



ZIMMER BIOMET

MOVING YOU FORWARD

2024 Investor Day

MAY 29, 2024





Cautionary Note Regarding Forward-Looking Statements and Non-GAAP Measures

This presentation contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including any statements about our forecasts; expectations; plans; intentions; strategies; prospects; goals; priorities; financial guidance; and our products, technologies, partnerships and services, including new product development and launches, and potential clinical successes. 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: competition; pricing pressures; dependence on new product development, technological advances and innovation; changes in customer demand for our products and services caused by demographic changes, obsolescence, development of different therapies or other factors; shifts in the product category or regional sales mix of our products and services; the effects of business disruptions, either alone or in combination with other risks on our business and operations; the risks and uncertainties related to our ability to successfully execute our restructuring plans; control of costs and expenses; our ability to attract, retain and develop the highly skilled employees, senior management, independent agents and distributors we need to support our business; 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; the ability to form and implement alliances; dependence on a limited number of suppliers for key raw materials and other inputs and for outsourced activities; the risk of disruptions in the supply of materials and components used in manufacturing or sterilizing our products; breaches or failures of our information technology systems or products, including by cyberattack, unauthorized access or theft; challenges relating to changes in and compliance with governmental laws and regulations affecting our U.S. and international businesses, including regulations of the U.S. Food and Drug Administration ("FDA") and other government regulators, such as more stringent requirements for regulatory clearance of products; the outcome of government investigations; the impact of healthcare reform and cost containment measures, including efforts sponsored by government agencies, legislative bodies, the private sector and healthcare purchasing organizations through reductions in reimbursement levels, repayment demands and otherwise; 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; changes in tax obligations arising from examinations by tax authorities and from changes in tax laws in jurisdictions where we do business, including as a result of the "base erosion and profit shifting" project undertaken by the Organisation for Economic Co-operation and Development and otherwise; challenges to the tax-free nature of the ZimVie Inc. spinoff transaction and the subsequent liquidation of our retained interest in ZimVie Inc.; the risk of additional tax liability due to the recategorization of our independent agents and distributors to employees; the risk that material impairment of the carrying value of our intangible assets, including goodwill, could negatively affect our operating results; changes in general domestic and international economic conditions, including interest rate and currency exchange rate fluctuations; changes in general industry and market conditions, including domestic and international growth, inflation and currency exchange rates; the domestic and international business impact of political, social and economic instability, tariffs, trade restrictions and embargoes, sanctions, wars, disputes and other conflicts, including on our ability to operate in, export to or from or collect accounts receivable in affected countries; 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 other government regulators relating to medical products, healthcare fraud and abuse laws and data privacy and security laws; the success of our quality and operational excellence initiatives; the ability to remediate matters identified in inspectional observations or warning letters issued by the FDA and other regulators, while continuing to satisfy the demand for our products; product liability, intellectual property and commercial litigation losses; and the ability to obtain and maintain adequate intellectual property protection. 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, 2023, 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, 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. Recipients of this presentation 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 presentation.

Non-GAAP Financial Measures: This presentation refers to certain 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. 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 our performance. 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 financial measures. In addition, certain of these non-GAAP financial measures are used as performance metrics in our incentive compensation programs. Forward looking information is not adjusted to give effect to accounting requirements for discontinued operations. Unless otherwise noted, all measures in this presentation are on an adjusted and constant currency basis.



Today's Agenda



PRESENTATION TITLE

PRESENTER

- | | |
|--|---|
| > Taking Zimmer Biomet to the Next Level | Ivan Tornos
<i>President & Chief Executive Officer</i> |
| > Active Portfolio Management | Rachel Ellingson
<i>Chief Administrative Officer</i> |
| > Business & Markets | Ivan Tornos
<i>President & Chief Executive Officer</i> |
| > Surgeon Panel | Dr. Nitin Goyal
<i>Chief Science, Technology & Innovation Officer</i> |
| > Q&A | Surgeon Panel & Dr. Nitin Goyal |
| > Financial Outlook & Expectations | Suky Upadhyay
<i>Executive Vice President & Chief Financial Officer</i> |
| > Q&A | ZBH Executive Team |

Zimmer Biomet.
Moving You Forward.





*TAKING ZIMMER BIOMET TO THE **NEXT LEVEL***

Ivan Tornos

President & Chief Executive Officer





HEALTHIER END MARKETS, STRONGER COMPANY

Transformed our business to better compete and win in attractive markets

INNOVATION IS OUR COMPETITIVE ADVANTAGE

Solving problems around safety, efficiency and delivering best-in-class clinical outcomes

POISED TO CREATE SHAREHOLDER VALUE

Focused strategy and top talent delivering on a new, compelling growth profile and enabling optionality around capital allocation

Why Zimmer
Biomet?





Our Mission

Alleviate Pain and Improve the Quality
of Life for People Around the World

Our Vision

Be the Boldest Company in Med Tech by
Solving the Most Meaningful Problems in Healthcare

Our Strategy

Provide Customer-Centric Solutions that will
Eliminate Safety Concerns, Maximize Efficiency
and Deliver Best-in-Class Clinical Outcomes

Global Leader in MedTech



Operations in
25+ Countries

18,000
Team members

Sales in
100+ Countries

Fortune 500
Company

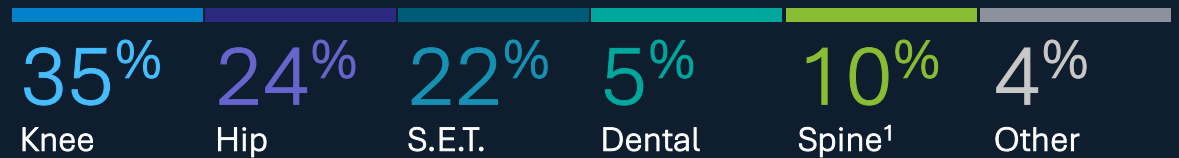
\$7.4B
Revenue in 2023



Zimmer Biomet Five Years Ago...

ZBH **2018**

2018 Sales by Category



#1 IN WW HIPS & KNEES

But
ceding
market
share

NEW PRODUCT LAUNCHES

8
Launches

VITALITY INDEX

Significantly
below peers

SUPPLY CHAIN

3+
Days
of back
orders
entering
2018

REMEDIATION

3 FDA
warning
letters &
DOJ
monitorship

WAMGR

~3%

TOTAL DEBT

\$8.9B

ENGAGEMENT

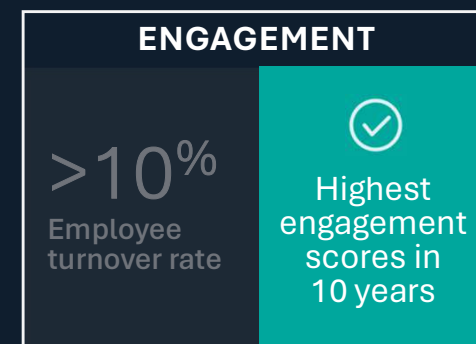
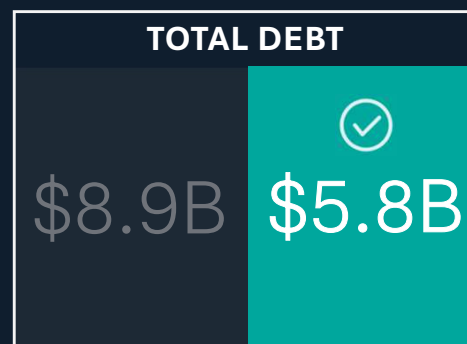
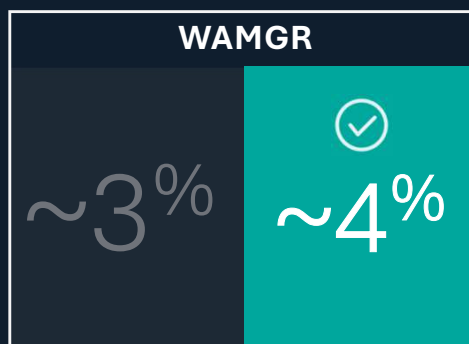
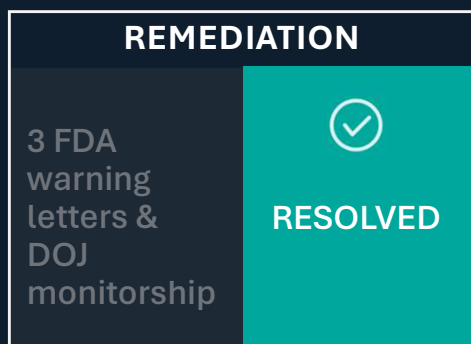
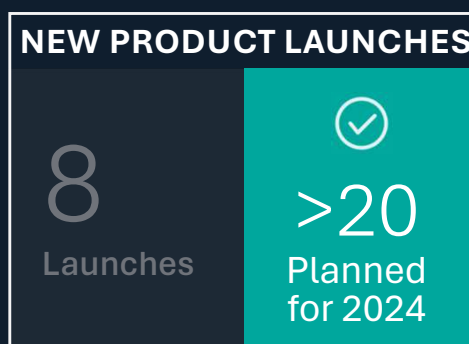
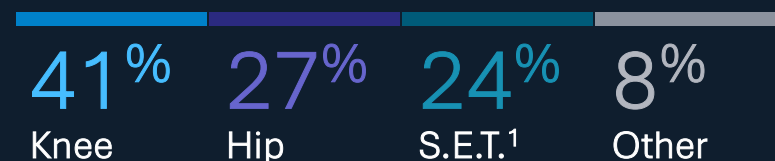
>10%
Employee
turnover rate

