UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 001-41242

ZIMVIE INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware	**87-2007795**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
4555 Riverside Drive	
Palm Beach Gardens, FL	**33410**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (800) 342-5454

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01 per share	ZIMV	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

The number of shares of the Registrant's Common Stock outstanding as of October 25, 2024 was 27,598,871.

ZIMVIE INC.
QUARTERLY REPORT
Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report contains forward-looking statements within the meaning of federal securities laws, including, among others, any statements about our expectations, plans, intentions, strategies or prospects. We generally use the words “may,” “will,” “expects,” “believes,” “anticipates,” “plans,” “estimates,” “projects,” “assumes,” “guides,” “targets,” “forecasts,” “sees,” “seeks,” “should,” “could,” “would,” “predicts,” “potential,” “strategy,” “future,” “opportunity,” “work toward,” “intends,” “guidance,” “confidence,” “positioned,” “design,” “strive,” “continue,” “track,” “look forward to” and similar expressions to identify forward-looking statements. 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: 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 and products; pricing pressures from competitors, customers, dental practices and insurance providers; changes in customer demand for our products and services caused by demographic changes or other factors; challenges relating to changes in and compliance with governmental laws and regulations affecting our United States and international businesses, including regulations of the U.S. Food and Drug Administration and foreign government regulators, such as more stringent requirements for regulatory clearance of products; competition; the impact of healthcare reform measures; reductions in reimbursement levels by third-party payors; cost containment efforts sponsored by government agencies, legislative bodies, the private sector and healthcare group purchasing organizations, including the volume-based procurement process in China; control of costs and expenses; dependence on a limited number of suppliers for key raw materials and outsourced activities; 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 retain the independent agents and distributors who market our products; our ability to attract, retain and develop the highly skilled employees we need to support our business; 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; 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 inflation and interest rate and currency exchange rate fluctuations; the effects of global pandemics 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 procedures and our ability to collect accounts receivable; and the impact of the ongoing financial and political uncertainty on countries in the Euro zone on the ability to collect accounts receivable in affected countries.

See also Part I, Item 1A, “Risk Factors” of our Annual Report on Form 10-K for the year ended December 31, 2023 and Part II, Item 1A, "Risk Factors" of this Quarterly Report for further discussion of certain risks and uncertainties that could cause actual results and events to differ materially from the forward-looking statements. Readers of this Quarterly Report 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. 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.

For additional information concerning factors that may cause actual results to vary materially from those stated in the forward-looking statements, see our reports on Form 10-K, 10-Q and 8-K filed with the U.S. Securities and Exchange Commission (the “SEC”) from time to time.

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

ZIMVIE INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(in thousands, except per share data)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Net Sales				
Third party, net	$ 103,222	$ 105,311	$ 338,228	$ 344,131
Related party, net	—	—	—	236
Total Net Sales	103,222	105,311	338,228	344,367
Cost of products sold, excluding intangible asset amortization	(35,820)	(36,907)	(123,596)	(124,246)
Related party cost of products sold, excluding intangible asset amortization	—	—	—	(231)
Intangible asset amortization	(6,037)	(6,778)	(18,059)	(20,378)
Research and development	(6,926)	(5,677)	(20,285)	(19,365)
Selling, general and administrative	(57,313)	(56,505)	(180,024)	(186,054)
Restructuring and other cost reduction initiatives	(687)	(1,391)	(3,664)	(3,929)
Acquisition, integration, divestiture and related	(1,276)	(1,936)	(6,934)	(4,647)
Operating Expenses	(108,059)	(109,194)	(352,562)	(358,850)
Operating Loss	(4,837)	(3,883)	(14,334)	(14,483)
Other income (expense), net	3,462	(990)	6,161	(1,189)
Interest income	2,466	569	4,938	1,929
Interest expense	(4,827)	(5,553)	(14,766)	(17,187)
Loss from continuing operations before income taxes	(3,736)	(9,857)	(18,001)	(30,930)
Benefit (provision) for income taxes from continuing operations	688	(325)	(6,161)	(1,555)
Net Loss from Continuing Operations of ZimVie Inc.	(3,048)	(10,182)	(24,162)	(32,485)
Earnings (loss) from discontinued operations, net of tax	764	5,093	10,103	(25,945)
Net Loss of ZimVie Inc.	$ (2,284)	$ (5,089)	$ (14,059)	$ (58,430)
Basic (Loss) Earnings Per Common Share:				
Continuing operations	$ (0.11)	$ (0.38)	$ (0.88)	$ (1.23)
Discontinued operations	0.03	0.19	0.37	(0.98)
Net Loss	$ (0.08)	$ (0.19)	$ (0.51)	$ (2.21)
Diluted (Loss) Earnings Per Common Share:				
Continuing operations	$ (0.11)	$ (0.38)	$ (0.88)	$ (1.23)
Discontinued operations	0.03	0.19	0.37	(0.98)
Net Loss	$ (0.08)	$ (0.19)	$ (0.51)	$ (2.21)

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

ZIMVIE INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)
(in thousands)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	**2023**	**2024**	**2023**
Net Loss of ZimVie Inc.	$ (2,284)	$ (5,089)	$ (14,059)	$ (58,430)
Other Comprehensive Income (Loss)				
Foreign currency cumulative translation adjustments, net of tax	11,559	(18,027)	460	(6,930)
Total Other Comprehensive Income (Loss)	11,559	(18,027)	460	(6,930)
Comprehensive Income (Loss)	$ 9,275	$ (23,116)	$ (13,599)	$ (65,360)

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

ZIMVIE INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(in thousands, except per share data)

	As of	
	September 30, 2024	**December 31, 2023**
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 66,808	$ 71,511
Accounts receivable, net of allowance for credit losses of $2,392 and $3,222, respectively	69,581	65,168
Inventories	77,087	79,600
Prepaid expenses and other current assets	24,162	23,825
Current assets of discontinued operations	28,036	242,773
Total Current Assets	265,674	482,877
Property, plant and equipment, net of accumulated depreciation of $131,717 and $126,624, respectively	49,614	54,167
Goodwill	262,767	262,111
Intangible assets, net	98,251	114,354
Note receivable	63,072	—
Other assets	31,271	26,747
Noncurrent assets of discontinued operations	12,299	265,089
Total Assets	$ 782,948	$ 1,205,345
LIABILITIES AND EQUITY		
Current Liabilities:		
Accounts payable	$ 27,403	$ 27,785
Income taxes payable	2,440	2,863
Other current liabilities	58,363	67,108
Current liabilities of discontinued operations	48,432	75,858
Total Current Liabilities	136,638	173,614
Deferred income taxes	276	265
Lease liability	9,477	9,080
Other long-term liabilities	9,269	9,055
Non-current portion of debt	220,281	508,797
Noncurrent liabilities of discontinued operations	369	95,041
Total Liabilities	376,310	795,852
Commitments and Contingencies (Note 12)		
Stockholders' Equity:		
Common stock, $0.01 par value, 150,000 shares authorized Shares, issued and outstanding, of 27,587 and 27,076, respectively	276	271
Preferred stock, $0.01 par value, 15,000 shares authorized, 0 shares issued and outstanding	—	—
Additional paid in capital	933,735	922,996
Accumulated deficit	(454,873)	(440,814)
Accumulated other comprehensive loss	(72,500)	(72,960)
Total Stockholders' Equity	406,638	409,493
Total Liabilities and Stockholders' Equity	$ 782,948	$ 1,205,345

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

ZIMVIE INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (UNAUDITED)
(in thousands)

	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Equity
Balance June 30, 2024	$ 276	$ 930,471	$ (452,589)	$ (84,059)	$ 394,099
Net loss	—	—	(2,284)	—	(2,284)
Stock plan activity	—	(59)	—	—	(59)
Share-based compensation expense	—	3,323	—	—	3,323
Other comprehensive income	—	—	—	11,559	11,559
Balance September 30, 2024	$ 276	$ 933,735	$ (454,873)	$ (72,500)	$ 406,638

	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Equity
Balance June 30, 2023	$ 265	$ 908,507	$ (100,873)	$ (80,057)	$ 727,842
Net loss	—	—	(5,089)	—	(5,089)
Share-based compensation expense	—	5,473	—	—	5,473
Other comprehensive loss	—	—	—	(18,027)	(18,027)
Balance September 30, 2023	$ 265	$ 913,980	$ (105,962)	$ (98,084)	$ 710,199

	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Equity
Balance December 31, 2023	$ 271	$ 922,996	$ (440,814)	$ (72,960)	$ 409,493
Net loss	—	—	(14,059)	—	(14,059)
Stock plan activity	5	(1,734)	—	—	(1,729)
Share-based compensation expense	—	12,473	—	—	12,473
Other comprehensive income	—	—	—	460	460
Balance September 30, 2024	$ 276	$ 933,735	$ (454,873)	$ (72,500)	$ 406,638

