>	<u>\$ 638.7</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4.1</u>	<u>\$ 68.2</u>	<u>\$ 360.4</u>	<u>\$ 1.71</u>

**ZIMMER BIOMET HOLDINGS, INC.**  
**RECONCILIATION OF REPORTED TO ADJUSTED RESULTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 and 2021**  
(in millions, except per share amounts, unaudited)

**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022**

	Cost of products sold, excluding intangible asset amortization	Intangible asset amortization	Research and development	Selling, general and administrative	Intangible asset impairment	Restructuring and other cost reduction initiatives	Quality remediation	Acquisition, integration, divestiture and related	Other (expense) income, net	Provision for income taxes from continuing operations	Net Earnings from Continuing Operations of Zimmer Biomet Holdings, Inc.	Diluted earnings from continuing operations per common share
<b>As Reported</b>	\$ 1,499.2	\$ 395.3	\$ 298.0	\$ 2,034.6	\$ 3.0	\$ 129.2	\$ 22.4	\$ 8.5	\$ (124.1)	\$ 56.9	\$ 420.7	\$ 2.00
Inventory and manufacturing-related charges <sup>(1)</sup>	(14.7)	-	-	-	-	-	-	-	-	12.4	2.3	0.01
Intangible asset amortization <sup>(2)</sup>	-	(395.3)	-	-	-	-	-	-	-	79.9	315.4	1.50
Intangible asset impairment <sup>(3)</sup>	-	-	-	-	(3.0)	-	-	-	-	0.8	2.2	0.01
Restructuring and other cost reduction initiatives <sup>(4)</sup>	-	-	-	-	-	(129.2)	-	-	-	30.5	98.7	0.47
Quality remediation <sup>(5)</sup>	-	-	-	-	-	-	(22.4)	-	-	5.0	17.4	0.08
Acquisition, integration, divestiture and related <sup>(6)</sup>	-	-	-	-	-	-	-	(8.5)	-	4.4	4.1	0.02
Litigation <sup>(7)</sup>	-	-	-	(35.0)	-	-	-	-	-	8.2	26.8	0.13
European Union Medical Device Regulation <sup>(8)</sup>	-	-	(37.3)	-	-	-	-	-	-	8.5	28.8	0.14
Other charges <sup>(9)</sup>	-	-	-	(6.9)	-	-	-	-	128.6	(4.2)	139.7	0.66
Other certain tax adjustments <sup>(10)</sup>	-	-	-	-	-	-	-	-	-	3.2	(3.2)	(0.01)
<b>As Adjusted</b>	<u>\$ 1,484.5</u>	<u>\$ -</u>	<u>\$ 260.7</u>	<u>\$ 1,992.7</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4.5</u>	<u>\$ 205.6</u>	<u>\$ 1,052.9</u>	<u>\$ 5.01</u>

**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021**

	Cost of products sold, excluding intangible asset amortization	Intangible asset amortization	Research and development	Selling, general and administrative	Intangible asset impairment	Restructuring and other cost reduction initiatives	Quality remediation	Acquisition, integration, divestiture and related	Other (expense) income, net	Provision for income taxes from continuing operations	Net Earnings from Continuing Operations of Zimmer Biomet Holdings, Inc.	Diluted earnings from continuing operations per common share
<b>As Reported</b>	\$ 1,423.9	\$ 398.7	\$ 339.8	\$ 2,038.2	\$ 16.3	\$ 62.6	\$ 32.8	\$ 11.3	\$ 16.0	\$ 82.7	\$ 499.8	\$ 2.37
Inventory and manufacturing-related charges <sup>(1)</sup>	(6.4)	-	-	-	-	-	-	-	-	16.4	(10.0)	(0.05)
Intangible asset amortization <sup>(2)</sup>	-	(398.7)	-	-	-	-	-	-	-	74.4	324.3	1.54
Intangible asset impairment <sup>(3)</sup>	-	-	-	-	(16.3)	-	-	-	-	2.1	14.2	0.07
Restructuring and other cost reduction initiatives <sup>(4)</sup>	-	-	-	-	-	(62.6)	-	-	-	10.6	52.0	0.25
Quality remediation <sup>(5)</sup>	-	-	-	-	-	-	(32.8)	-	-	7.7	25.1	0.12
Acquisition, integration, divestiture and related <sup>(6)</sup>	-	-	-	-	-	-	-	(11.3)	-	2.4	8.9	0.04
Litigation <sup>(7)</sup>	-	-	-	(53.3)	-	-	-	-	-	5.9	47.4	0.22
European Union Medical Device Regulation <sup>(8)</sup>	-	-	(26.7)	-	-	-	-	-	-	6.0	20.7	0.10
Other charges <sup>(9)</sup>	-	-	-	(3.5)	-	-	-	-	(3.4)	(8.2)	8.3	0.04
Other certain tax adjustments <sup>(10)</sup>	-	-	-	-	-	-	-	-	-	(14.3)	14.3	0.07
<b>As Adjusted</b>	<u>\$ 1,417.5</u>	<u>\$ -</u>	<u>\$ 313.1</u>	<u>\$ 1,981.4</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12.6</u>	<u>\$ 185.7</u>	<u>\$ 1,005.0</u>	<u>\$ 4.77</u>