1. Spine includes CMF in 2018

True Transformation... and Momentum into 2024 and Beyond

ZBH **TODAY**

2023 Sales by Category



1. S.E.T.: Upper Extremities 33%, Trauma 24%, CMFT 20%, Sports 11%, Biologics 8%, F&A 4%

Differentiated Innovation: Zimmer Biomet's Competitive Advantage

2x

The gross dollar value of the R&D pipeline in 2024 vs 2018

50+

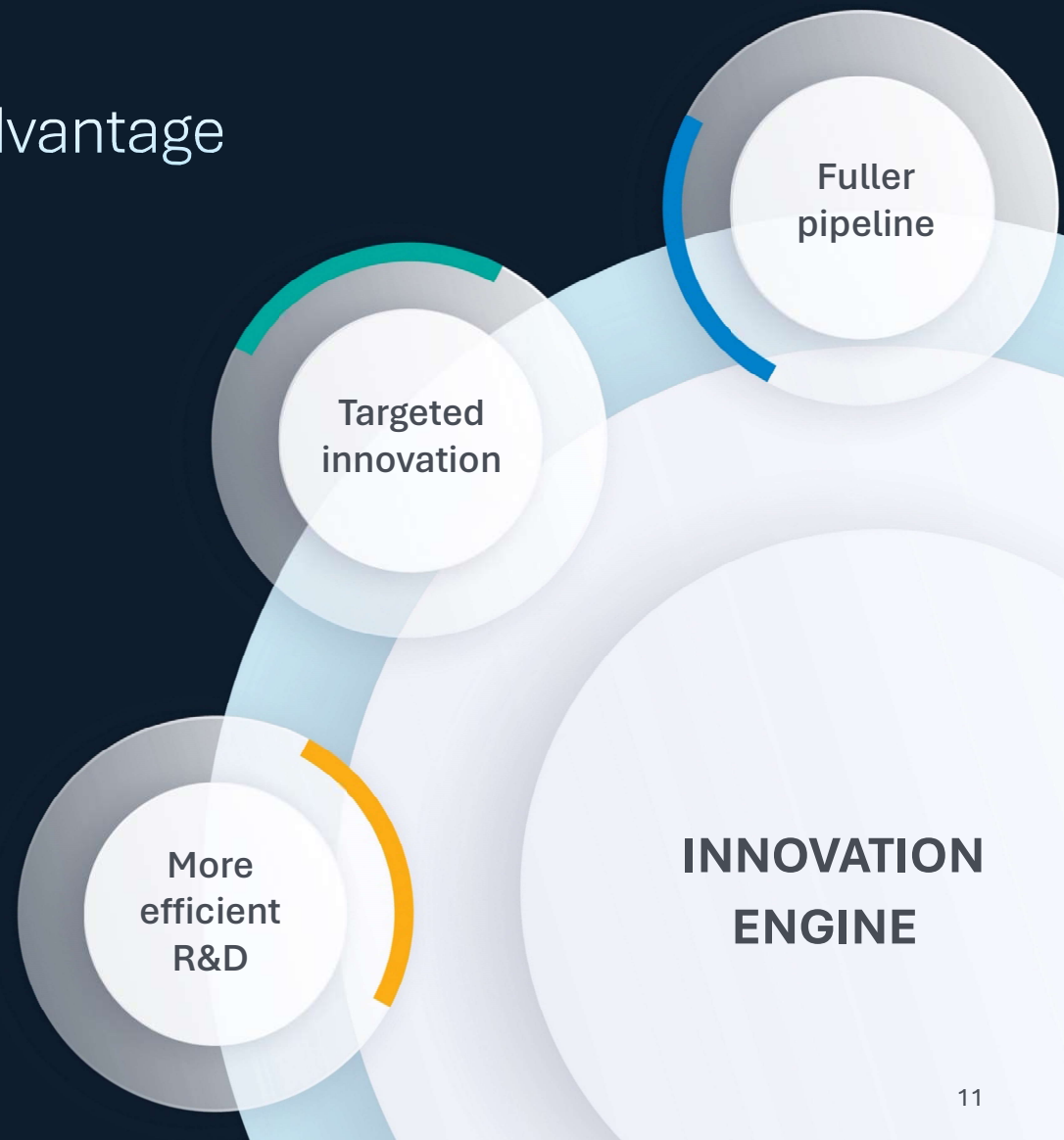
Product launches (2024-2027), helping to define new Standards of Care

~75%

of Innovation Pipeline in **4%+ growth markets**

~5% R&D²

NPI¹ investment grew >50% from 2018 to 2024



1. New product introductions

2. About 5% Global R&D investment as a percentage of revenue; 2024 based on budget

Robust Innovation Pipeline

2018-2023 PRODUCTS

Embodiment Tapestry® /RC

Persona IQ®

ROSA® HIP

Alliance™ Glenoid

Persona® Revision Full Release

OrthoIntel

Persona® OsseoTi®

JuggerStitch™ Full Release

Signature™ Planner 2.0

mymobility® Shoulder ROM

60 Products

2024-2027 PRODUCTS

ROSA® Knee Pinless	HAMMR™
Oxford® Partial Cementless	ROSA® Shoulder
Taperloc® / G7® Iodine Japan	Persona IQ® Next Generation
Persona® Hinge and Sleeves	Stemless Shoulder Next Generation

50+ Products

~75% of Innovations to be in

4%+ Growth Markets

Focus to Achieve our LRP¹: Zimmer Biomet Strategic Priorities



People & Culture



Operational Excellence



Innovation & Diversification



1. LRP stands for Long Range Plan which covers 2024-2027

Drive to Achieve our LRP: People & Culture



People & Culture

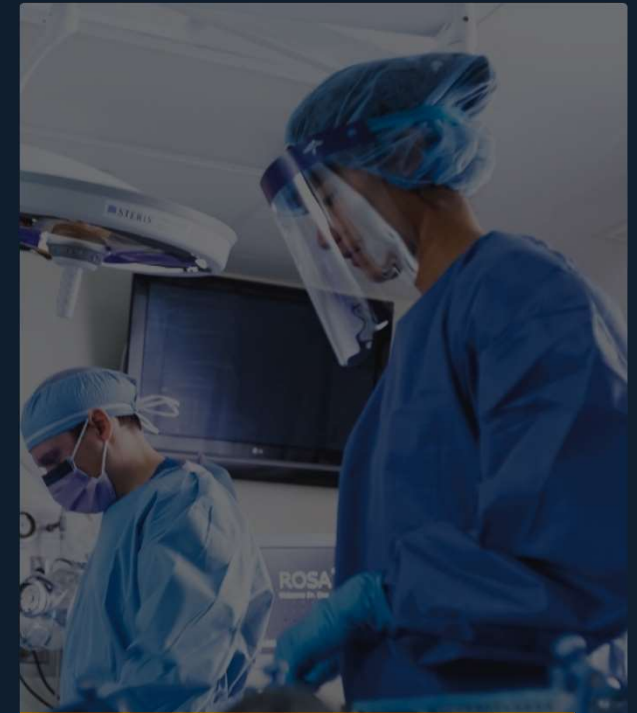
Right people in the right job within the right culture

Incentives alignment

Leaders leading from the front



Operational Excellence



Innovation & Diversification

Drive to Achieve our LRP: Operational Excellence



People & Culture

Operational Excellence

MID-SINGLE DIGIT % REVENUE GROWTH

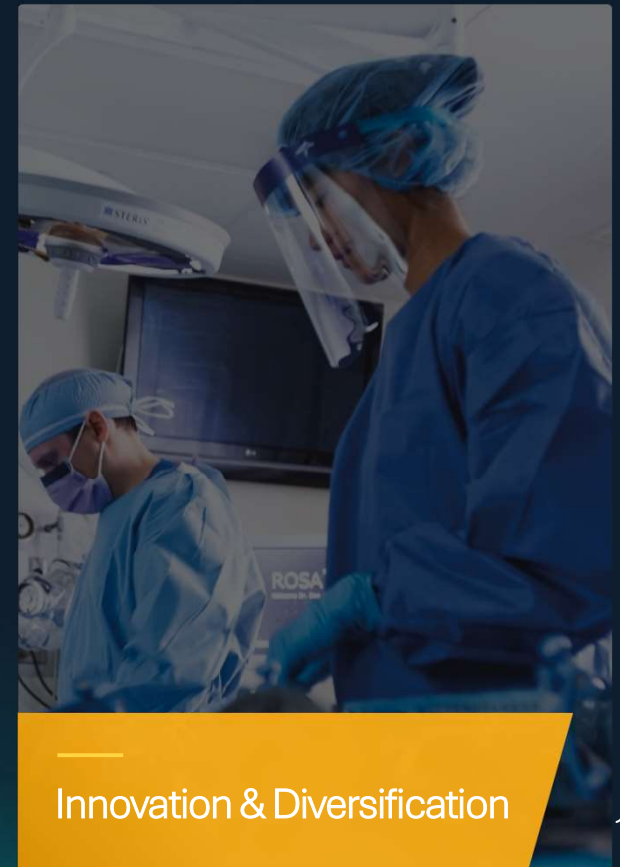
New product launches
Best-in-class commercial execution

