



# Business Update

December 18, 2023

# Forward-looking statements and Non-GAAP measures

## **Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995**

This presentation contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, but are not limited to, statements concerning ZimVie's expectations, plans, prospects and product and service offerings, including expected benefits, opportunities and other prospects if the spine business is divested. 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: uncertainties as to the timing of the sale of the spine business and the risk that the transaction may not be completed in a timely manner or at all; the possibility that any or all of the conditions to the consummation of the sale of the spine business may not be satisfied or waived; the effect of the announcement or pendency of the transaction on ZimVie's ability to retain and hire key personnel and to maintain relationships with customers, suppliers and other business partners; and risks related to diverting management's attention from ZimVie's ongoing business operations and uncertainties and matters beyond the control of management. For a list and description of other such risks, uncertainties, and changes in circumstances, see ZimVie's periodic reports filed with the U.S. Securities and Exchange Commission (the "SEC"). These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in ZimVie's filings with the SEC. Forward-looking statements speak only as of the date they are made, and ZimVie disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. You are cautioned not to rely on these forward-looking statements, since there can be no assurance that these forward-looking statements will prove to be accurate. This cautionary note is applicable to all forward-looking statements contained in this presentation.

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

This presentation also includes certain forward-looking non-GAAP financial measures including adjusted EBITDA margin, net debt, and free cash flow conversion for the year ending December 31, 2023, for the period ending one year after the proposed closing of the sale of our spine business, and over the long-term following the proposed closing of the sale of our spine business. We calculate forward-looking non-GAAP financial measures based on internal forecasts that omit certain amounts that would be included in GAAP financial measures. We have not provided quantitative reconciliations of these forward-looking non-GAAP financial measures to the most directly comparable forward-looking GAAP financial measures because the GAAP measures cannot be reliably estimated and the reconciliations cannot be performed without unreasonable effort due to their dependence on future uncertainties, such as the timing of certain transactions, including the proposed sale of our spine business, and adjusting items that the Company cannot reasonably predict at this time but which may have a material impact on our future GAAP results.

# Announcing strategic simplification



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Divesting spine business

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Focuses our strategy as an end-to-end dental company with a leading product portfolio

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Builds a strong foundation for growth and value creation

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Improving growth profile and cash flow, while reducing leverage

# Transaction overview

## Transaction value and structure

- Transaction value of \$375M
- \$315M cash consideration; \$60M seller note at 10.0% PIK

## Use of proceeds<sup>(1)</sup>

- Proceeds from spine sale expected to be used for debt repayment
- Net debt<sup>(2,3)</sup> expected to be <\$200M at end of year 1, post-close

## Timing/closing conditions

- Expected closing: H1 2024
- Closing subject to customary closing conditions, including required regulatory approvals

## Expected transaction benefits

- Expected to be accretive to revenue growth rates, EBITDA margin, and cash conversion rates
- Well positioned to pursue attractive, higher-growth dental market
- Sharpens focus as a pure-play dental company, streamlines operations and provides strategic flexibility

(1) Proceeds net of tax and deal-related expenses.

(2) This is a non-GAAP financial measure for which a reconciliation to the most directly comparable GAAP financial measure is not available without unreasonable efforts. Refer to "Forward-looking statements and Non-GAAP measures" slide of this presentation, which identifies the information that is unavailable without unreasonable efforts and provides additional information.

(3) Excludes proceeds from expected future repayment of seller note.

# Transaction will reposition ZimVie

	Where we are ( <i>dental and spine</i> )	Where we are going ( <i>2024+</i> )
<b>Operating segments</b>	2 distinct businesses	<b>1 pure-play dental company</b>
<b>End market growth</b>	Mid-single-digit	<b>Mid-single-digit to High-single-digit</b>
<b>Facilities</b> <i>(Mfg./Offices/Distribution)</i>	9	<b>4</b>
<b>Global distribution</b>	~50% direct sales force / ~50% specialty partners	<b>Direct sales force of 90%+</b>
<b>Employees</b>	~2,600 employees + ~500 3 <sup>rd</sup> party commercial agents	<b>~1,800 dedicated, dental employees</b>