- (1) Inventory and manufacturing-related charges include excess and obsolete inventory charges on certain product lines we intend to discontinue, incremental cost of products sold from stepping up inventory to its fair value from its manufactured cost in business combination accounting and other inventory and manufacturing-related charges or gains.
- (2) We exclude intangible asset amortization as well as deferred tax rate changes on our intangible assets from our non-GAAP financial measures because we internally assess our performance against our peers without this amortization. Due to various levels of acquisitions among our peers, intangible asset amortization can vary significantly from company to company.
- (3) In the second quarters of 2022 and 2021, we recognized \$3.0 million and \$16.3 million, respectively, of in-process research and development (“IPR&D”) intangible asset impairments on certain IPR&D projects.
- (4) In December 2019 and 2021, we initiated global restructuring programs that included a reorganization of key businesses and an overall effort to reduce costs in order to accelerate decision-making, focus the organization on priorities to drive growth and to prepare for the planned spinoff of ZimVie. Restructuring and other cost reduction initiatives also include other cost reduction initiatives that have the goal of reducing costs across the organization. The costs include employee termination benefits; contract terminations for facilities and sales agents; and other charges, such as retention period salaries and benefits and relocation costs.
- (5) We are addressing inspectional observations on Form 483 and a Warning Letter issued by the U.S. Food and Drug Administration (“FDA”) following its previous inspections of our Warsaw North Campus facility, among other matters. This quality remediation has required us to devote significant financial resources. The majority of the expenses are related to consultants who are helping us to update previous documents and redesign certain processes.
- (6) The acquisition, integration, divestiture and related gains and expenses we have excluded from our non-GAAP financial measures resulted from various acquisitions, post-separation costs we've incurred related to ZimVie and gains related to a transition services agreement for services we provide to ZimVie and a transition manufacturing and supply agreement for products we supply to ZimVie for a limited period.
- (7) We are involved in patent litigation, product liability litigation, commercial litigation and other various litigation matters. We review litigation matters from both a qualitative and quantitative perspective to determine if excluding the losses or gains will provide our investors with useful incremental information. Litigation matters can vary in their characteristics, frequency and significance to our operating results. The litigation charges and gains excluded from our non-GAAP financial measures in the periods presented relate to product liability matters where we have received numerous claims on specific products, patent litigation and commercial litigation related to a common matter in multiple jurisdictions. In regards to the product liability matters, due to the complexities involved and claims filed in multiple districts, the expenses associated with these matters are significant to our operating results. Once the litigation matter has been excluded from our non-GAAP financial measures in a particular period, any additional expenses or gains from changes in estimates are also excluded, even if they are not significant, to ensure consistency in our non-GAAP financial measures from period-to-period.
- (8) The European Union Medical Device Regulation imposes significant additional premarket and postmarket requirements. The new regulations provided a transition period until May 2021 for previously-approved medical devices to meet the additional requirements. For certain devices, this transition period can be extended until May 2024. We are excluding from our non-GAAP financial measures the incremental costs incurred to establish initial compliance with the regulations related to our previously-approved medical devices. The incremental costs primarily relate to temporary personnel and third-party professionals necessary to supplement our internal resources.
- (9) We have incurred other various expenses from specific events or projects that we consider highly variable or that have a significant impact to our operating results that we have excluded from our non-GAAP measures. These include costs related to legal entity, distribution and manufacturing optimization, including contract terminations, and gains and losses from changes in fair value on our equity investments including our investment in ZimVie.
- (10) Other certain tax adjustments are related to certain significant and discrete tax adjustments including intercompany transactions between jurisdictions, ongoing impacts of tax only amortization resulting from certain restructuring transactions, impacts of significant tax reform including Swiss reform and certain favorable tax audit settlements.

**ZIMMER BIOMET HOLDINGS, INC.**  
**RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES FROM**  
**CONTINUING OPERATIONS TO FREE CASH FLOW FROM CONTINUING OPERATIONS**  
**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022 and 2021**  
(in millions, unaudited)

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Net cash provided by operating activities from continuing operations	\$ 450.8	\$ 424.2	\$ 1,112.0	\$ 1,066.7
Additions to instruments	(71.6)	(69.7)	(192.2)	(203.0)
Additions to other property, plant and equipment	(47.2)	(44.0)	(124.5)	(94.4)
Free cash flow from continuing operations	<u>\$ 332.0</u>	<u>\$ 310.5</u>	<u>\$ 795.3</u>	<u>\$ 769.3</u>