EPS GROWING FASTER THAN REVENUE

Stabilizing gross margin
Optimizing operating expense

FREE CASH FLOW GROWING FASTER THAN EPS

Inventory management



Innovation & Diversification

Drive to Achieve our LRP: Innovation & Diversification



People & Culture

1. Weighted Average Market Growth Rate



Operational Excellence

Innovation & Diversification

INNOVATE

Continue to increase size of pipeline

Strategically reallocate R&D dollars to key problems in higher growth segments enabling #1 or #2 market position

DIVERSIFY INTO HIGHER GROWTH MARKETS

Target higher WAMGR¹ via organic and inorganic pathways

Positioned to Create Long-Term Shareholder Value 2024-2027



MSD%
Revenue CAGR¹



EPS Growing at
Least 1.5x Revenue²



FCF Growing at Least
100bps Faster than EPS³



1. Revenue CAGR is based on constant currency revenue growth

2. Adjusted EPS expected to grow at least 1.5x reported revenue growth on average over the LRP

3. Free Cash Flow expected to grow 100bps faster than adjusted EPS on average over the LRP

Note: Unless otherwise noted, all measures in this presentation are on an adjusted and constant currency basis

Talented Leadership Team Driving Value

WHO YOU'LL HEAR FROM TODAY



Rachel Ellingson
*Chief Administrative
Officer*



Ivan Tornos
*President & Chief
Executive Officer*



Suky Upadhyay
*Executive Vice President
& Chief Financial Officer*



Nitin Goyal, M.D.
*Chief Science, Tech &
Innovation Officer*



Jim Lancaster
*President, Large
Joint Reconstruction*



Nnamdi Njoku
*President, Surgical, Sports,
Upper Extremities, RT*



Active Portfolio Management

Rachel Ellingson

*Chief Administrative Officer – Strategy, Business
Development, Marketing & Communications*



Key Takeaways

Active Portfolio Management Increased
Weighted Average Market Growth Rate (WAMGR)

Financial Flexibility for Midsize M&A

Commitment to Value-Creating M&A



Active portfolio management has increased our WAMGR from ~3% to ~4%

→ Tuck-In M&A and Divestitures account for ~50bps of WAMGR increase

Tuck-In M&A

BEGINNING IN 2019

Divestitures

\$1B ZIMVIE SPIN IN 2022



SELECT TRANSACTIONS

>90%

AQUIRED REVENUE IN WAMGR-ACCRETIVE MARKETS



Dedicated M&A Integration Team And Playbook Deployed Across All Businesses



Financial Performance **Above** Deal Model Expectations



>50bps

of Revenue Growth

>125 bps

of Adjusted Operating Margin Expansion



Spun-Off Non-Core Lower Growth / Margin Businesses

CASE STUDY

Increasing WAMGR within S.E.T. Portfolio

Craniomaxillofacial (CMFT)



Cranial Facial Repair



Neuro: Epilepsy



Thoracic Repair

Opportunity to Improve Standard of Care

Devices to close the sternum after open heart surgery, repair traumatic rib fractures and correct chest wall deformities

~\$800M

'23 Served Market

Low Double Digit %

CAGR

1 Identified Attractive Thoracic Sub-Markets

Sternal Closure

#1 Market Share

Rib Repair

#2 Market Share

2 Invested in Innovation (Organic and Inorganic)

Thoracic Business Performance (2019-2023):

4x

Growth rate increase

Increased topline growth

MSD% to >20%

Driving >10%

of WAMGR increase
from ~3% to ~4%

2x

Total revenue size



>\$2B¹ of Debt
Paydown and Robust
Free Cash Flow
Provides Meaningful
M&A Firepower

1. Reduced net debt by >\$2B since 2019

We will execute smart M&A the right target, at the right time, for the right value

Disciplined Approach to Midsize M&A



Financial Criteria

Transaction value (~\$2B)

Immediately accretive to revenue growth

Willing to take limited adjusted EPS dilution for up to two years

HSD ROIC¹ by Year 5

1. Return on Invested Capital

Strategic Criteria

Attractive Midsize Acquisition Areas

Extremities /
Sports Med
MSD% Growth

CMFT
MSD% Growth

ASC
HSD% Growth

Other Key Strategic Considerations

Path to
Category
Leadership

Differentiated,
Protected
Solutions

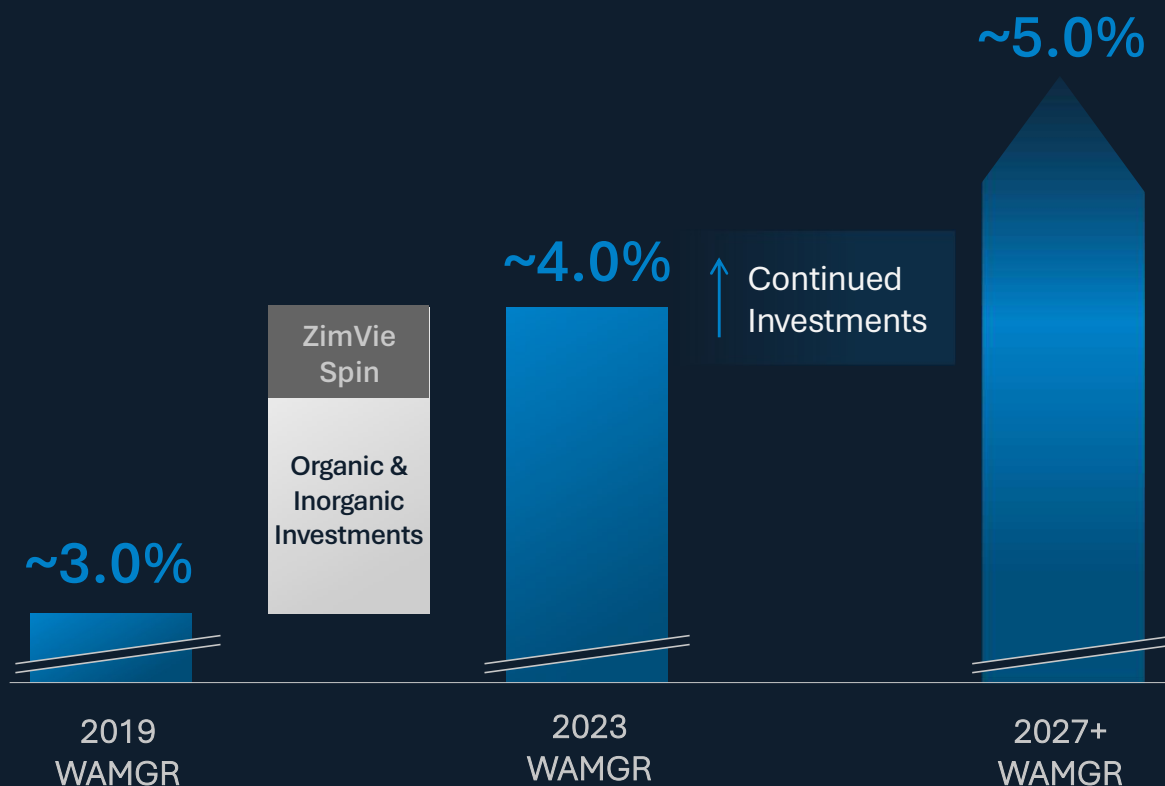
Improves Safety,
Efficiency,
Best-in-Class
Outcomes

Ability to
Integrate

Successfully Shifting Revenue into Higher Growth Markets



- ✓ We have increased our WAMGR ~100bps since 2019
- ✓ Expect to continue this portfolio shift





Business & Markets

Ivan Tornos

President & Chief Executive Officer



Key Takeaways

Operate in Compelling Markets

Well Positioned to Grow Above Market

Roadmap to Further Diversify
into Higher-Growth Markets



Macro Orthopedic Market Trends



Patient Demographics

**Aging Patients =
Larger Ortho Target
Market**

More Active Patients

Patients Are More Active Later in Life

Significant Increase in sports-related injuries expected in patients 65 and older (AAOS)

Site of Care

Compelling ASC Market Trends

Clear and increasing shift of orthopedic procedures to ASC site of care

Pricing

Pricing Headwinds Remain...but are Improving

~(100bps) in 2024 with lower than historical erosion (200-300bps) expected for the full LRP period

Durable Markets with Meaningful Growth Opportunities

Market Opportunity
2023

Current ZBH
Global Market Share

Market Growth Rate ¹

KNEE



~\$10B

#1

3-5%
CAGR

HIP



~\$8.5B

#1

2-4%
CAGR

UPPER EXTREMITIES
& SPORTS MEDICINE



~\$10B

#2 Upper
Extremities
#6 Sports Medicine

4-7%
CAGR

CMFT



~\$5B

#1 Sternal
Closure
#2 Rib Trauma

5-7%
CAGR

¹. Market growth is derived utilizing 3rd party data as well as internal ZBH estimates utilizing a 5-year CAGR