	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Equity
Balance December 31, 2022	$ 262	$ 897,028	$ (47,532)	$ (91,154)	$ 758,604
Net loss	—	—	(58,430)	—	(58,430)
Stock plan activity	3	823	—	—	826
Share-based compensation expense	—	16,129	—	—	16,129
Other comprehensive loss	—	—	—	(6,930)	(6,930)
Balance September 30, 2023	$ 265	$ 913,980	$ (105,962)	$ (98,084)	$ 710,199

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

ZIMVIE INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(in thousands)

	For the Nine Months Ended September 30,	
	2024	2023
Cash flows (used in) provided by operating activities:		
Net loss of ZimVie Inc.	$ (14,059)	$ (58,430)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation and amortization	25,697	95,088
Share-based compensation	12,473	16,129
Deferred income tax provision	(4,201)	(11,967)
Loss on disposal of fixed assets	418	2,411
Other non-cash items	2,818	2,762
Gain on sale of spine disposal group (Note 2)	(22,427)	—
Changes in operating assets and liabilities		
Income taxes	2,548	(34,061)
Accounts receivable	(5,742)	13,019
Related party receivable	—	8,483
Inventories	7,139	18,246
Prepaid expenses and other current assets	(2,447)	4,187
Accounts payable and accrued liabilities	(6,314)	(18,216)
Related party payable	—	(13,177)
Other assets and liabilities	(3,179)	(8,780)
Net cash (used in) provided by operating activities	(7,276)	15,694
Cash flows provided by (used in) investing activities:		
Additions to instruments	(1,316)	(4,341)
Additions to other property, plant and equipment	(2,677)	(5,340)
Proceeds from sale of spine disposal group, net of cash disposed	291,123	—
Other investing activities	(1,961)	(2,762)
Net cash provided by (used in) investing activities	285,169	(12,443)
Cash flows used in financing activities:		
Proceeds from debt	—	4,760
Payments on debt	(290,000)	(22,291)
Business combination contingent consideration payments	(3,712)	—
Payments related to tax withholding for share-based compensation	(1,729)	(419)
Proceeds from stock plan activity	—	1,167
Net cash used in financing activities	(295,441)	(16,783)
Effect of exchange rates on cash and cash equivalents	(2,124)	(620)
Decrease in cash and cash equivalents	(19,672)	(14,152)
Cash and cash equivalents, beginning of year	87,768	89,601
Cash and cash equivalents, end of period	$ 68,096	$ 75,449
Presentation includes cash of both continuing and discontinued operations		

Supplemental cash flow information:		
Income taxes paid, net	$ 5,232	$ 19,090
Interest paid	19,080	26,198
Promissory note receivable issued in connection with the sale of spine disposal group	60,000	—
Interest received in-kind	3,072	—

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

ZIMVIE INC.
Notes to Unaudited Condensed Consolidated Financial Statements

1. Background, Nature of Business and Basis of Presentation

Background

On March 1, 2022, ZimVie Inc. ("ZimVie," "we," "us" and "our") and Zimmer Biomet Holdings, Inc. ("Zimmer Biomet") entered into a Separation and Distribution Agreement (the "Separation Agreement"), pursuant to which Zimmer Biomet agreed to spin off its spine and dental businesses into ZimVie. The distribution resulted in ZimVie becoming a standalone, publicly traded company. Following the distribution, Zimmer Biomet initially retained 19.7% of the outstanding shares of ZimVie common stock, and all transactions between ZimVie and Zimmer Biomet from the distribution to February 1, 2023 were reported as related party transactions. As of February 1, 2023, Zimmer Biomet had sold all of its 19.7% ownership in ZimVie and is no longer considered a related party. As such, transactions with Zimmer Biomet subsequent to February 1, 2023 are reported as third party transactions. See Note 17 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2023 ("Annual Report") for further description of the impact of the distribution and post-spin activities with Zimmer Biomet.

On December 15, 2023, we entered into a definitive agreement to sell our spine segment to an affiliate of H.I.G. Capital (the "Buyer") for $375 million in total consideration, comprised of $315 million in cash, subject to certain customary adjustments as set forth in the agreement, and $60 million in the form of a promissory note that accrues interest at a rate of 10% per annum, compounded semi-annually, and interest is payable in kind. On April 1, 2024, we completed the sale of our spine segment for a total purchase price of $377.2 million (inclusive of $2.2 million in preliminary closing adjustments), subject to certain customary adjustments as set forth in the agreement, and received proceeds of $311.8 million, excluding the promissory note and transaction costs, but including cash disposed of $26.1 million. See Notes 2 and 7 for additional discussion.

Nature of Business

ZimVie is a leading medical technology company dedicated to enhancing the quality of life for dental patients worldwide. We develop, manufacture and market a comprehensive portfolio of products and solutions designed to support dental tooth replacement and restoration procedures. We are well-positioned in the growing global dental implant, biomaterials and digital dentistry market with a strong presence in the tooth replacement market with market leading positions in certain geographies. Prior to the closing of the sale of our spine segment, our operations were principally managed on a products basis and included two operating segments, 1) the dental products segment, and 2) the spine products segment.

Since the sale of our spine segment, our core services include designing, manufacturing and distributing dental implant systems. Dental reconstructive implants are for individuals who are totally without teeth or are missing one or more teeth, dental prosthetic products are aimed at providing a more natural restoration to resemble the original teeth, and dental regenerative products are for soft tissue and bone rehabilitation. Our key products include the T3® Implant, Tapered Screw-Vent® Implant System, Trabecular Metal®™ Dental Implant, BellaTek® Encode® Impression System and Puros® Allograft Particulate.

Prior to the sale of our spine segment, the core services of our spine segment included designing, manufacturing and distributing medical devices and surgical instruments to deliver comprehensive solutions for individuals with back or neck pain caused by degenerative conditions, deformities or traumatic injury of the spine. We also provided devices that promote bone healing. Other differentiated products in our spine portfolio included Mobi-C® Cervical Disc, a motion-preserving alternative to fusion for patients with cervical disc disease, and The Tether™, a novel non-fusion device for treatment of pediatric scoliosis.

Basis of Presentation

The accompanying condensed consolidated balance sheets as of September 30, 2024 and December 31, 2023, the condensed consolidated statements of operations, condensed consolidated statements of comprehensive income (loss), condensed consolidated statements of shareholders' equity for the three and nine months ended September 30, 2024 and 2023, and the condensed consolidated statements of cash flows for the nine months ended September 30, 2024 and 2023, of ZimVie are unaudited. In management's opinion, all adjustments comprising normal recurring adjustments necessary for the fair statement of such condensed consolidated financial statements have been made. The accompanying condensed consolidated financial statements and notes in this Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2024 ("Quarterly Report") are presented as permitted by Regulation S-X and do not contain certain information included in our annual financial statements and notes thereto. Accordingly, the accompanying condensed consolidated financial information should be read in conjunction with the audited consolidated financial statements presented in our Annual Report. During the three months ended March 31, 2024, we recorded out of period adjustments that increased the Loss from continuing operations before income taxes and reduced Earnings from discontinued operations, net of tax, by $1.8 million and $0.7 million, respectively. We have concluded these out of period adjustments did not have a material impact on our interim condensed consolidated financial statements for the three months ended March 31, 2024 or nine months ended September 30, 2024, nor were they material to previously issued interim and annual consolidated financial statements.

Restricted Cash - As of both September 30, 2024 and December 31, 2023, we had $1.5 million in restricted cash. The restriction as of September 30, 2024 and December 31, 2023 is on cash held in China as a result of ongoing litigation with a spine products distributor in China related to our decision to exit our spine products business in China.

Sale of Spine Segment

The historical results of our spine segment have been reflected as discontinued operations in our condensed consolidated financial statements as the sale represented a strategic shift in our business that had a major effect on operations and financial results. The assets and liabilities associated with this segment are classified as assets and liabilities of discontinued operations in the condensed consolidated balance sheets. The disclosures presented in the notes to the condensed consolidated financial statements are presented on a continuing operations basis, unless otherwise noted.

Accounting Pronouncements Recently Issued

In October 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update ("ASU") 2023-06, *Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative*. This ASU amends the interim and annual disclosure requirements related to a variety of subtopics in the Accounting Standards Codification, including those focusing on accounting changes, earnings per share, debt and repurchase agreements. The guidance will be applied prospectively. The effective date for each amendment will be the date when the SEC's removal of the related disclosure requirement from Regulation S-X or Regulation S-K becomes effective, with early adoption prohibited. We are currently evaluating the effect of this ASU, but we do not expect it will have a material impact on our condensed consolidated financial statements or disclosures.

In November 2023, FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. The key amendments require disclosure of significant segment expenses on an annual and interim basis that are regularly provided to the chief operating decision maker ("CODM") and included within each reported measure of segment profit or loss, including other segment items by reportable segment and a description of their composition, and to provide all annual disclosures about a reportable segment’s profit or loss and assets currently required by FASB Topic 280, Segment Reporting, in interim periods as well. This ASU includes certain clarifications for measuring a segment's profit or loss in assessment by the CODM, disclosure of title and position of the CODM and an explanation of how the CODM uses the reported measures in assessing segment performance and deciding how to allocate resources. The amendments in this update are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. We do not expect the adoption of this ASU to affect our financial position or our results of operations, but expect it will result in additional disclosures.