**ZIMMER BIOMET HOLDINGS, INC.**  
**RECONCILIATION OF GROSS PROFIT & MARGIN FROM CONTINUING OPERATIONS**  
**TO ADJUSTED GROSS PROFIT & MARGIN FROM CONTINUING OPERATIONS**  
**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022 and 2021**  
(in millions, unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net Sales	\$ 1,669.8	\$ 1,685.4	\$ 5,114.8	\$ 5,050.1
Cost of products sold, excluding intangible asset amortization	488.2	491.4	1,499.2	1,423.9
Intangible asset amortization	131.5	132.2	395.3	398.7
Gross Profit	<u>\$ 1,050.1</u>	<u>\$ 1,061.8</u>	<u>\$ 3,220.3</u>	<u>\$ 3,227.5</u>
Inventory and manufacturing-related charges	(0.6)	5.2	14.7	6.4
Intangible asset amortization	131.5	132.2	395.3	398.7
Adjusted gross profit	<u>\$ 1,181.0</u>	<u>\$ 1,199.2</u>	<u>\$ 3,630.3</u>	<u>\$ 3,632.6</u>
Gross margin	62.9 %	63.0 %	63.0 %	63.9 %
Inventory and manufacturing-related charges	-	0.3	0.3	0.1
Intangible asset amortization	7.8	7.9	7.7	7.9
Adjusted gross margin	<u>70.7 %</u>	<u>71.2 %</u>	<u>71.0 %</u>	<u>71.9 %</u>

**ZIMMER BIOMET HOLDINGS, INC.**  
**RECONCILIATION OF OPERATING PROFIT & MARGIN FROM CONTINUING OPERATIONS**  
**TO ADJUSTED OPERATING PROFIT & MARGIN FROM CONTINUING OPERATIONS**  
**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022 and 2021**  
(in millions, unaudited)

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Operating profit	\$ 245.3	\$ 243.0	\$ 724.6	\$ 726.5
Inventory and manufacturing-related charges	(0.6)	5.2	14.7	6.4
Intangible asset amortization	131.5	132.2	395.3	398.7
Intangible asset impairment	-	-	3.0	16.3
Restructuring and other cost reduction initiatives	28.3	22.5	129.2	62.6
Quality remediation	8.1	11.7	22.4	32.8
Acquisition, integration, divestiture and related	11.8	6.4	8.5	11.3
Litigation	(0.1)	43.6	35.0	53.3
European Union Medical Device Regulation	13.5	10.6	37.3	26.7
Other charges	1.7	2.1	6.9	3.5
Adjusted operating profit	<u>\$ 439.5</u>	<u>\$ 477.3</u>	<u>\$ 1,376.9</u>	<u>\$ 1,338.1</u>
Operating profit margin	14.7 %	14.4 %	14.2 %	14.4 %
Inventory and manufacturing-related charges	-	0.3	0.3	0.1
Intangible asset amortization	7.8	7.9	7.7	7.9
Intangible asset impairment	-	-	0.1	0.3
Restructuring and other cost reduction initiatives	1.7	1.3	2.5	1.2
Quality remediation	0.5	0.7	0.4	0.7
Acquisition, integration, divestiture and related	0.7	0.4	0.2	0.2
Litigation	-	2.6	0.7	1.1
European Union Medical Device Regulation	0.8	0.6	0.7	0.5
Other charges	0.1	0.1	0.1	0.1
Adjusted operating profit margin	<u>26.3 %</u>	<u>28.3 %</u>	<u>26.9 %</u>	<u>26.5 %</u>

**ZIMMER BIOMET HOLDINGS, INC.**  
**RECONCILIATION OF EFFECTIVE TAX RATE FROM CONTINUING OPERATIONS TO**  
**ADJUSTED EFFECTIVE TAX RATE FROM CONTINUING OPERATIONS**  
**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022 and 2021**  
**(unaudited)**

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Effective tax rate	(9.3)%	14.8 %	11.9 %	14.2 %
Tax effect of adjustments made to earnings before taxes <sup>(1)</sup>	1.7	(1.1)	3.7	3.8
Other certain tax adjustments	23.9	2.2	0.7	(2.4)
Adjusted effective tax rate	<u>16.3 %</u>	<u>15.9 %</u>	<u>16.3 %</u>	<u>15.6 %</u>

<sup>(1)</sup> Includes inventory and manufacturing-related charges; intangible asset amortization; intangible asset impairment; restructuring and other cost reduction initiatives; quality remediation; acquisition, integration, divestiture and related; litigation; European Union Medical Device Regulation; and other charges

**ZIMMER BIOMET HOLDINGS, INC.**  
**RECONCILIATION OF DEBT TO NET DEBT**  
**AS OF SEPTEMBER 30, 2022 and DECEMBER 31, 2021**  
(in millions, unaudited)

	<b>September 30, 2022</b>	<b>December 31, 2021</b>
Debt, both current and long-term	\$ 5,714.3	\$ 7,068.8
Cash and cash equivalents	(545.4)	(378.1)
Net debt	<u>\$ 5,168.9</u>	<u>\$ 6,690.7</u>