Business Segmentation and Disciplined Resource Allocation

Drive Above Market Growth

Invest in attractive sub-markets within

| KNEE | HIP

Diversify Into Higher Growth Markets

Invest in higher growth markets, sub-markets and near adjacencies within

| SPORTS MEDICINE | UPPER EXTREMITIES | CMFT

Defend Other Businesses

Selective investment in niche opportunities and near adjacencies

| TRAUMA | FOOT & ANKLE
| SURGICAL | RESTORATIVE THERAPIES

← **DELIVERING SOLUTIONS IN DIFFERENT SITES-OF-CARE** →



Large Joints, Knee and Hip Reconstruction

#1 MARKET POSITION

Knee Market

\$10B

'23 Market¹

3-5%

CAGR²



PARTIAL

\$0.6B



PRIMARY

\$7.5B



REVISION

\$1.5B



PARTIAL

\$1B



PRIMARY

\$6.5B



REVISION

\$1B

#1 MARKET POSITION

Hip Market

\$8.5B

'23 Market

2-4%

CAGR²

1. \$10B market also includes a ~\$400M other/misc. knee category

2. Market growth is derived utilizing 3rd party data as well as internal ZBH estimates utilizing a 5-year CAGR

Knees: Accelerating Revenue Growth Well Above Market in Largest Business



New Product Introductions

Persona® OsseoTi®

Oxford® Cementless Partial Knee

Persona IQ®

Next Generation Revision

Continued enhancements in Robotic



ZIMMER BIOMET

REVENUE GROWTH
EXPECTATION FOR KNEES

Share of Wallet

Expect to drive cementless knee penetration to ~50%

- Persona® OsseoTi® : ASP premium ~10-15%

Expect to double robotic assisted knee replacement exiting 2027

- ASP premium ~10-15%



100-150bps
Above Market

Direct to Patient Marketing

Empowering and engaging the patient with latest technology and innovation

- Persona IQ® / mymobility
- ROSA® Knee



Hip: Expanding the Portfolio to Retain Global Leadership

New Product Introductions

Rebuilding the core portfolio...

- HAMMR™ Surgical Impactor
- Z1 Triple Taper Stem®
- HipInsight™ / ROSA® Hip

...while expanding into high growth segments

- G7® Revision
- Anti-infective coatings



Share of Wallet

Generating more revenue and enhancing outcomes in existing procedures

- Enabling technologies
- G7® Dual Mobility



ZIMMER BIOMET

REVENUE GROWTH
EXPECTATION FOR HIPS

50-100bps
Above Market



Upper Extremities and Sports Medicine

#2 MARKET POSITION

Upper Extremities

\$2.5B
'23 Market

5-7%
CAGR¹

\$7.5B
'23 Market

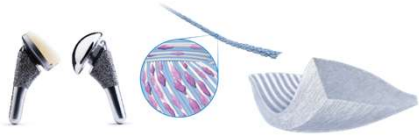
4-5%
CAGR¹

#6 MARKET POSITION

Sports Medicine

1. Market growth is derived utilizing 3rd party data as well as internal ZBH estimates utilizing a 5-year CAGR

Upper Extremities & Sports Medicine: Growth to Significantly Outpace Market



New Product Introductions

Redefining the standard of care in shoulder arthroplasty...

- ROSA® Shoulder
- OsseoFit Stemless
- Identity™ Shoulder System

...While bringing differentiated technologies into Sports Medicine

- ActivBraid™
- Tapestry®



Share of Wallet

ROSA® Shoulder

- First-to-world shoulder robotic platform

Signature™ One 2.0

- Utilized in more than 50% of ZBH cases currently

Commercial Execution

- Cases moving to the ASC
- Dedicated specialized sales force

ZIMMER BIOMET
REVENUE GROWTH
EXPECTATION

200-400bps
Above Market

DRIVE

DIVERSIFY

DEFEND

Craniomaxillofacial & Thoracic (CMFT)

#1 STERNAL CLOSURE MARKET POSITION

CMFT

#2 RIB TRAUMA MARKET POSITION

\$5B '23 Market¹

5-7% CAGR²

CMF & NEURO

\$4B

THORACIC

\$0.8B

1. CMFT market of ~\$5B, includes the ~\$4B CMF & Neuro market as well as the \$800M Thoracic market
2. Market growth is derived utilizing 3rd party data as well as internal ZBH estimates utilizing a 5-year CAGR



Craniomaxillofacial & Thoracic (CMFT): Accelerating Diversification Outside of Orthopedics

Shaping an Entirely New Standard of Care



Sternal Closure

SternaLock® Portfolio

- Improves standard of care for sternal closure after open-heart surgery, reducing time to recovery
- ASP premium per case and additional share of wallet drives significant above market growth

Developing a New Market



Rib Trauma

RibFix Portfolio

- ASP premium per case due to strong clinical evidence and reimbursement

Commercial Execution

- Dedicated specialized channel
- Market development

ZIMMER BIOMET
REVENUE GROWTH
EXPECTATION

300-400bps
Above Market



Trauma, Surgical, Foot & Ankle and Restorative Therapies

Other Businesses



TRAUMA

\$6.5B

'23 Market



FOOT & ANKLE

\$4B

'23 Market



SURGICAL

\$4B

'23 Market



RESTORATIVE
THERAPIES

\$4B

'23 Market

MAINTAIN GROWTH WITH SELECTIVE INVESTMENTS AND OPTIMIZE RETURNS

**Invest in segments and
geographies where we have the
right to win**



**Optimize for profitability
and cash flow**



Accelerating Growth Through Investment in ASC Solutions

COMPELLING ASC MARKET TRENDS

>\$7B

'23 Orthopedics¹ ASC Market

HSD%

Projected growth of Orthopedics¹ ASC Market from 2023 - 2027

January 2024

Effective date of CMS approval for Total Shoulder Arthroplasty in ASCs

PEOPLE



Commercial Execution

- Dedicated ASC team
- Simplified contracting process
- Dedicated shoulder sales force

PRODUCTS



Best-in-Class Ortho Implants

Clinically proven implants & technologies

Sterilization Solutions

Enables surgical case throughput

Efficient Care Solutions

Technology and programs to monitor and improve operational efficiency

PARTNERSHIPS



CBRE

ANNOUNCING TODAY

Strategic Partnership

- Programmatically develop ortho ASCs
- Turnkey experience; high efficiency design; enhanced financial solutions and an accelerated start-up

Existing partnerships with surgical equipment and ASC management companies

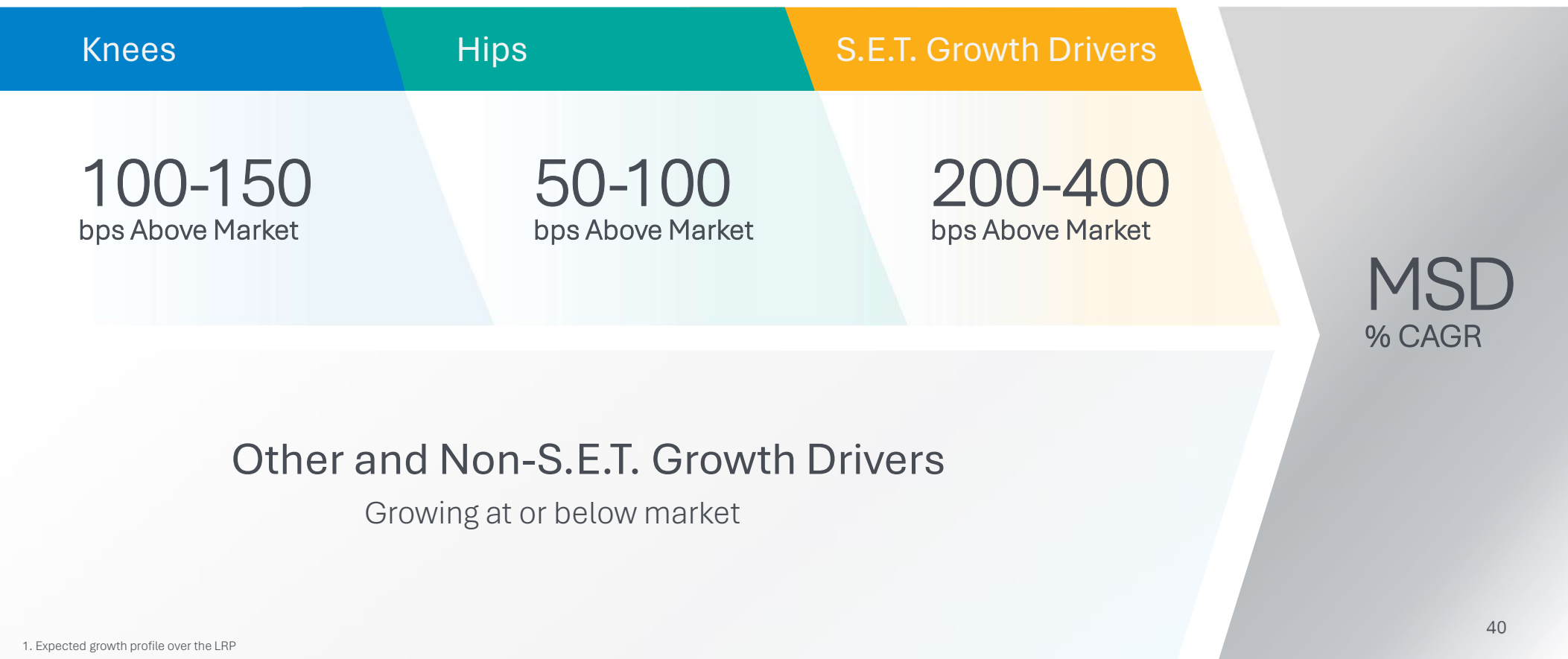
Additional partnerships in progress

1. Market data is derived utilizing third party data, including CMS reimbursement rates, as well as internal ZBH estimates; Orthopedics market estimates include Joint Reconstruction, Sports Medicine and Extremities