In December 2023, FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The amendments included in the ASU related to rate reconciliation, income taxes paid disclosures and other disclosures requiring consistent categories and greater disaggregation of information in the rate reconciliation and income taxes paid disaggregated by jurisdiction. The amendments allow investors to better assess, in their capital allocation decisions, how an entity’s worldwide operations and related tax risks and tax planning and operational opportunities affect its income tax rate and prospects for future cash flows. The amendments in this update are effective for annual periods beginning after December 15, 2024. We are currently in the process of evaluating the effect of this ASU.

In March 2024, the SEC adopted final rules requiring public entities to provide certain climate-related information in their registration statements and annual reports. As part of the disclosures, entities will be required to quantify certain effects of severe weather events and other natural conditions in a note to their consolidated financial statements. While the SEC voluntarily stayed the rules due to pending judicial review, the rules in their current form would be effective for accelerated filers for annual periods beginning after December 15, 2025. We are currently in the process of evaluating the effect of these final rules.

Other recently issued ASUs, excluding ASUs discussed above, were assessed and determined to be not applicable, or are not expected to have a material impact on our condensed consolidated financial statements or disclosures.

2. Discontinued Operations

As discussed in Note 1, on December 15, 2023, we entered into a definitive agreement to sell our spine segment. The historical financial condition and results of operations of our spine segment have been reflected as discontinued operations in our condensed consolidated financial statements. The assets and liabilities associated with this segment are classified as assets and liabilities of discontinued operations in the condensed consolidated balance sheets.

On April 1, 2024, we completed the sale of our spine segment for a total purchase price of $377.2 million (inclusive of $2.2 million in preliminary closing adjustments), subject to certain customary adjustments as set forth in the agreement, and received proceeds of $311.8 million, excluding the promissory note and transaction costs, but including cash disposed of $26.1 million. We recognized a gain on the sale of $11.3 million, which is included in Earnings (loss) from discontinued operations and primarily related to transaction costs incurred related to the sale. In accordance with the terms of the agreement, the closing adjustments were finalized with the Buyer in October 2024, resulting in an immaterial adjustment to the purchase price. The transfer of spine business activities in certain jurisdictions ("Deferred Transfer Locations") is deferred until the Buyer has met various legal and regulatory requirements in those jurisdictions. Until such transfer, we continue to control and operate these Deferred Transfer Locations and therefore we continue to consolidate the assets and liabilities and results of operations within discontinued operations in the condensed consolidated balance sheets and statements of operations. Details of the assets and liabilities and results of operations not transferred to the Buyer as of September 30, 2024 are included below. Net profit or loss of the Deferred Transfer Locations are transferred to the Buyer on a monthly basis. The net profit or loss to be transferred to the Buyer is included in Other expense, net within discontinued operations. We currently expect the Deferred Transfer Locations to be transferred within one year of the closing date of the sale. During the three and nine months ended September 30, 2024, one Deferred Transfer Location with an immaterial net asset balance was transferred to the Buyer, and two additional Deferred Transfer Locations with immaterial net asset balances were transferred to the Buyer in October 2024.

In conjunction with the sale of our spine segment, we entered into a Transition Services Agreement ("TSA") to provide certain support services for up to 12 months from the closing date of the sale. These services include, among others, accounting, information technology, human resources, quality assurance, regulatory affairs and customer support. Income recognized related to the TSA is recorded as Other income in our condensed consolidated statements of operations.

Details of earnings (loss) from discontinued operations included in our condensed consolidated statements of operations are as follows (in thousands):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Net Sales				
Third party, net	$ 13,244	$ 97,561	$ 121,642	$ 308,725
Related party, net	—	—	—	103
Total Net Sales	13,244	97,561	121,642	308,828
Cost of products sold, excluding intangible asset amortization	(5,866)	(28,341)	(40,360)	(86,220)
Related party cost of products sold, excluding intangible asset amortization	—	—	—	(97)
Intangible asset amortization	—	(13,837)	—	(41,409)
Research and development	(295)	(5,780)	(7,306)	(20,697)
Selling, general and administrative	(7,009)	(60,849)	(69,227)	(187,748)
Restructuring and other cost reduction initiatives	228	(1,041)	(1,666)	(11,922)
Acquisition, integration, divestiture and related	—	(9)	(11,770)	(377)
Other (expense) income, net	(123)	925	(768)	817
Interest income (expense), net [(1)]	37	(4,224)	(6,245)	(11,922)
Earnings (loss) from discontinued operations before income taxes	216	(15,595)	(15,700)	(50,746)
Adjustment of spine disposal group to fair value [(2)]	—	—	11,143	—
Gain on sale of spine disposal group	—	—	11,284	—
Benefit for income taxes from discontinued operations	548	20,688	3,376	24,801
Earnings (loss) from discontinued operations, net of tax	$ 764	$ 5,093	$ 10,103	$ (25,945)

(1) A portion of the interest on our Term Loan (as defined and described in Note 8) has been allocated to discontinued operations consistent with the amount of proceeds used to repay a portion of the amounts outstanding under our Term Loan in accordance with our Credit Agreement (as defined and described in Note 8).

(2) We performed an impairment analysis of the spine segment in December 2023 on a held-for-sale basis. The fair value of consideration to be received upon closure of the transaction was less than the carrying value of the spine segment's net assets, resulting in a write-down of $289.5 million. We updated our analysis as of March 31, 2024, immediately prior to the sale, which resulted in a reduction of the December 2023 write-down of $11.1 million.

Details of assets and liabilities of discontinued operations are as follows (in thousands):

	As of	
	September 30, 2024	December 31, 2023
Cash and cash equivalents	$ 1,288	$ 16,257
Accounts receivable, less allowance for credit losses	13,554	83,871
Inventories	13,123	130,430
Prepaid expenses and other current assets	71	12,215
Total Current Assets of Discontinued Operations	28,036	242,773
Property, plant and equipment, net	11,153	62,692
Intangible assets, net	—	477,110
Other assets	1,146	14,743
Total Noncurrent Assets of Discontinued Operations	12,299	554,545
Accounts payable	1,416	24,186
Income taxes payable	49	410
Other current liabilities (1)	46,967	51,262
Total Current Liabilities of Discontinued Operations	48,432	75,858
Deferred income taxes	—	86,037
Lease liability	258	8,032
Other long-term liabilities	111	972
Total Noncurrent Liabilities of Discontinued Operations	369	95,041
Adjustment of spine disposal group to fair value (2)	—	(289,456)

(1) Includes our non-cash liability of $40.5 million as of September 30, 2024 to transfer the net assets of the Deferred Transfer Locations to the Buyer.
(2) This adjustment is reflected in Noncurrent assets of discontinued operations in the condensed consolidated balance sheets.

Cash flows attributable to discontinued operations are included on our condensed consolidated statements of cash flows. Significant non-cash operating and investing activities attributable to discontinued operations consisted of the following (in thousands):

	For the Nine Months Ended September 30,	
	2024	2023
Depreciation and amortization	$ 27	$ 68,738
Share-based compensation	712	1,969
Gain on sale of spine disposal group	(22,427)	—
Additions to instruments	1,316	4,341
Additions to other property, plant and equipment	88	447

3. Goodwill and Other Intangible Assets

The following table summarizes the changes in the carrying amount of goodwill (in thousands):

	Total
Balance at December 31, 2023	
Goodwill, Gross	$ 404,111
Accumulated impairment losses	(142,000)
Goodwill, Net	262,111
Currency translation	656
Balance at September 30, 2024	
Goodwill, Gross	404,767
Accumulated impairment losses	(142,000)
Goodwill, Net	$ 262,767

The components of identifiable intangible assets were as follows (in thousands):

	Technology	Trademarks and Trade Names	Customer Relationships	Other	Total[(1)]
As of December 31, 2023:					
Intangible assets subject to amortization:					
Gross carrying amount	$ 168,841	$ 37,056	$ 143,565	$ 47,670	$ 397,132
Accumulated amortization	(113,354)	(23,393)	(98,361)	(47,670)	(282,778)
Total identifiable intangible assets	$ 55,487	$ 13,663	$ 45,204	$ —	$ 114,354
As of September 30, 2024:					
Intangible assets subject to amortization:					
Gross carrying amount	$ 126,478	$ 34,955	$ 142,271	$ 2,032	$ 305,736
Accumulated amortization	(77,462)	(23,418)	(105,073)	(1,532)	(207,485)
Total identifiable intangible assets	$ 49,016	$ 11,537	$ 37,198	$ 500	$ 98,251

(1) During the quarter ended September 30, 2024, we wrote off all fully amortized intangible assets that are no longer in use.