Transaction simplifies ZimVie’s portfolio and enhances focus on growth and operational efficiency



# ZimVie: Focused on global dental leadership

**Powerful, market-leading portfolio** of premium implants, biomaterials, and digital dentistry with exposure to MSD/HSD growth end-markets

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Well positioned to **accelerate growth** within large, attractive, and underserved markets through **differentiated technologies**

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Opportunity to **improve operating leverage** through leaner cost structure and optimized product manufacturing

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Opportunity to **improve cash flow conversion rates** through a disciplined financial framework

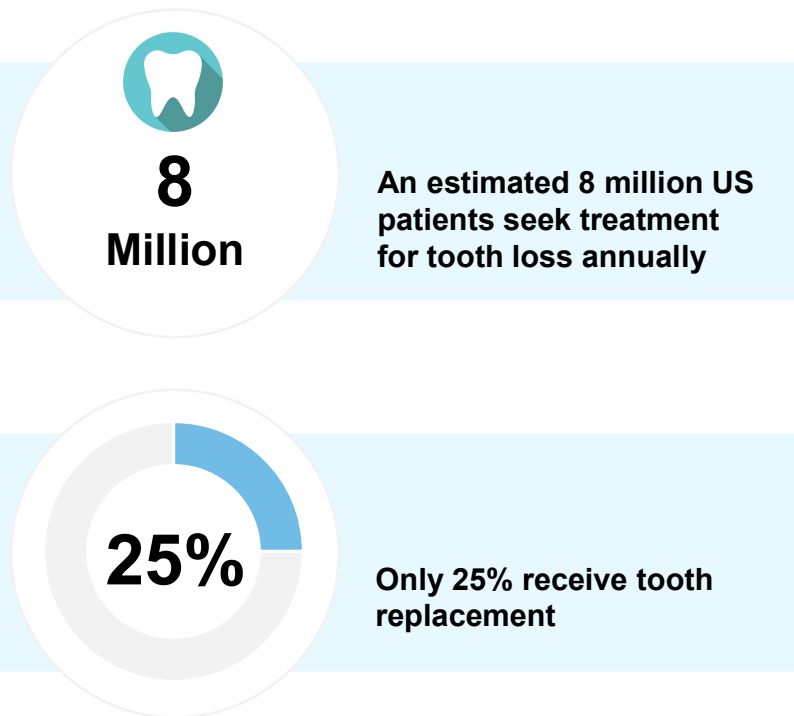
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Continue to **build customer intimacy and expand portfolio adoption** through our global direct sales force & specialty partners



# Significant, unmet need for tooth replacement

Leading player in the following attractive dental segments



2021 Market Opportunity

2021-2026E<sup>(1)</sup> CAGR



Dental implants

**\$5B**

**Mid Single Digit**



Digital solutions

**\$2B**

**High Single Digit**



Biomaterials

**\$1B**

**Mid Single Digit**

(1) Estimates are not precise and based on company estimates.

# Diversified dental portfolio addresses end-to-end patient needs



## Implant Growth: Innovation & Execution

Increase Penetration of  
Implants through Continued  
Innovation and Commercial  
Execution



## Biomaterials Pull-Through

Leverage Leadership  
Position to Drive Implant  
Conversion



## Digital Dentistry Pull-Through

Drive Digital Workflow  
Adoption and Implant  
Penetration



## Geographic Expansion

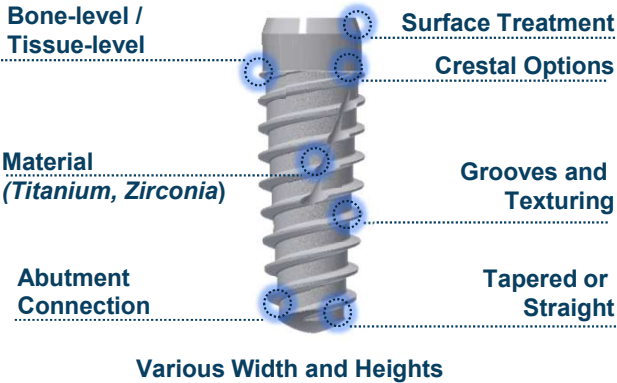
Scale ZimVie Presence  
Across Geographies with  
Low Share