Consolidated Revenue Growth Profile 2024-2027¹

Customer-Centric Solutions that deliver safety, efficiency and outcomes



Key Takeaways

NEW STRATEGY:

Safety, Efficiency, Outcomes

DISCIPLINED RESOURCE ALLOCATION:

Drive, Diversify, Defend

ROBUST INNOVATION:

Above Market Growth





A Panel Discussion With World-Leading Surgeons

MODERATOR



Nitin Goyal, M.D.
*Chief Science, Tech &
Innovation Officer*

PANELISTS



Michael Ast, M.D.
*Hospital for Special Surgery
New York, NY*



Charles DeCook, M.D.
*Total Joint Specialists
Cumming, GA*



Atul Kamath, M.D.
*Cleveland Clinic
Cleveland, OH*



John Sperling, M.D.
*Mayo Clinic
Rochester, MN*



Financial Outlook & Expectations



Suky Upadhyay

*Chief Financial Officer & Executive Vice President-
Finance, Operations and Supply Chain*

Building Blocks to Value Creation

TODAY & TOMORROW

Revenue Growing Above Market

Operating Margin Expansion Through
Revenue Leverage and SG&A Efficiency

At Least 65% of Free Cash Flow
Returned to Shareholders

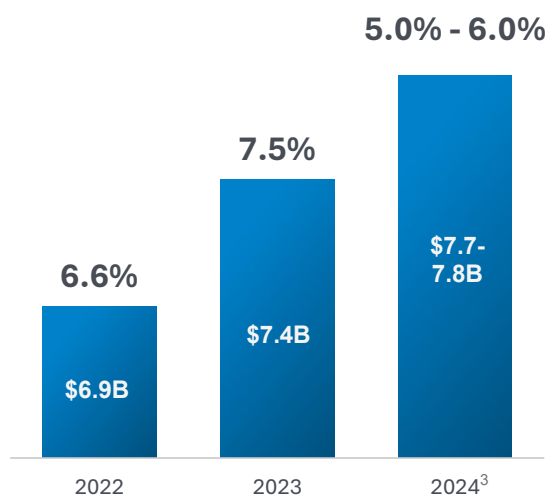
Strong Balance Sheet Provides
Strategic Optionality through M&A



Delivering Consistent Growth

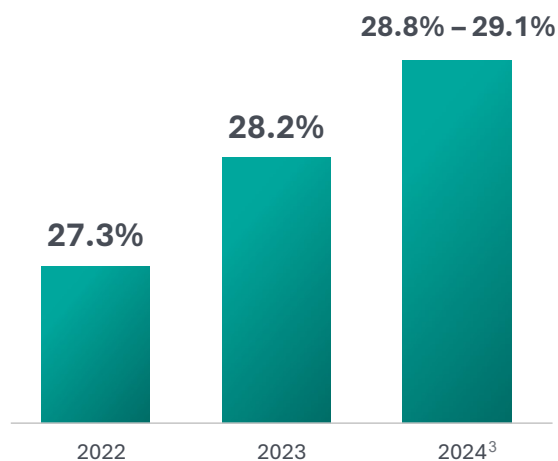


Revenue (\$B)^{1,4}



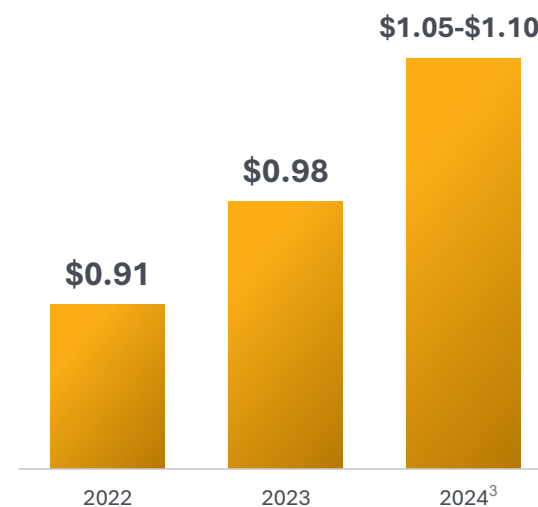
- Competitive growth vs. market
- Durable end markets with new product introduction (NPI) & commercial execution

Adjusted Operating Margin %^{1,2}



- Expanding margins in a tough environment
- Mix shifting investments to priority areas

Free Cash Flow (\$B)¹



- FCF growth while investing for the future
- Enables capital allocation optionality

1. Metrics are on a continuing operations basis, excluding ZimVie spin

2. 2024 Adj. OM is implied based on guidance, ZBH does not guide to adj. OM

3. 2024 metrics reflect the guidance range issued on the Q4 '23 earnings call and reaffirmed on the Q1 '24 earnings call

4. Revenue growth is a constant currency metric

2024-2027 Financial Outlook Driving Value Creation



METRICS	2024E-2027E LRP ¹	
Revenue	Mid-Single-Digit constant currency revenue CAGR	• Growing >100bps above market
Adjusted Operating Margin	≥30bps of OM expansion annually on average	• OM expansion from revenue leverage and SG&A efficiency
Adjusted Earnings Per Share	Growing at least 1.5x revenue on average ²	• Revenue growth, margin improvement and return of capital through share buybacks
Free Cash Flow ³	Growing at least 100bps faster than EPS on average	• Earnings growth, improvements in working capital and sunsetting investments
Return of Capital to Shareholders	≥65% FCF returned to shareholders per year	• Through maintaining dividends and increasing share buybacks while maintaining M&A firepower

1. See appendix for key assumptions of outlook

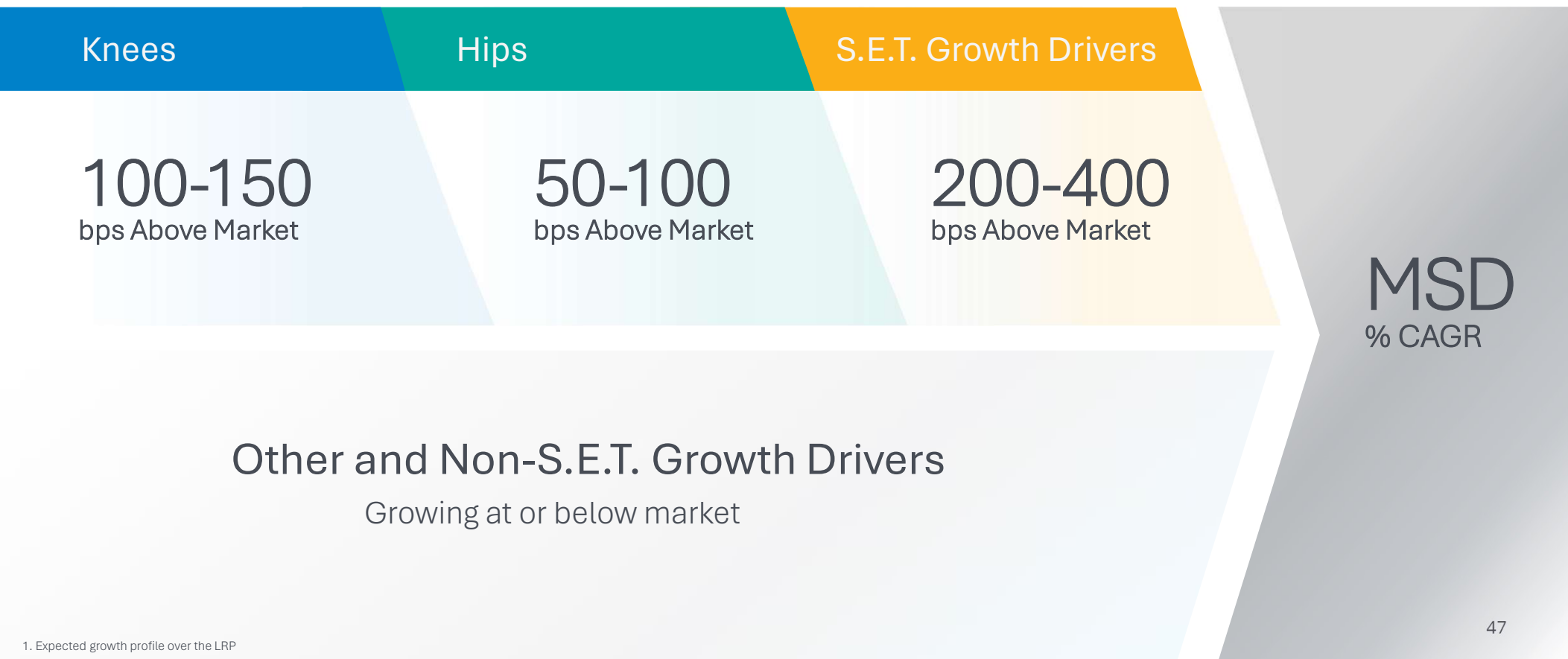
2. Adj. EPS is expected to grow 1.5x reported revenue growth on average over the LRP