Estimated annual amortization expense for the years ending December 31, 2024 through 2028 based on exchange rates in effect at December 31, 2023 is as follows (in millions):

For the Years Ending December 31,	
2024 (remaining)	$ 6.1
2025	22.2
2026	22.2
2027	16.9
2028	11.8

4. Share-Based Compensation

Conversion Awards

At the time of separation, Zimmer Biomet had share-based compensation plans under which it granted stock options, restricted stock units ("RSUs") and performance-based RSUs. In connection with the distribution, ZimVie employees with outstanding Zimmer Biomet share-based awards received replacement share-based awards. The ratio used to convert the Zimmer Biomet share-based awards was designed to preserve the aggregate intrinsic value of the award immediately after the distribution when compared to the aggregate intrinsic value of the award immediately prior to the distribution. Outstanding RSUs and performance-based RSUs were converted into 0.3 million ZimVie RSUs at a weighted average fair value of $31.55, and outstanding stock options were converted into 2.1 million ZimVie stock options at a weighted average fair value of $14.76. Due to the conversion, ZimVie incurred $21.3 million of incremental share-based compensation expense. Of this amount, $10.3 million was related to unvested and/or unexercised share-based awards and was recognized at the distribution date. The remaining $11.0 million is being recognized over the remainder of the share-based awards' weighted average vesting period of 2.5 years from the date of the distribution.

ZimVie Awards

The ZimVie Inc. 2022 Stock Incentive Plan was established effective as of March 1, 2022, and was amended effective May 12, 2023 (as amended, the "2022 Plan"). A total of 6.0 million shares of common stock are authorized for issuance under the 2022 Plan. Shares issued pursuant to converted Zimmer Biomet share-based awards do not count against this limit. At September 30, 2024, 3.7 million shares were available for future grants and awards under the 2022 Plan. The 2022 Plan provides for the grant of various types of awards including stock options, stock appreciation rights, performance shares, performance units, restricted stock and RSUs. Generally, awards have a three-year vesting period and stock options have a term of ten years. Vesting may accelerate upon retirement after the first anniversary date of the award if certain criteria are met. Additionally, in cases of special circumstances as determined by the Compensation Committee of the Board of Directors, the Compensation Committee may, in its sole discretion, accelerate vesting. We recognize expense on a straight-line basis over the requisite service period, less awards expected to be forfeited using estimated forfeiture rates. Stock options are granted with an exercise price equal to the market price of our common stock on the date of grant, except in limited circumstances where local law may dictate otherwise.

Share-based compensation expense was as follows (in thousands):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Share-based compensation expense recognized in:				
Cost of products sold, excluding intangible asset amortization	$ 104	$ 278	$ 450	$ 846
Research and development	182	334	1,017	1,139
Selling, general and administrative	3,037	4,861	11,006	14,144
	3,323	5,473	12,473	16,129
Tax benefit related to awards	(831)	(1,374)	(3,143)	(4,053)
Total expense, net of tax	$ 2,492	$ 4,099	$ 9,330	$ 12,076

Share-based compensation expense related to discontinued operations is included in the table above and is disclosed in Note 2.

Stock option activity was as follows:

	For the Nine Months Ended September 30, 2024			
	Number of Stock Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value (in Millions)
Outstanding at December 31, 2023	2,303,143	$ 26.83		
Exercised	(1,117)	18.58		
Forfeited	(572,188)	26.11		
Outstanding at September 30, 2024	1,729,838	$ 27.08	5.5	$ —
Exercisable at September 30, 2024	1,438,875	$ 26.88	5.2	$ —

We used a Black-Scholes option-pricing model to determine the fair value of our stock options. For awards granted shortly after the distribution: expected volatility of 52.29% was derived from a peer group's combined historical volatility that was de-levered and re-levered for ZimVie as ZimVie did not have sufficient historical volatility based on the expected term of the underlying options; the expected term of the stock options of 6.0 years was determined using the simplified method; and the risk-free interest rate of 1.94% was determined using the implied yield then available for zero-coupon United States ("U.S.") government issues with a remaining term approximating the expected life of the options. The dividend yield was zero as ZimVie has no plans to pay a dividend for the foreseeable future.

Aggregate intrinsic value was negligible at September 30, 2024. At September 30, 2024, we had unrecognized share-based compensation cost related to unvested stock options of $1.9 million, which is expected to be amortized over the remaining weighted average vesting period of less than one year.

RSU activity was as follows:

	For the Nine Months Ended September 30, 2024	
	Number of RSUs	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2023	1,942,210	$ 15.13
Granted	797,869	17.52
Vested	(553,903)	20.12
Forfeited	(435,226)	13.29
Outstanding at September 30, 2024	1,750,950	$ 15.78

RSUs with performance-based vesting provisions ("PRSUs") declined to zero at September 30, 2024. In September 2024, the Compensation Committee of the Board of Directors approved a modification of all 289,310 outstanding PRSUs. Prior to the modification, the PRSUs could have vested from 0-150% of target based on the level of cumulative achievement of pre-defined performance metrics based on the consolidated results of the dental and spine segments. The PRSUs were payable in common shares and did not have the right to vote until settled. Compensation expense related to the PRSUs was being recognized over a 36-month cliff vesting period, and adjusted as needed for changes in the projected level of achievement of the performance metrics. During the quarter ended September 30, 2024, the Compensation Committee approved a conversion of all outstanding PRSUs into time-based RSUs on a one-for-one basis. The converted awards will cliff-vest on the award's original vesting date. For PRSUs outstanding prior to the conversion that were expected to vest, we determined that there was no change in their fair value immediately after the conversion. For PRSUs outstanding prior to the conversion that were not expected to vest, the fair value of the awards immediately after the conversion increased due to becoming probable of vesting, resulting in $1.2 million of incremental compensation expense that will be recognized over the remaining vesting period of approximately 1.7 years.

At September 30, 2024, we had unrecognized share-based compensation cost related to unvested RSUs of $15.7 million, which is expected to be amortized into earnings over the remaining weighted average vesting period of approximately 1.1 years. The total fair value of RSUs granted during the nine months ended September 30, 2024 and 2023 was $14.0 million and $15.8 million, respectively. The total fair value of RSUs that vested during the nine months ended September 30, 2024 and 2023 was $11.1 million and $6.4 million, respectively.

5. Earnings Per Share

The calculation of weighted average shares for basic and diluted net loss per common share is as follows (in thousands, except per share data):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Net Loss from Continuing Operations of ZimVie Inc.	$ (3,048)	$ (10,182)	$ (24,162)	$ (32,485)
Earnings (loss) from discontinued operations, net of tax	764	5,093	10,103	(25,945)
Net Loss of ZimVie Inc.	$ (2,284)	$ (5,089)	$ (14,059)	$ (58,430)
Weighted average shares outstanding for basic net loss per common share	27,574	26,530	27,369	26,406
Effect of dilutive stock options and other equity awards (1)	—	—	—	—
Weighted average shares outstanding for diluted net loss per common share	27,574	26,530	27,369	26,406
Basic (Loss) Earnings Per Common Share:				
Continuing operations	$ (0.11)	$ (0.38)	$ (0.88)	$ (1.23)
Discontinued operations	0.03	0.19	0.37	(0.98)
Net Loss	$ (0.08)	$ (0.19)	$ (0.51)	$ (2.21)
Diluted (Loss) Earnings Per Common Share:				
Continuing operations	$ (0.11)	$ (0.38)	$ (0.88)	$ (1.23)
Discontinued operations	0.03	0.19	0.37	(0.98)
Net Loss	$ (0.08)	$ (0.19)	$ (0.51)	$ (2.21)

(1) Since we incurred a net loss in each of the three months ended September 30, 2024 and 2023 and the nine months ended September 30, 2024 and 2023, no dilutive stock options or other equity awards were included as diluted shares in those periods.

For the three months ended September 30, 2024 and 2023, a weighted average of 1.8 million and 3.2 million, respectively, and for the nine months ended September 30, 2024 and 2023, a weighted average of 2.1 million and 3.3 million, respectively, options to purchase shares of common stock were not included in the computation of diluted net loss per share as the exercise prices of these options were greater than the average market price of the common stock.

6. Balance Sheet Details

Inventories consisted of the following (in thousands):

	September 30, 2024	December 31, 2023
Finished goods	$ 50,592	$ 54,456
Work-in-progress	22,360	20,659
Raw materials	4,135	4,485
Inventories	$ 77,087	$ 79,600

Amounts related to cost of products sold in the condensed consolidated statements of operations for excess and obsolete inventory were $0.5 million and $0.6 million in the three months ended September 30, 2024 and 2023, respectively, and were $1.6 million and $1.5 million in the nine months ended September 30, 2024 and 2023, respectively.

Other current liabilities consisted of the following (in thousands):

	September 30, 2024	December 31, 2023
Other current liabilities:		
Salaries, wages and benefits	$ 25,307	$ 23,171
Lease liabilities	4,438	4,053
Other liabilities	28,618	39,884
Total other current liabilities	$ 58,363	$ 67,108

7. Fair Value Measurements of Assets and Liabilities

The fair value of foreign currency exchange forward contracts (see Note 9) is determined using Level 2 inputs. The carrying value of our debt (see Note 8) approximates fair value as it bears interest at floating rates. The carrying amounts of other financial instruments (i.e., cash and cash equivalents, restricted cash, bank time deposits, accounts receivable, net, and accounts payable) approximated their fair values at September 30, 2024 and December 31, 2023 due to their short-term nature.