Large unmet need in tooth replacement creates significant opportunity  
for long-term market penetration, expansion and growth



# Delivering fully integrated and end-to-end implant-based tooth replacement solutions

## Driving Premium Implant Growth Through Innovation



## Leveraging Biomaterials Leadership Position

### Types of Biomaterials:

**Allografts** – bone substitute derived from human donors



**Xenografts / Synthetics** – bone substitute derived from animals or biocompatible materials



**Membranes** – membrane for guided bone regeneration procedures



## Digital Dentistry Driving Implant Adoption



Comprehensive line of premium implant systems, meeting the varying needs of oral surgeons / dental clinicians with a wide range of indications



Leading biomaterial solutions increase the size of our patient pool that can qualify for tooth replacement



A fully integrated and efficient workflow with predictable outcomes increases adoption

# Financial outlook

	2023 Guidance (Before impact due to Spine Business Divestiture Agreement) <sup>(1)</sup>	Year 1 Post-Close
<b>Net Sales</b>	\$860M to \$870M	\$450M+
<b>Adjusted EBITDA Margin<sup>(2)</sup></b>	13.5% to 14.0%	15%+
	Q3 2023	Year 1 Post-Close
<b>Net Debt</b>	~\$440M <sup>(3)</sup>	<\$200M <sup>(4)</sup> Excludes proceeds from expected future repayment of seller note

## Drivers of financial progress

Sales growth above market

Operational simplification and efficiency

Best-in-class portfolio

Commercial excellence

## Transition year in 2024 to build a strong foundation for long-term performance

- (1) This guidance does not take into account or reflect the impact that the execution of the spine business divestiture agreements will have on ZimVie's 2023 financial statements, such as requirements related to classification of assets held for sale and discontinued operations.
- (2) This is a non-GAAP financial measure for which a reconciliation to the most directly comparable GAAP financial measure is not available without unreasonable efforts. Refer to "Forward-looking statements and Non-GAAP measures" slide of this presentation, which identifies the information that is unavailable without unreasonable efforts and provides additional information.
- (3) Represents net debt at September 30, 2023. Net debt is a non-GAAP financial measure, and is reconciled to total debt, the most directly comparable GAAP measure, as follows, as of September 30, 2023: Total debt of \$515.5 million, less cash and cash equivalents of \$75.5 million, equaling \$440 million.
- (4) Represents projected net debt one year following the closing of the sale of the spine business and excludes proceeds from expected future repayment of seller note to ZimVie. This is a forward-looking non-GAAP measure for which a reconciliation to the most directly comparable GAAP financial measure is not available without unreasonable efforts. Refer to "Forward-looking statements and Non-GAAP measures" slide of this presentation, which identifies the information that is unavailable without unreasonable efforts and provides additional information.

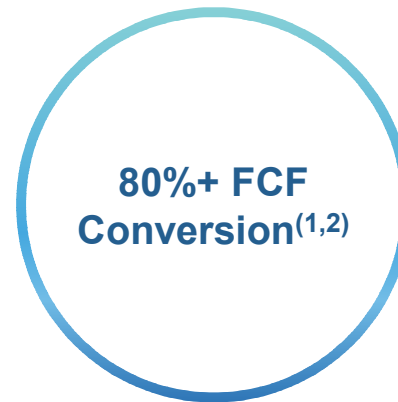
# Long-term financial outlook



*Innovation pipeline poised to accelerate growth in faster growing end markets*



*Focused operational and commercial efficiency programs underway*



*Build upon already solid Dental free cash flow conversion profile*



*Enable flexible capital allocation strategy*

Drive progress across the business to create long-term shareholder value

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(2) Excluding corporate costs.