3. Free Cash Flow defined as operating cash flow less capex; FCF conversion is from adjusted net earnings. Free cash flow is expected to grow at least 100bps faster than adjusted earnings on average over the LRP;



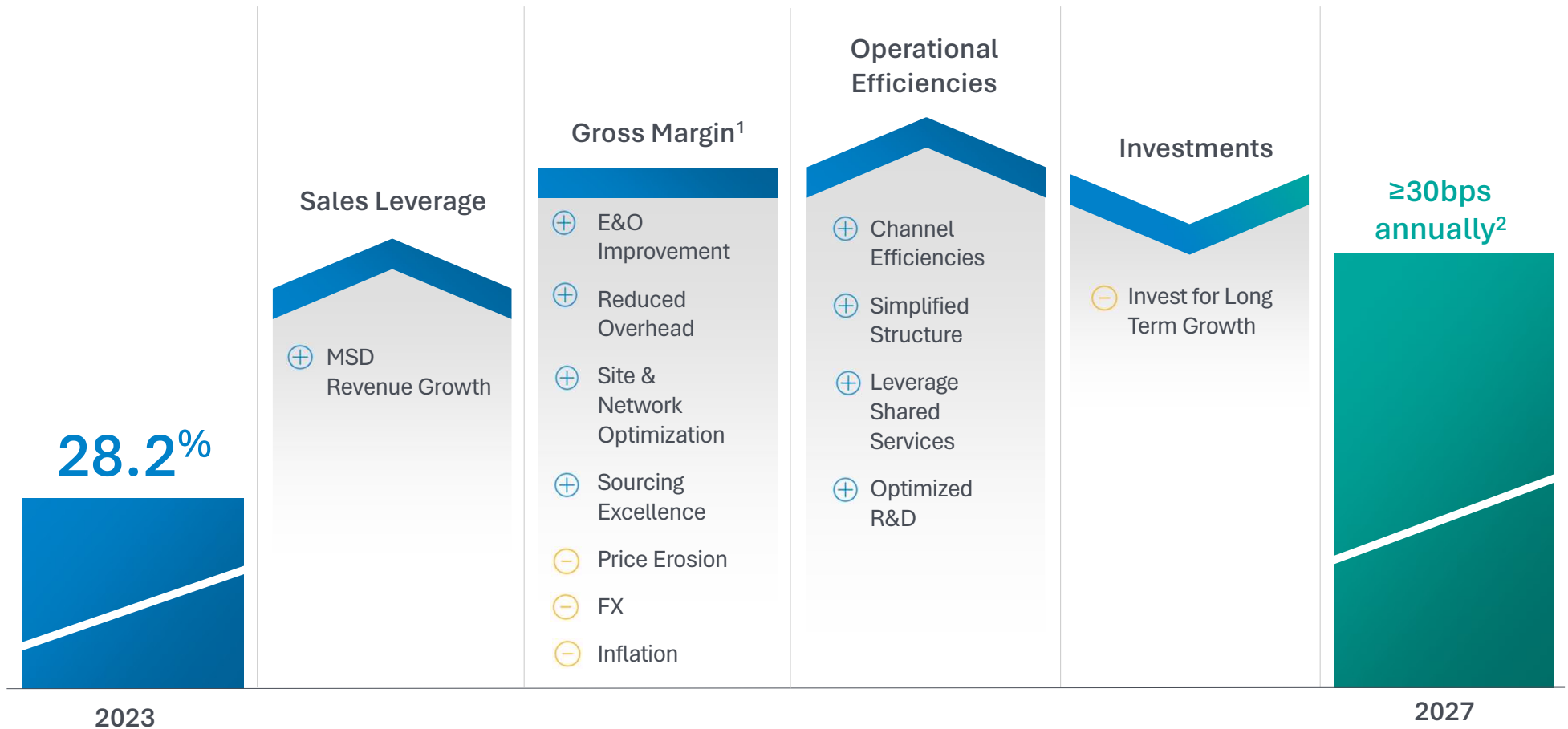
Consolidated Revenue Growth Profile 2024-2027¹

Customer-Centric Solutions that deliver safety, efficiency and outcomes



1. Expected growth profile over the LRP

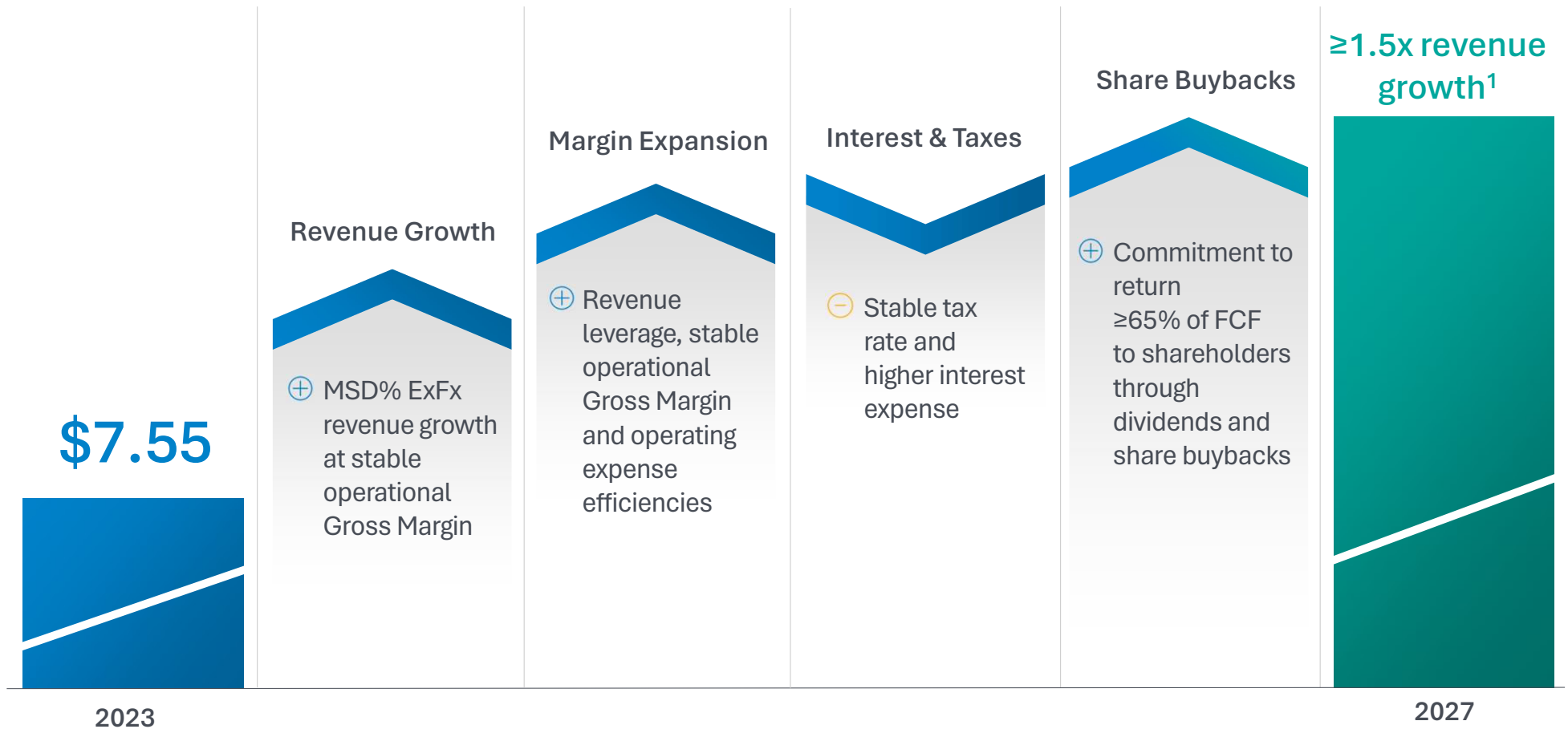
Driving Growth With Efficiency – Adjusted Operating Margin