As discussed in Notes 1 and 2, on April 1, 2024, we completed the sale of the spine segment. A portion of the consideration was in the form of a $60.0 million promissory note that accrues interest at a rate of 10% per annum, compounded semi-annually and interest is payable in kind. The note matures on October 1, 2029, contains change of control provisions and allows for optional prepayment at any time. Including consideration of paid-in-kind interest, the fair value of the note was $63.1 million as of September 30, 2024, which was determined using a discounted cash flow analysis, where contractual cash flows were discounted to present value at a risk-adjusted rate of return. The fair value of the note is determined each period by applying the same approach, considering changes to the risk-adjusted rate of return given observed changes to the interest rate environment, market pricing of credit risk and issuer-specific credit risk.

The fair values of acquisition-related contingent payments are estimated using Level 3 inputs. Contingent payments related to acquisitions consist of sales-based payments and are valued using discounted cash flow techniques. The fair value of sales-based payments is based upon probability-weighted future revenue estimates and increases as revenue estimates increase.

The following table provides a reconciliation of the beginning and ending balances of items measured at fair value on a recurring basis that used significant unobservable inputs (Level 3) (in thousands):

	Level 3 - Liabilities
Contingent payments related to acquisitions	
Balance December 31, 2023	$ 9,799
Settlements	(5,213)
Balance September 30, 2024	$ 4,586

8. Debt

Our debt consisted of the following (in thousands):

	September 30, 2024	December 31, 2023
Term loan	$ 221,913	$ 511,912
Debt issuance costs	(1,632)	(3,115)
Total debt	220,281	508,797
Less: current portion	—	—
Total debt due after one year	$ 220,281	$ 508,797

We entered into a Credit Agreement, dated as of December 17, 2021 (the “Credit Agreement”), with JP Morgan Chase Bank, N.A., as administrative agent and syndication agent, and the lenders and issuing banks named therein. The Credit Agreement provides for revolving loans of up to $175.0 million (the “Revolver”) and term loan borrowings of up to $595.0 million (the “Term Loan” and, together with the Revolver, the “Credit Facility”).

As of September 30, 2024, $221.9 million was outstanding on the Term Loan, and there were no outstanding borrowings under the Revolver. On April 1, 2024, we prepaid $275.0 million on the Term Loan using proceeds from the sale of our spine segment (as discussed in Notes 1 and 2), and we wrote off $0.9 million of debt issuance costs. As a result of this prepayment, we have no more scheduled quarterly amortization payments on the Term Loan, and the remaining balance is due at maturity on February 28, 2027. On September 30, 2024, we made an optional prepayment on the Term Loan of $15.0 million.

As of September 30, 2024, our interest rate was the secured overnight financing rate plus the applicable margin of 1.50% for term benchmark borrowings. Commitments under the Revolver are subject to a commitment fee on the unused portion of the Revolver of 25 basis points.

Borrowings under the Credit Facility are collateralized by substantially all of our personal property, including intellectual property and certain real property, and we, along with our subsidiaries party to the Credit Facility, pledged our equity interests in our subsidiaries, subject to materiality thresholds and certain limitations with respect to foreign subsidiaries. The Credit Facility contains various covenants that restrict our ability to take certain actions, including incurrence of indebtedness, creation of liens, mergers or consolidations, dispositions of assets, making certain investments, prepayments or redemptions of subordinated debt, or making certain restricted payments. In addition, the Credit Facility contains financial covenants that require us to maintain a maximum consolidated total net leverage ratio of 6.00 to 1.00. We were in compliance with all covenants as of September 30, 2024.

See Note 9 to our consolidated financial statements included in our Annual Report for additional information on our Credit Agreement.

In April 2023, we financed $4.8 million of our corporate insurance premium, all of which was repaid by June 30, 2023.

9. Derivatives

We enter into foreign currency exchange forward contracts with terms of one to three months in order to manage currency exposures related to monetary assets and liabilities denominated in a currency other than an entity's functional currency. Any foreign currency remeasurement gains or losses recognized in earnings are generally offset with gains or losses on the foreign currency exchange forward contracts in the same reporting period. Outstanding contracts are recorded in our condensed consolidated balance sheets at fair value as of the end of the reporting period. The aggregate notional amounts of these contracts were $20.7 million as of September 30, 2024 and $25.0 million as of December 31, 2023.

Current derivative assets of $0.1 million and $0.4 million as of September 30, 2024 and December 31, 2023, respectively, were included in Prepaid expenses and other current assets on our condensed consolidated balance sheets. Current derivative liabilities of $0 and $0.2 million as of September 30, 2024 and December 31, 2023, respectively, were included in Other current liabilities in our condensed consolidated balance sheets. Gains from these derivative instruments recognized in our condensed consolidated statements of operations in Other income (expense), net were $0.9 million and $0.6 million for the three months ended September 30, 2024 and 2023, respectively, and were $0.5 million and $0.2 million for the nine months ended September 30, 2024 and 2023, respectively.

10. Income Taxes

Our effective tax rate ("ETR") on loss before income taxes was 18.4% and (3.3%) for the three months ended September 30, 2024 and 2023, respectively, and (34.2%) and (5.0%) for the nine months ended September 30, 2024 and 2023, respectively. In the three and nine months ended September 30, 2024 and 2023, the income tax rate was lower than the 21.0% statutory rate due to our mix of earnings and losses across jurisdictions and losses not benefited as a result of valuation allowances.

11. Segment Data

Our Chief Executive Officer is our Chief Operating Decision Maker. He allocates resources to achieve our operating profit goals and historically reviewed business performance through two operating segments, 1) the dental segment, and 2) the spine segment, which also represented our reportable segments. As discussed in Notes 1 and 2, the spine segment is presented as discontinued operations and is not required to be presented in the segment disclosures. Following the sale of our spine segment on April 1, 2024, we operate as a single segment.

We conduct business in the following countries that hold 10% or more of our total combined property, plant and equipment, net (in thousands):

	As of	
	September 30, 2024	**December 31, 2023**
U.S.	$ 31,652	$ 35,444
Spain	14,358	14,431
Other countries	3,604	4,292
Property, plant and equipment, net	$ 49,614	$ 54,167

U.S. and foreign sales (based on the location of the customer) are as follows (in thousands):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
U.S.	$ 65,350	$ 65,003	$ 202,414	$ 204,173
Spain	9,089	10,453	37,257	39,072
Other countries	28,783	29,855	98,557	100,886
Third party sales	$ 103,222	$ 105,311	$ 338,228	$ 344,131

Sales within any other individual country were less than 10% of our combined sales in each of those periods. No single customer accounted for 10% or more of our sales in the three and nine months ended September 30, 2024 and 2023.

12. Commitments and Contingencies

We are subject to contingencies, such as various claims, legal proceedings and investigations regarding product liability, intellectual property, commercial and other matters that arise in the normal course of business. On a quarterly and annual basis, we review relevant information with respect to loss contingencies and update our accruals, disclosures and estimates of reasonably possible losses or ranges of loss based on such reviews. We record liabilities for loss contingencies when it is probable that a loss has been incurred and the amount can be reasonably estimated. For matters where a loss is believed to be reasonably possible, but not probable, no accrual has been made. Legal defense costs expected to be incurred in connection with a loss contingency are accrued when probable and reasonably estimable. The recorded accrual balance for loss contingencies was $1.3 million and $2.6 million as of September 30, 2024 and December 31, 2023, respectively. The decline in the balance was primarily due to loss contingencies that were transferred as part of the sale of the spine segment on April 1, 2024 discussed in Notes 1 and 2. Initiation of new legal proceedings or a change in the status of existing proceedings may result in a change in the estimated loss accrued.

Subject to certain exceptions specified in the Separation Agreement, we assumed the liability for, and control of, all pending and threatened legal matters related to our business, including liabilities for any claims or legal proceedings related to products that had been part of our business, but were discontinued prior to the distribution, as well as assumed or retained liabilities, and will indemnify Zimmer Biomet for any liability arising out of or resulting from such assumed legal matters.

13. Restructuring and Other Cost Reduction Initiatives

In January 2024, we initiated restructuring activities to better structure the organization to support our dental segment after the disposal of the spine segment. During the three and nine months ended September 30, 2024, we recorded pre-tax charges of $0.7 million and $3.5 million, respectively, related to these activities. The restructuring charges incurred under this plan were primarily related to employee termination benefits. We anticipate total charges of approximately $4 to $5 million related to this plan.

In April and July 2023, we initiated restructuring activities to better position our organization for future success based on the then-current business environment. These activities had the objective of reducing our global cost structure and streamlining our organizational infrastructure across all regions, functions and levels. During the three and nine months ended September 30, 2024, the charges recorded under this plan were negligible. During the three and nine months ended September 30, 2023, the pre-tax charges recorded under this plan were $1.3 million and $3.8 million, respectively, primarily related to employee termination fees and professional fees. We have incurred pre-tax charges of $4.1 million from inception through September 30, 2024, and we do not expect to incur future charges under this plan.

In June 2022, we initiated a restructuring plan with the objective of reducing costs and optimizing our global footprint. During the three and nine months ended September 30, 2024, the pre-tax charges recorded under this plan were negligible and $0.2 million, respectively, primarily related to employee termination benefits. During the three and nine months ended September 30, 2023, actions under this plan resulted in pre-tax charges that were negligible. We have incurred pre-tax charges of $3.0 million from inception through September 30, 2024, and we do not expect to incur future charges under this plan.

The following table summarizes the liabilities directly attributable to us that were recognized under the plans discussed above and excludes non-cash charges (in thousands):

	Nine Months Ended September 30,		
	Employee Termination Benefits	Other	Total
Balance, December 31, 2023	$ 947	$ —	$ 947
Additions	3,518	161	3,679
Cash payments	(3,703)	(118)	(3,821)
Balance, September 30, 2024	$ 762	$ 43	$ 805

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following information should be read in conjunction with the interim condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report. Certain percentages presented in this discussion and analysis are calculated from the underlying whole-dollar amounts and therefore may not recalculate from the rounded numbers used for disclosure purposes. The following discussion may contain forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include those factors discussed in this Quarterly Report and in our Annual Report, particularly in "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors."

OVERVIEW

Our History

ZimVie was incorporated in 2021 as a wholly owned subsidiary of Zimmer Biomet for the sole purpose of holding directly or indirectly the assets and liabilities associated with the dental and spine businesses of Zimmer Biomet for distribution. The distribution of the dental and spine businesses was completed on March 1, 2022, and resulted in ZimVie becoming a standalone, publicly traded company. Following the distribution, Zimmer Biomet initially retained 19.7% of the outstanding shares of ZimVie common stock, and all transactions between ZimVie and Zimmer Biomet from the distribution to February 1, 2023 were reported as related party transactions. As of February 1, 2023, Zimmer Biomet had sold all of its 19.7% ownership in ZimVie and is no longer considered a related party. As such, transactions with Zimmer Biomet subsequent to February 1, 2023 are reported as third party transactions.

Sale of Spine Segment

On December 15, 2023, we entered into a definitive agreement to sell our spine segment to an affiliate of H.I.G. Capital. On April 1, 2024, we completed the sale of our spine segment for a total purchase price of $377.2 million (inclusive of $2.2 million in preliminary closing adjustments), subject to certain customary adjustments as set forth in the agreement, received proceeds of $311.8 million, excluding the promissory note and transaction costs, but including cash disposed of $26.1 million, and recorded a gain on the sale of $11.3 million. See additional information in Notes 1 and 2 to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report.

Our Company

ZimVie is a leading medical technology company dedicated to enhancing the quality of life for dental patients worldwide. Prior to the closing of the sale of our spine segment, our operations were principally managed on a products basis and included two operating segments, 1) the dental products segment, and 2) the spine products segment. Following the sale of our spine segment on April 1, 2024, we operate as a single segment.

Since the sale of our spine segment, our core services include designing, manufacturing and distributing dental implant systems. We develop, manufacture and market a comprehensive portfolio of products and solutions designed to support dental tooth replacement and restoration procedures. Dental reconstructive implants are for individuals who are totally without teeth or are missing one or more teeth, dental prosthetic products are aimed at providing a more natural restoration to resemble the original teeth, and dental regenerative products are for soft tissue and bone rehabilitation.

Prior to the sale of our spine segment, the core services of our spine segment included designing, manufacturing and distributing medical devices and surgical instruments to deliver comprehensive solutions for individuals with back or neck pain caused by degenerative conditions, deformities or traumatic injury of the spine. Our broad portfolio addressed all areas of spine with market leadership in cervical disc replacement and vertebral body tethering to treat pediatric scoliosis. We also provided devices that promote bone healing.

RESTRUCTURING AND OTHER COST REDUCTION INITIATIVES

Below is a summary of our restructuring and other cost reduction initiatives. For further information, refer to our discussion of expenses below under "Results of Operations - Three and Nine Months Ended September 30, 2024 and 2023 - Operating Expenses" and in Note 13 to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report.

2024 Program

In January 2024, we initiated restructuring activities to better structure the organization to support our dental segment following the disposal of the spine segment, as discussed in the "Overview - Sale of Spine Segment" above.

2023 Programs

In April and July 2023, we initiated restructuring activities to better position our organization for future success based on the then-current business environment. These activities had the objective of reducing our global cost structure and streamlining our organizational infrastructure across all regions, functions and levels. These programs were substantially complete as of March 31, 2024.

2022 Program

In June 2022, we initiated a restructuring plan with the objective of reducing costs and optimizing our global footprint. This program was substantially complete as of June 30, 2024.

RESULTS OF OPERATIONS

As discussed above in the "Overview," we entered into a definitive agreement in December 2023 to sell our spine segment, which closed on April 1, 2024. As such, the historical results of our spine segment have been reflected as discontinued operations in our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report, and the following discussion is presented on a continuing operations basis. See Notes 1 and 2 to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report for details of the financial condition, results of operations and selected cash flows of our spine segment.

Three and Nine Months Ended September 30, 2024 and 2023

Net Sales

The following table presents net sales and the components of the percentage changes ($ in thousands):

	Three Months Ended September 30,					
	2024	2023	% Inc/(Dec)	Volume/Mix	Price	Foreign Exchange
Third party, net	$ 103,222	$ 105,311	(2.0)%	(1.3)%	(0.9)%	0.2%
Related party, net	—	—	—	N/A	N/A	N/A
Total Net Sales	$ 103,222	$ 105,311	(2.0)%	(1.3)%	(0.9)%	0.2%

	Nine Months Ended September 30,					
	2024	2023	% Inc/(Dec)	Volume/Mix	Price	Foreign Exchange
Third party, net	$ 338,228	$ 344,131	(1.7)%	(0.2)%	(1.1)%	(0.4)%
Related party, net	—	236	(100.0)%	(100.0)%	N/A	N/A
Total Net Sales	$ 338,228	$ 344,367	(1.8)%	(0.3)%	(1.1)%	(0.4)%

Volume/Mix Trends

Volume decreased in the three and nine months ended September 30, 2024 compared to the same prior year periods. Lower dental implant and capital equipment sales were partially offset by growth in digital dentistry and biomaterials sales during the three months ended September 30, 2024, as compared to the same prior year period. Lower capital equipment and dental implant sales were partially offset by growth in digital dentistry and biomaterials sales during the nine months ended September 30, 2024, as compared to the same prior year period.

Pricing Trends

We experienced a price decline in the three and nine months ended September 30, 2024 compared to the same prior year periods, primarily related to pricing pressures on premium dental implant system sales in North America, resulting from a customer mix shift and customer consolidation in the specialty segment, as well as declines in pricing in China resulting from volume-based pricing.

Foreign Currency Exchange Rates

In countries where we have a subsidiary, we sell to customers in their local currencies. Accordingly, our net sales as reported in U.S. Dollars are affected by changes in foreign currency exchange rates. We are primarily exposed to foreign currency exchange rate risk with respect to net sales denominated in Euros and Japanese Yen. For the three months ended September 30, 2024, foreign exchange fluctuations had a small positive effect on year-over-year sales, mainly due to the strengthening of the Euro against the U.S. Dollar, partially offset by the weakening of the Japanese Yen against the U.S. Dollar. For the nine months ended September 30, 2024, foreign exchange fluctuations had a negative effect on year-over-year sales, mainly due to the weakening of the Japanese Yen against the U.S. Dollar.

Expenses as a Percent of Net Sales

	Three Months Ended September 30,		
	2024	2023	2024 vs 2023 Inc/(Dec)
Cost of products sold including related party, excluding intangible asset amortization	34.7%	35.0%	(0.3)%
Intangible asset amortization	5.8	6.4	(0.6)
Research and development	6.7	5.4	1.3
Selling, general and administrative	55.5	53.7	1.8
Restructuring and other cost reduction initiatives	0.7	1.3	(0.6)
Acquisition, integration, divestiture and related	1.2	1.8	(0.6)
Operating Loss	(4.7)	(3.7)	1.0

	Nine Months Ended September 30,		
	2024	2023	2024 vs 2023 Inc/(Dec)
Cost of products sold including related party, excluding intangible asset amortization	36.5%	36.2%	0.3%
Intangible asset amortization	5.3	5.9	(0.6)
Research and development	6.0	5.6	0.4
Selling, general and administrative	53.2	54.0	(0.8)
Restructuring and other cost reduction initiatives	1.1	1.1	-
Acquisition, integration, divestiture and related	2.1	1.3	0.8
Operating Loss	(4.2)	(4.2)	-

Cost of Products Sold and Intangible Asset Amortization

Cost of products sold in dollars declined in the three and nine months ended September 30, 2024 as compared to the same prior year periods, primarily due to the decline in sales as discussed above. Cost of products sold as a percentage of net sales in the three months ended September 30, 2024 decreased as compared to the same prior year period, primarily as a result of a mix shift to higher margin products. Cost of products sold as a percentage of net sales in the nine months ended September 30, 2024 increased as compared to the same prior year period primarily due to the negative impact of price declines on sales as discussed above in "Net Sales - Pricing Trends."