1. GM is on a constant currency basis excluding the impact of FX hedge gains and losses

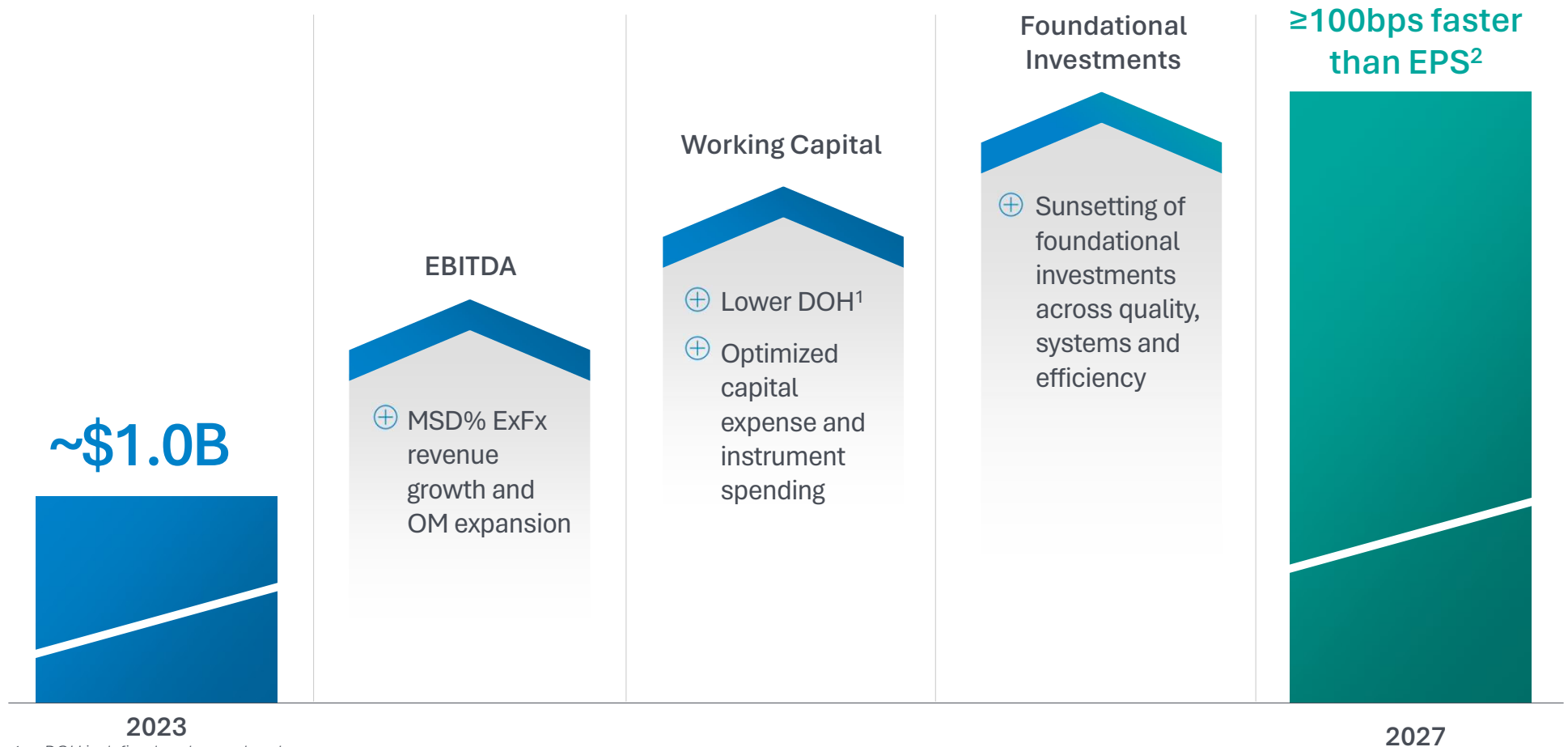
2. Expect at least 30bps of adjusted operating margin Expansion per year on average over the LRP period

Delivering Earnings Leverage – Adjusted EPS



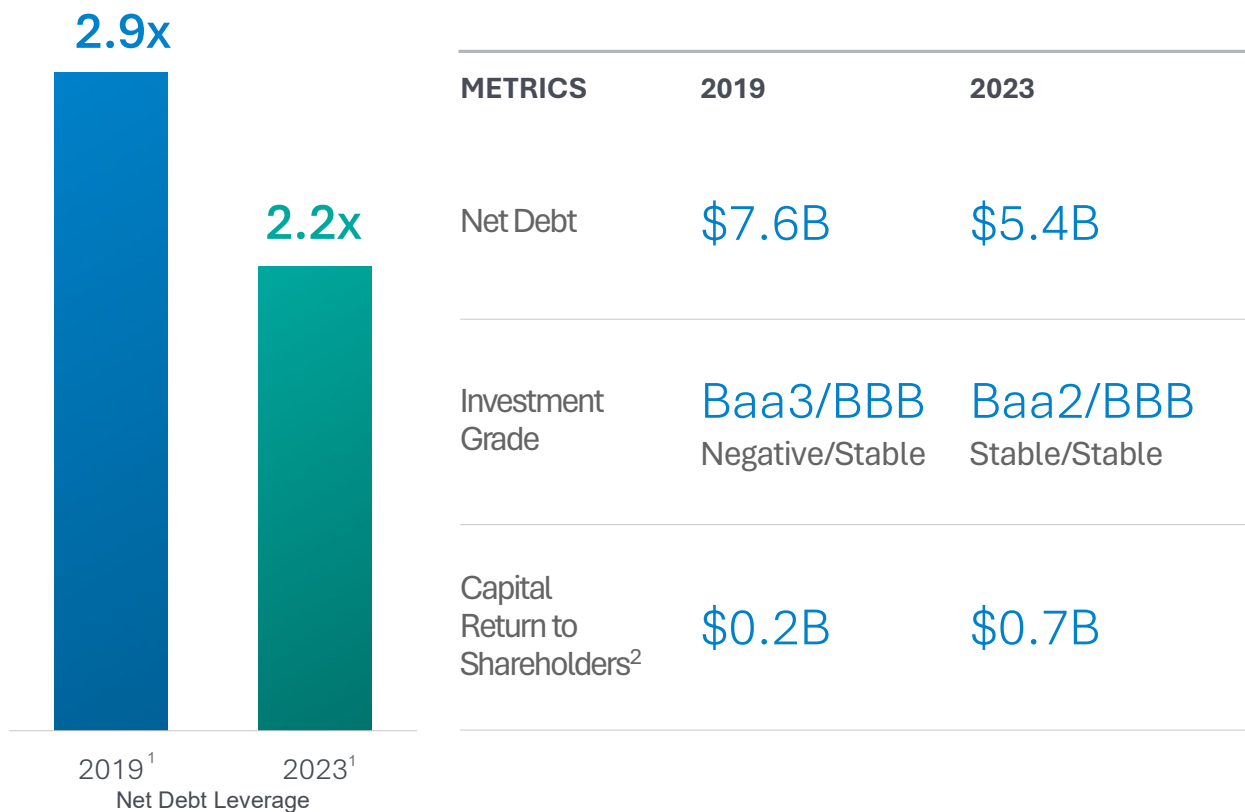
1. Adjusted EPS is expected to grow at least 1.5x reported revenue growth on average over the LRP

Growth Well Ahead of Revenue – Free Cash Flow



1. DOH is defined as days on hand

Disciplined Capital Allocation



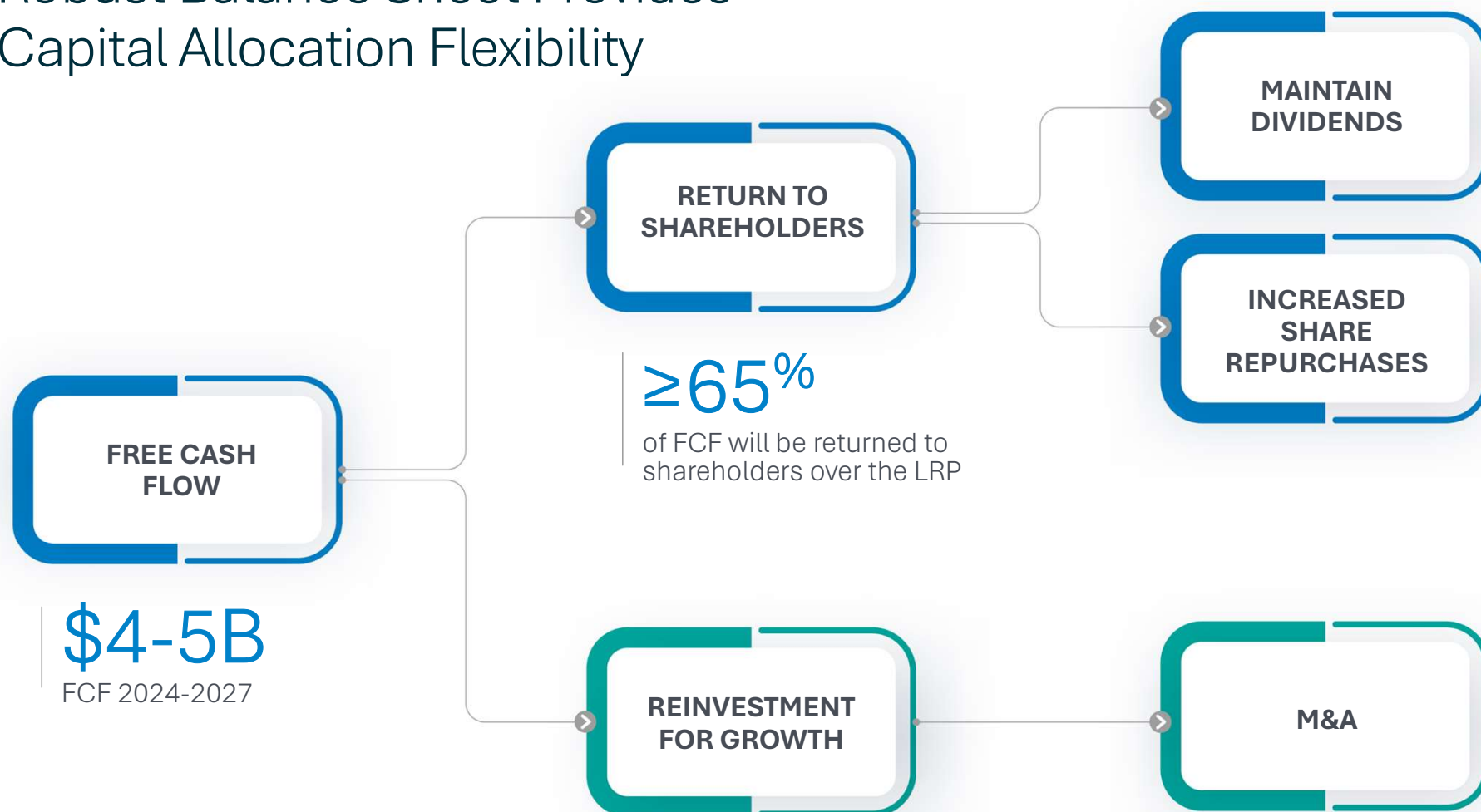
1. Leverage is a non-GAAP ZBH calculation

2. In 2019, ZBH returned \$0.2B of capital to shareholders through dividends. In 2023 ZBH returned \$0.7B to shareholders made up of \$0.2B in dividends and \$0.5B in share buybacks. In addition to the \$0.7B, ZBH executed \$0.2B share buybacks to offset dilution from an equity financed tuck-in transaction.