Intangible asset amortization decreased in dollars and as a percentage of net sales in the three and nine months ended September 30, 2024 as compared to the same prior year periods, primarily due to certain intangible assets becoming fully amortized in 2023.

Operating Expenses

Research and development ("R&D") expenses increased in dollars and as a percentage of net sales in the three and nine months ended September 30, 2024 as compared to the same prior year periods. The increases in the three-month period were primarily due to professional service fees related to new product development and launches ($0.6 million), compensation expense ($0.4 million) and supplies ($0.3 million). The increases in the nine-month period were primarily due to professional service fees related to new product development and launches ($0.4 million) and compensation expense ($0.2 million).

Selling, general and administrative ("SG&A") expenses increased in dollars and as a percentage of sales in the three months ended September 30, 2024 as compared to the same prior year period. Increases in compensation expense ($1.1 million), travel and entertainment expense ($0.5 million) and marketing expense ($0.5 million) were partially offset by decreases in professional services fees ($1.1 million).

SG&A expenses decreased in dollars and as a percentage of net sales in the nine months ended September 30, 2024, as compared to the same prior year period, generally due to savings from our announced restructuring and other cost reduction initiatives. Specifically, the decline in SG&A was primarily attributable to decreases in compensation and recruiting expense ($1.7 million), professional services fees ($1.4 million) and TSA expenses related to our separation from Zimmer Biomet ($0.7 million).

Expenses resulting from restructuring and other cost reduction initiatives relate to various restructuring plans as discussed above. We recognized expense of $0.7 million and $1.4 million in the three months ended September 30, 2024 and 2023, respectively, primarily related to employee termination benefits. We recognized expense of $3.7 million and $3.9 million in the nine months ended September 30, 2024 and 2023, respectively, primarily related to employee termination benefits, as well as professional services fees. For more information regarding these expenses, see Note 13 to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report.

Acquisition, integration, divestiture and related expenses include costs incurred to prepare for and complete the separation from Zimmer Biomet (such as professional fees, transition services agreements, costs to stand up our corporate organization and infrastructure), changes in the fair value of contingent consideration for acquisitions closed prior to the separation date and transaction costs related to the disposal of our spine segment. Acquisition, integration, divestiture and related expenses decreased by $0.7 million for the three months ended September 30, 2024, as compared to the same prior year period, due primarily to a fair value adjustment of the promissory note related to the sale of the spine segment ($1.2 million) and decreases in separation-related expenses ($0.5 million), partially offset by transaction costs related to the evaluation of strategic options for our portfolio, including costs incurred related to the disposal of the spine segment (see Notes 1 and 2 to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report) ($1.1 million). Acquisition, integration, divestiture and related expenses increased by $2.3 million for the nine months ended September 30, 2024 as compared to the same prior year period, due primarily to transaction costs related to the evaluation of strategic options for our portfolio, including costs incurred related to the disposal of the spine segment (see Notes 1 and 2 to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report) ($5.3 million), partially offset by decreases in separation-related expenses ($3.2 million).

Other Income (Expense), net, Interest Income, Interest Expense and Income Taxes

Our other income (expense), net, relates to TSA income, as well as the remeasurement of monetary assets and liabilities that are denominated in a currency other than the subsidiary's functional currency. We recognized $3.2 million and $6.6 million of TSA income in the three and nine months ended September 30, 2024 and 2023, respectively, related to the sale of the spine segment. Income or expense related to the remeasurement of monetary assets and liabilities varies based upon the volatility of foreign currency exchange rates.

Interest income in the three and nine months ended September 30, 2024 increased compared to the same prior year periods, due primarily to interest income from the promissory note received as partial consideration for the sale of the spine segment (see Note 2 to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report).

Interest expense in the three and nine months ended September 30, 2024 decreased compared to the same prior year periods, due primarily to a reduction in outstanding debt (see Note 8 to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report), as well as a reduction in interest rates.

Our ETR on loss before income taxes was 18.4% and (3.3%) for the three months ended September 30, 2024 and 2023, and (34.2%) and (5.0%), respectively, for the nine months ended September 30, 2024 and 2023, respectively. In the three and nine months ended September 30, 2024, the income tax rate was lower than the 21.0% statutory rate due to our mix of earnings and losses across jurisdictions and losses not benefited as a result of valuation allowances.

Our ETR in future periods could also potentially be impacted by: changes in our mix of pre-tax earnings; changes in tax rates, tax laws or their interpretation; the outcome of various federal, state and foreign audits; and the expiration of certain statutes of limitations. Currently, we cannot reasonably estimate the impact of these items on our financial results.

LIQUIDITY AND CAPITAL RESOURCES

The following discussion represents the combined liquidity and capital resources of continuing and discontinued operations.

As of September 30, 2024 and December 31, 2023, we had $68.1 million and $87.8 million, respectively, in cash and cash equivalents.

Sources of Liquidity

Cash flows (used in) provided by operating activities were $(7.3) million and $15.7 million in the nine months ended September 30, 2024 and 2023, respectively. Working capital for the nine months ended September 30, 2024 used cash of $4.8 million primarily due to cash used by accounts payable and accrued liabilities, accounts receivable and prepaid expenses and other current assets, partially offset by cash provided by inventories and income taxes. Working capital for the nine months ended September 30, 2023 used cash of $21.5 million due to cash used for income taxes, accounts payable and accrued liabilities and related party payables, partially offset by cash provided by inventories, accounts receivable, related party receivables and prepaid expenses and other current assets.

Cash flows provided by (used in) investing activities were $285.2 million and $(12.4) million in the nine months ended September 30, 2024 and 2023, respectively. In the current year period, we received proceeds of $291.1 million, net of cash disposed, from the sale of the spine segment (as discussed in Notes 1 and 2). Reductions in additions to instruments and other property, plant and equipment in the nine months ended September 30, 2024 compared to the same prior year period were primarily due to the sale of the spine segment.

Cash flows used in financing activities were $295.4 million and $16.8 million for the nine months ended September 30, 2024 and 2023, respectively. In the current year period, we prepaid $275.0 million on the Term Loan using proceeds from the sale of our spine segment (as discussed in Notes 1 and 2) and made optional prepayments on the Term Loan of $15.0 million. In the prior year period, we made optional prepayments on the Term Loan of $17.5 million, which represented the aggregate amount of the mandatory scheduled principal payments due in the first nine months of 2024.

Liquidity and Capital Resources

For additional information regarding our current debt arrangements, see Note 9 to our consolidated financial statements included in our Annual Report. In addition, for information regarding our other material estimated future cash requirements under our contractual obligations and certain other commitments, see “Material Cash Requirements” in Part II, Item 7, Management’s Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report. There have been no material changes to such information except as set forth herein.

We believe that available cash and cash equivalents, cash flows generated through operations and cash available under our revolving credit facility will be sufficient to meet our liquidity needs, including capital expenditures, for at least the next 12 months. On April 1, 2024, we prepaid $275.0 million on the Term Loan using proceeds from the sale of our spine segment (as discussed in Notes 1 and 2), and we wrote off $0.9 million of debt issuance costs. As a result of this prepayment, we have no more scheduled quarterly amortization payments on the Term Loan, and the remaining balance is due at maturity on February 28, 2027.

CRITICAL ACCOUNTING ESTIMATES

Our financial results are affected by the selection and application of accounting policies and methods and require us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Critical accounting estimates are those that involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on our financial condition and results of operations. There were no changes in the three and nine months ended September 30, 2024 to the application of our critical accounting estimates as described in our Annual Report.

ACCOUNTING DEVELOPMENTS

See Note 1 to our condensed consolidated financial statements included in this Quarterly Report for information on how recent accounting pronouncements have affected or may affect our financial position, results of operations or cash flows.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Market Risk

We are exposed to certain market risks as part of our ongoing business operations, including risks from changes in foreign currency exchange rates, interest rates and commodity prices that could affect our financial condition, results of operations and cash flows.

Foreign Currency Exchange Risk

We operate on a global basis and are exposed to the risk that our financial condition, results of operations and cash flows could be adversely affected by changes in foreign currency exchange rates. We are primarily exposed to foreign currency exchange rate risk with respect to transactions and net assets denominated in Euros, Japanese Yen, Canadian Dollars, British Pounds, and Swiss Francs. We manage our foreign currency exposure centrally, on a combined basis, which allows us to net exposures and to take advantage of any natural offsets. To reduce the uncertainty of foreign currency exchange rate movements on transactions denominated in foreign currencies, we enter into derivative financial instruments in the form of foreign currency exchange forward contracts with major financial institutions. These forward contracts are designed to reduce the foreign exchange impact monetary assets and liabilities in non-functional currencies have on our financial results. Realized and unrealized gains and losses on these contracts are recognized in other (expense) income, net.

Commodity Price Risk

We purchase raw material commodities such as cobalt chrome, titanium, tantalum, polymer and sterile packaging. We enter into supply contracts generally with terms of 12 to 24 months, where available, on these commodities to alleviate the effect of market fluctuations in prices. As part of our risk management program, we perform sensitivity analyses related to potential commodity price changes. A 10% price change across all these commodities would not have a material effect on our condensed consolidated financial position, results of operations or cash flows.