- Reduced net debt by >\$2B since 2019
- Increased capital returned to shareholders
- \$2.5B of adjusted EBITDA in 2023 and growing
- Maintaining optionality for greater return of capital and significant M&A firepower with rating stability

Robust Balance Sheet Provides Capital Allocation Flexibility





Positioned to Create Long-Term Shareholder Value 2024-2027

MSD% Revenue CAGR¹

Durable end markets

Revenue growth above
market

Commercial execution
and innovation

EPS Growing at Least 1.5x Revenue²

MSD% revenue growth

Stable operational gross
margin

Operating margin
expansion

Share buybacks

FCF Growing at Least 100bps Faster than EPS³

EPS growing at
least 1.5x revenue

Improved working capital

Sunsetting of
foundational investments

1. Revenue CAGR is based on constant currency revenue growth
2. Adjusted EPS expected to grow at least 1.5x reported revenue growth on average over the LRP
3. Free Cash Flow expected to grow 100bps faster than adjusted EPS on average over the LRP



HEALTHIER END MARKETS, STRONGER COMPANY

Transformed our business to better compete and win in attractive markets

INNOVATION IS OUR COMPETITIVE ADVANTAGE

Solving problems around safety, efficiency and delivering best-in-class clinical outcomes

POISED TO CREATE SHAREHOLDER VALUE

Focused strategy and top talent delivering on a new, compelling growth profile enabling optionality around capital allocation

Why Zimmer
Biomet?





ZIMMER BIOMET

MOVING YOU FORWARD

2024 Investor Day

MAY 29, 2024



Appendix





2024-2027 LRP Assumptions

LRP Outlook Assumes

- ✓ No material shift in end market procedural growth
- ✓ Stable FX rates
- ✓ Stable input pricing and inflationary levels
- ✓ Stable access, reimbursement and pricing environment

LRP Outlook Does Not Assume

- ✗ Significant geopolitical disruption
- ✗ Significant M&A or divestitures
- ✗ Global recession
- ✗ Major shifts in tax policy

Note: Please refer to our safe harbor and other risk factors noted in our Annual Report on Form 10-K for the year ended December 31, 2023, 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

Non-GAAP Reconciliations



ZIMMER BIOMET HOLDINGS, INC. RECONCILIATION OF DEBT TO NET DEBT AS OF DECEMBER 31, 2023 and 2019

(in millions, unaudited)

	December 31, 2019	December 31, 2023
Debt, both current and long-term	\$8,221.4	\$5,767.9
Cash and cash equivalents	(617.9)	(415.8)
Net debt	\$7,603.5	\$5,352.1

Non-GAAP Reconciliations



ZIMMER BIOMET HOLDINGS, INC. RECONCILIATION OF REPORTED REVENUE % CHANGE TO CONSTANT CURRENCY % CHANGE FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 and 2022

	Years Ended December 31,		
	2022	2023	2024
Reported revenue change	1.6%	6.5%	4.5% - 5.5%
Foreign currency exchange impact	(5.0)%	(1.0)%	(0.5)%
Constant currency revenue change	6.6%	7.5%	5.0% - 6.0%

Non-GAAP Reconciliations



ZIMMER BIOMET HOLDINGS, INC. RECONCILIATION OF OPERATING PROFIT MARGIN % TO ADJUSTED OPERATING PROFIT MARGIN % FOR THE YEARS ENDED DECEMBER 31, 2023 and 2022

	Years Ended December 31,		
	2022	2023	
Operating profit margin %	10.0	17.3	%
Inventory and manufacturing-related charges ⁽¹⁾	0.3	0.2	
Intangible asset amortization ⁽²⁾	7.6	7.6	
Goodwill and intangible asset impairment ⁽³⁾	4.2	-	
Restructuring and other cost reduction initiatives ⁽⁴⁾	2.8	2.1	
Quality remediation ⁽⁵⁾	0.5	-	
Acquisition, integration, divestiture and related ⁽⁶⁾	0.1	0.3	
Litigation ⁽⁷⁾	0.9	0.1	
European Union Medical Device Regulation ⁽⁸⁾	0.8	0.8	
Other charges ⁽⁹⁾	0.1	(0.1)	
Adjusted operating profit margin %	27.3	28.2	%

Non-GAAP Reconciliations



ZIMMER BIOMET HOLDINGS, INC. RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO FREE CASH FLOW FOR THE YEARS ENDED DECEMBER 31, 2023 and 2022

(in millions, unaudited)

	Years Ended December 31,	
	2022	2023
Net cash provided by operating activities	\$1,356.2	\$1,581.6
Additions to instruments	(258.3)	(311.7)
Additions to other property, plant and equipment	(187.9)	(291.1)
Free cash flow	\$910.0	\$978.8

Non-GAAP Reconciliations



ZIMMER BIOMET HOLDINGS, INC. RECONCILIATION OF NET EARNINGS TO ADJUSTED EBITDA FOR THE YEARS ENDED DECEMBER 31, 2023 and 2019

(in millions, unaudited)

	Years Ended December 31,	
	2019	2023
Net earnings of Zimmer Biomet Holdings, Inc.	\$1,131.6	\$1,024.0
Interest expense, net	226.9	201.2
(Benefit) provision for income taxes	(225.7)	42.2
Depreciation and amortization	1,006.1	951.7
EBITDA	\$2,138.9	\$2,219.1
Inventory step-up and other inventory and manufacturing related charges ⁽¹⁾	\$53.9	\$18.3
Goodwill and intangible asset impairment ⁽³⁾	70.1	-
Restructuring and other cost reduction initiatives ⁽⁴⁾	50.0	151.9
Quality remediation ⁽⁵⁾	87.6	-
Acquisition, integration, divestiture and related ⁽⁶⁾	12.2	21.7
Litigation ⁽⁷⁾	41.5	10.1
European Union Medical Device Regulation ⁽⁸⁾	30.9	56.1
Other charges ⁽⁹⁾	119.2	6.0
Adjusted EBITDA	\$2,604.3	\$2,483.2

Non-GAAP Reconciliations



- ⁽¹⁾ Inventory and manufacturing-related charges include excess and obsolete inventory charges on certain product lines we intend to discontinue, the acceleration of depreciation and fixed overhead costs expensed immediately related to a manufacturing plant shutdown, 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 fourth quarter of 2022, we recognized a goodwill impairment charge of \$289.8 million related to our EMEA reporting unit. In the second quarter of 2022, we recognized a \$3.0 million intangible asset impairment on a certain in-process research and development ("IPR&D") project. In the second quarter of 2019, we recognized \$70.1 million of in-process research and development ("IPR&D") intangible asset impairment due to the termination of certain IPR&D projects.
- ⁽⁴⁾ In December 2019, 2021, and 2023 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, in the case of the December 2021 program, to prepare for the spinoff of ZimVie. Restructuring and other cost reduction initiatives also include other cost reduction and optimization 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 consulting fees, project management expenses, retention period salaries and benefits and relocation costs.
- ⁽⁵⁾ 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 have 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.
- ⁽⁶⁾ We addressed inspectional observations on Form 483 and a Warning Letter issued by the U.S. Food and Drug Administration following its previous inspections of our Warsaw North Campus facility, among other matters. This quality remediation required us to devote significant financial resources. The majority of the expenses were related to consultants who are helping us to update previous documents and redesign certain processes.
- ⁽⁶⁾ We addressed inspectional observations on Form 483 and a Warning Letter issued by the U.S. Food and Drug Administration following its previous inspections of our Warsaw North Campus facility, among other matters. This quality remediation required us to devote significant financial resources. The majority of the expenses were related to consultants who are helping us to update previous documents and redesign certain processes.
- ⁽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 patent litigation and product liability litigation. 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. A conditional extension of the transition period has been implemented until December 2027 and 2028 depending on the legacy medical device's risk class. 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. For the 2022 and 2023 periods, these include costs related to contract terminations, a gain related to an asset sale, and gains and losses from changes in fair value on our equity investments including our investment in ZimVie, among other various costs. For the 2019 period, these expenses also included our costs of complying with our Deferred Prosecution Agreement with the U.S. government related to certain Foreign Corrupt Practices Act matters.