Interest Rate Risk

Our interest expense and related risks as reported in our condensed consolidated statements of operations are due to borrowings under our credit agreement. As of September 30, 2024, we had $221.9 million of floating rate debt subject to the adjusted term secured overnight financing rate ("SOFR"). A hypothetical increase of 100 basis points in SOFR to our floating rate debt would, among other things, decrease our annual pre-tax results of operations by $2.2 million.

Credit Risk

Financial instruments, which potentially subject us to concentrations of credit risk, are primarily cash and cash equivalents, derivative instruments and accounts receivable.

We place our cash and cash equivalents with highly rated financial institutions and limit the amount of credit exposure to any one entity. We believe we do not have any significant credit risk on our cash and cash equivalents.

Our concentrations of credit risks with respect to trade accounts receivable are limited due to the large number of customers and their dispersion across a number of geographic areas and by frequent monitoring of the creditworthiness of the customers to whom credit is granted in the normal course of business. Substantially all of our trade receivables are concentrated in the public and private hospital and dental practices in the healthcare industry in the U.S. and internationally or with distributors or dealers who operate in international markets and, accordingly, are exposed to their respective business, economic and country-specific variables. Our ability to collect accounts receivable in some countries depends in part upon the financial stability of these hospital and healthcare sectors and the respective countries' national economic and healthcare systems. Most notably, in Europe healthcare is typically sponsored by the government. Since we sell products to public hospitals in those countries, we are indirectly exposed to government budget constraints. To the extent the respective governments' ability to fund their public hospital programs deteriorates, we may have to record significant bad debt expenses in the future.

While we are exposed to risks from the broader healthcare industry in Europe and around the world, there is no significant net exposure due to any individual customer. Exposure to credit risk is controlled through credit approvals, credit limits and monitoring procedures, and we believe that reserves for losses are adequate.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of our disclosure controls and procedures as defined under Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended ("Exchange Act"). Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of September 30, 2024 to provide reasonable assurance that information required to be disclosed in our reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the three months ended September 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

We are subject to various claims, legal proceedings and investigations regarding product liability, intellectual property, commercial and other matters that arise in the normal course of business. We currently do not expect the outcome of these matters to have a material adverse impact on our results of operations, cash flows or financial position. However, the outcome of such matters is unpredictable, our assessment of them may change, and resolution of them could have a material adverse effect on our financial position, results of operations or cash flows.

For additional information related to our contingencies, see Note 12 to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report, which is incorporated herein by reference.

Item 1A. Risk Factors.

Careful consideration should be given to the factors discussed in Part I, Item 1A, "Risk Factors" of our Annual Report, which could materially affect our business, financial condition and results of operations. Except as set forth below, there have been no material changes in those risk factors. The risks described in our Annual Report are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or results of operations.

Due to the completion of the sale of our spine segment on April 1, 2024, the risk factor in our Annual Report entitled "*The pending sale of our spine business (the "Pending Transaction") is subject to various risks, uncertainties and conditions and may not be completed on the terms or timeline currently contemplated, if at all.*" no longer applies.

The risk factor in our Annual Report entitled "*We may be unable to achieve some or all of the strategic and financial benefits that we expect to achieve from the Pending Transaction."* is replaced in its entirety by the following:

> ***We may be unable to achieve some or all of the strategic and financial benefits that we expect to achieve from the sale of our spine segment (the "Transaction").***
>
> We are using the net proceeds from the Transaction to repay debt and invest in our dental business. The anticipated operational, financial, strategic and other benefits from the Transaction may not be achieved and could have an adverse impact on our business, financial condition and results of operations. The anticipated benefits are based on a number of assumptions, some of which may prove incorrect, and could be affected by a number of factors beyond our control, including, without limitation, general economic conditions, increased operating costs, regulatory developments and the other risks described in these risk factors.

The risk factor in our Annual Report entitled "*If the Pending Transaction is completed, we will be a smaller, less diversified company than as we exist today.*" is replaced in its entirety by the following:

> ***The Transaction has resulted in us being a smaller, less diversified company.***
>
> The Transaction has resulted in us being a smaller, less diversified company that is significantly more reliant on our remaining dental business. As a result, we may be more vulnerable to changing market conditions, which could have a material adverse effect on our business, financial condition, and results of operations. The diversification of revenues, costs and cash flows has diminished as a result of the Transaction, such that our results of operations, cash flows, working capital, and effective tax rate may be subject to increased volatility and our ability to fund capital expenditures, investments and service debt may be diminished. As a result of the Transaction, we are incurring ongoing costs that were previously allocated to the spine segment. Those costs may exceed our estimates and could diminish the benefits we expect to realize from the Transaction.

Item 5. Other Information.

During the three months ended September 30, 2024, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act or any non-Rule 10b5-1 trading arrangement (as defined in the SEC's rules).

Item 6. Exhibits.

Exhibit Index

Exhibit Number	Description
2.1^	Equity Purchase Agreement, dated as of December 15, 2023, among ZimVie Inc., ZEB Buyer, LLC and Zimmer Biomet Spine, LLC (formerly Zimmer Biomet Spine, Inc.) (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed with the SEC on December 18, 2023).
2.2^	Letter Agreement, dated as of March 29, 2024, to Equity Purchase Agreement, dated as of December 15, 2023, among ZimVie Inc., ZEB Buyer, LLC and Zimmer Biomet Spine, LLC (formerly Zimmer Biomet Spine, Inc.) (incorporated by reference to Exhibit 2.2 to the Company's Quarterly Report on Form 10-Q filed with the SEC on May 8, 2024)
3.1	Amended and Restated Certificate of Incorporation of ZimVie Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on March 1, 2022).
3.2	Amended and Restated Bylaws of ZimVie Inc., effective as of February 17, 2023 (incorporated by reference to Exhibit 3.2 to the Company's Annual Report on Form 10-K filed with the SEC on March 1, 2023).
21*	List of Subsidiaries.
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema with Embedded Linkbase Documents
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith

^ Schedules and exhibits to this exhibit have been omitted pursuant to Item 601(b)(2) of Regulation S-K. ZimVie hereby undertakes to furnish copies of any of the omitted schedules and exhibits upon request by the SEC.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ZimVie Inc.

Date: October 30, 2024

By: /s/ Richard Heppenstall

Richard Heppenstall
Executive Vice President, Chief Financial Officer and Treasurer
(Principal Financial Officer)

Exhibit 21

Subsidiaries of ZimVie Inc.
As of September 30, 2024

Name of Subsidiary	**Jurisdiction of Formation**
Domestic subsidiaries:	
Biomet 3i, LLC	Florida
dba ZimVie	
dba Zimmer Biomet Dental	
dba ZimVie Dental	
Implant Concierge, LLC	Texas
Zimmer Dental Inc.	Delaware
dba ZimVie Dental	
ZimVie Holdings US 1 LLC	Delaware
ZimVie Holdings US 2 LLC	Delaware
ZimVie US Corp LLC	Delaware
Foreign subsidiaries:	
Biomet 3i Australia Pty. Ltd.	Australia
ZimVie Austria GmbH	Austria
ZimVie Belgium N.V.	Belgium
ZimVie Brasil Comercio, Importacao e Exportacao de Produtos Medicos Ltda.	Brazil
Zimmer Biomet Dental Canada Inc.	Canada
ZimVie Chile Spa	Chile
ZimVie (Shanghai) Medical Device Co. Ltd.	China
IC Guided Surgery, SRL	Costa Rica
Zimmer Dental SAS	France
Zfx GmbH	Germany
ZimVie Germany GmbH	Germany
ZB Dental India Private Limited	India
Zimmer Dental Ltd.	Israel
3DIEMME Srl	Italy
Zfx Innovation Srl	Italy
Zimmer Dental Italy Srl	Italy
ZimVie Japan G.K.	Japan
JERDS Luxembourg Holding S.ar.l	Luxembourg
Biomet 3i Mexico S.A. de C.V.	Mexico
ZimVie Netherlands B.V.	Netherlands
ZimVie Netherlands Global Holding B.V.	Netherlands
ZimVie Netherlands Holding B.V.	Netherlands
ZimVie Portugal Unipessoal, Lda.	Portugal
Biomet 3i Dental Iberica SLU	Spain
Biomet 3i Switzerland GmbH (Biomet 3i Schweiz GmbH)	Switzerland
Biomet 3i UK Ltd.	United Kingdom

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Vafa Jamali, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ZimVie Inc.;

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

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

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

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

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

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

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

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

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

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

Date: October 30, 2024

By: /s/ Vafa Jamali
Vafa Jamali
Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Richard Heppenstall, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ZimVie Inc.;

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

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

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

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

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

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

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

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

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

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

Date: October 30, 2024

By: /s/ Richard Heppenstall
Richard Heppenstall
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of ZimVie Inc. (the "Company") on Form 10-Q for the period ended September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: October 30, 2024

By: /s/ Vafa Jamali
Vafa Jamali
Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of ZimVie Inc. (the “Company”) on Form 10-Q for the period ended September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: October 30, 2024

By: /s/ Richard Heppenstall
Richard Heppenstall
Chief Financial Officer